SEC eFast Final Acceptance

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Date: Wednesday, May 14, 2025 at 08:22 AM GMT+8

Greetings!

SEC Registration No: 0000168804
Company Name: ALPHA SECURITIES CORPORATION
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.

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SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

OST10507202583280399.pdf
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SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
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Company Information

SEC Registration No.: 0000168804
Company Name: ALPHA SECURITIES CORPORATION
Industry Classification: J66930
Company Type: Stock Corporation

Document Information

Document ID: OST10507202583280399
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

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

168804

Company Name

ALPHA SECURITIES CORPORATION

Principal Office (No./Street/Barangay/City/Town)Province)

UNIT 3003 ONE CORPORATE CENTER
JULIA VARGAS COR. MERALCO
AVENUE ORTIGAS CENTER PASIG

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
alphaseconline@gmail.com	(02) 8654-6807	0917-538-5463

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
13	LAST FRIDAY OF SEPTEMBER	DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ANALYN V. ICARANOM	alphasec@pldtdsl.net	(02) 8654-6807	0926-909-4156

Contact Person's Address

UNIT 3003 ONE CORPORATE CENTRE, 30/F JULIA VARGAS ST., COR. MERALCO AVE., ORTIGAS CENTER, PASIG CITY

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

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

ALPHA SECURITIES CORPORATION
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2024

SEC Form 52-AR

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

ANNUAL AUDITED FINANCIAL REPORT

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

Report for the year beginning January 1, 2024 and ending December 31, 2024

IDENTIFICATION OF BROKER OR DEALER		
Name of Broker/Dealer:	**Alpha Securities Corporation**	
Address of Principal Place of Business:	Unit 3003 One Corporate Center, Julia Vargas cor. Meralco Avenue, Ortigas Center, Pasig City.	
Name and Phone Number of Person to Contact in Regard to this Report		
Name: Ms. Analyn V. Icaranom	Tel No.:	8654-6807
	Fax No.:	8654-6799

IDENTIFICATION OF ACCOUNTANT			
Name of Independent Certified Public Accountant whose opinion is contained in this report:			
Name: Romeo C. Alba Alba Romeo and Co.		Tel No.: Fax No.:	8776-0504 Not applicable
Address: P-5 VGP Center, 6772 Ayala Avenue, Makati City			
Certificate No.:	0014348		
BOA/PRC Registration No.:	8199/P-001		
SEC Accreditation No.	14348-SEC		
PTR No.:	10485513	Date Issued:	January 16, 2025

lpha
securities
corporation
a member of the Philippine Stock Exchange

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Alpha Securities Corporation** (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.

Alba Romeo and Co. (formerly Romeo Cortez Alba and Associates), the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Arlene S. Kui
Chairman of the Board

Jonathan Joseph S. Kui
President

Geraldine Jane S. Ong
Treasurer

Signed this 11th day of April, 2025

Unit 3003, One Corporate Center Bldg., J. Vargas St., cor. Meralco Ave., Ortigas Center Pasig City
t: 8-4779959 f: 8-6546799

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Transaction Code: **AFS-0-LGDACEB06KCJ9FB9M3N1M3XT02ZY1SR42**
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Company TIN: **000-155-035**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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Transaction Code: **AFS-0-33NMVXTV0PWRWVRRVM1QNQ34402V3S4RPY**
Submission Date/Time: **Apr 30, 2025 09:58 PM**
Company TIN: **000-155-035**

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- 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;
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Alba Romeo and Co.
Audit | Tax | Consulting | Outsourcing

P-5 VGP Center 6772 Ayala Avenue
Makati City 1226 Philippines
Tel. No.: +63(2) 8776-0504
www.albaromeo.com

INDEPENDENT AUDITORS' REPORT

The Shareholders and the Board of Directors
Alpha Securities Corporation
Unit 3003 One Corporate Center
Julia Vargas cor. Meralco Avenue
Ortigas Center, Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alpha Securities Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy 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 (PFRSs).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 PFRSs, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Report on the Supplementary Information Required by the Securities Regulation Code

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information shown in Schedules 1-6 is presented for purposes of complying with the Securities Regulation Code 52.1-5 and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ALBA ROMEO AND CO.

Romeo C. Alba
Partner
CPA Certificate No. 0014348
PTR No. 10485513, issued on January 16, 2025, Makati City
SEC Accreditation No. 14348-SEC (Individual), Group A, issued on November 18, 2021,
valid to audit 2021 to 2025 financial statements
SEC Accreditation No. 8199-SEC (Firm), Group A, issued on October 7, 2021,
valid to audit 2021 to 2025 financial statements
Tax Identification No. 123-048-264
BIR Accreditation No. 08-007141-001-2024, issued on March 15, 2024,
valid until March 14, 2027
BOA/PRC Accreditation No. 8199/P-001, issued on July 5, 2024,
valid from July 17, 2024 to July 16, 2027

Makati City
April 11, 2025

ALPHA SECURITIES CORPORATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

		2024			2023		
			Security valuation			Security valuation	
	Note	Book value	Long	Short	Book value	Long	Short
ASSETS							
Current assets							
Cash	5	**P41,003,993**			P18,442,798		
Financial assets at fair value through profit or loss	6	**5,342,230**	**P5,342,230**		7,885,840	P7,885,840	
Receivables from:							
Customers, net	7	**712,966**	**84,916,420**		321,984	12,187,925	
Clearing house, net	8	**1,501,656**			2,433,730		
Other current assets	9	**634,423**			639,081		
Total current assets		**49,195,268**			29,723,433		
Non-current assets							
Financial asset at fair value through other comprehensive income	10	**31,920,960**	**31,920,960**		33,088,800	33,088,800	
Property and equipment, net	11	**66,152**			102,104		
Intangible assets, net	12	**1,320,000**			1,320,000		
Deferred tax assets, net	24	**3,708,086**			2,970,754		
Refundable deposit	2	**105,352**			105,352		
Total non-current assets		**37,120,550**			37,587,010		
Total assets		**P86,315,818**			P67,310,443		
SECURITIES							
In vault and with Philippine Depository & Trust Corp. (including in-transit securities)				**P1,013,669,869**			P1,096,868,424
LIABILITIES AND EQUITY							
Current liabilities							
Payable to customers	13	**P41,227,308**	**891,500,259**		P21,120,208	P1,043,705,859	
Other current liabilities	14	**244,496**			592,777		
Total current liabilities		**41,471,804**			21,712,985		
Non-current liabilities							
Retirement liability	22	**992,995**			875,338		
Other non-current liabilities	14	**76,123**			48,486		
Total non-current liabilities		**1,069,118**			923,824		
Total liabilities		**42,540,922**			22,636,809		
Equity							
Share capital	15	**40,000,000**			40,000,000		
Retained earnings							
Unappropriated		**(335,725)**			(460,941)		
Appropriated	16	**10,002,636**			10,002,636		
Accumulated other comprehensive loss, net		**(5,892,015)**			(4,868,061)		
Total equity		**43,774,896**			44,673,634		
Total liabilities and equity		**P86,315,818**	**P1,013,679,869**	**P1,013,679,869**	P67,310,443	P1,096,868,424	P1,096,868,424

(The notes on pages 1 to 45 are an integral part of these financial statements.)

ALPHA SECURITIES CORPORATION

STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Note	2024	2023
Commission revenue	17	**P3,049,807**	P1,843,746
Cost of services	18	**2,548,365**	2,460,082
Gross income (loss)		**501,442**	(616,336)
Other revenues, net	19	**3,135,148**	1,969,019
Operating expenses	20	**(3,982,484)**	(4,084,369)
Loss from operations		**(345,894)**	(2,731,686)
Interest revenue	5,7	**8,234**	28,189
Loss before income tax		**(337,660)**	(2,703,497)
Benefit from income tax	24	**462,876**	947,667
Net income (loss) for the year		**125,216**	(1,755,830)
Other comprehensive income (loss), net			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain (loss) on fair value changes of equity security at fair value through other comprehensive income, net	10	**(934,272)**	1,868,544
Actuarial loss on remeasurement of retirement obligation, net	22	**(89,682)**	(194,658)
		(1,023,954)	1,673,886
Net comprehensive loss for the year		**(P898,738)**	(P81,944)

(The notes on pages 1 to 45 are an integral part of these financial statements.)

ALPHA SECURITIES CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

		Retained earnings			Accumulated other comprehensive loss, net			
	Share capital (Note 15)	Unappropriated	Appropriated - reserve fund (Note 16)	Total	Net unrealized gain (loss) on equity security at FVOCI (Note 10)	Actuarial loss on retirement obligation, net (Note 22)	Total	Total equity
Balance at January 1, 2023	P40,000,000	P1,294,889	P10,002,636	P11,297,525	(P4,982,784)	(P1,559,163)	(P6,541,947)	P44,755,578
Net loss for the year	-	(1,755,830)	-	(1,755,830)	-	-	-	(1,755,830)
Unrealized gain on fair value changes of equity security at fair value through other comprehensive income (FVOCI), net	-	-	-	-	1,868,544	-	1,868,544	1,868,544
Actuarial loss on remeasurement of retirement obligation, net	-	-	-	-	-	(194,658)	(194,658)	(194,658)
Balance at December 31, 2023	40,000,000	(460,941)	10,002,636	9,541,695	(3,114,240)	(1,753,821)	(4,868,061)	44,673,634
Net income for the year	-	125,216	-	125,216	-	-	-	125,216
Unrealized loss on fair value changes of equity security at FVOCI, net	-	-	-	-	(934,272)	-	(934,272)	(934,272)
Actuarial loss on remeasurement of retirement obligation, net	-	-	-	-	-	(89,682)	(89,682)	(89,682)
Balance at December 31, 2024	**P40,000,000**	**(P335,725)**	**P10,002,636**	**P9,666,911**	**(P4,048,512)**	**(P1,843,503)**	**(P5,892,015)**	**P43,774,896**

(The notes on pages 1 to 45 are an integral part of these financial statements.)

ALPHA SECURITIES CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Note	2024	2023
Cash flows from operating activities			
Loss before income tax		**(P337,660)**	(P2,703,497)
Adjustments for:			
Retirement benefit cost	18,20,22	**224,664**	193,799
Depreciation and amortization	11,20	**35,952**	30,476
Provision for credit losses	7,20	**2,218**	-
Interest revenue	5,7	**(8,234)**	(28,189)
Unrealized market loss (gain) on financial assets at fair value through profit or loss	6,19	**(366,390)**	350,694
Dividend revenue	6,10,19	**(2,407,520)**	(2,253,343)
Operating loss before changes in operating assets and liabilities		**(2,856,970)**	(4,410,060)
Changes in operating assets and liabilities			
(Increase) Decrease in:			
Financial assets at fair value through profit or loss		**2,910,000**	(2,420,374)
Receivables from:			
Customers		**(393,200)**	1,757,988
Clearing house, net		**932,074**	(104,186)
Other current assets		**(5,445)**	(91,084)
Increase (Decrease) in:			
Payable to customers		**20,107,100**	(8,691,079)
Other current liabilities		**(348,281)**	281,124
Other non-current liabilities		**27,637**	(12,740)
Cash provided by (used in) operations		**20,372,915**	(13,690,411)
Dividends received	6,9,19	**2,407,520**	2,253,343
Interest received	5,7	**8,234**	28,189
Creditable tax withheld	24	**(8,365)**	(7,245)
Contributions to retirement fund	22	**(219,109)**	-
Net cash provided by (used in) operating activities		**22,561,195**	(11,416,124)
Cash flow from investing activity			
Additions to property and equipment	11	**-**	(82,144)
Net increase (decrease) in cash		**22,561,195**	(11,498,268)
Cash	5		
January 1		**18,442,798**	29,941,066
December 31		**P41,003,993**	P18,442,798

(The notes on pages 1 to 45 are an integral part of these financial statements.)

ALPHA SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 - GENERAL INFORMATION

1.1 Corporate information

Alpha Securities Corporation (the "Company"), a corporation domiciled in the Philippines, was incorporated and registered with the Securities and Exchange Commission (SEC) on September 26, 1989 per SEC Registration No. 168804 primarily to engage as a dealer in the business of offering, buying, selling, dealing or trading of securities of all kinds for its own account and as a broker in the purchases, sales, or other transactions relating to all kinds of securities of any person, corporation or entity, whether of domestic or foreign origin.

The Company's registered office and principal place of business is at Unit 3003 One Corporate Center, Julia Vargas cor. Meralco Avenue, Ortigas Center, Pasig City.

1.2 Approval of financial statements

The accompanying financial statements were approved and authorized for issue by the Company's Board of Directors (BOD) on April 11, 2025, and that Arlene S. Kui, the Company's Chairman, was authorized to sign and cause the issuance of the financial statements on its behalf.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The material accounting policies adopted in the preparation of these financial statements are discussed in this note. These policies have been consistently applied to the years presented, unless otherwise stated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as issued by the Financial and Sustainability Reporting Standards Council (FSRSC) (formerly Philippine Financial Reporting Standards Council). The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee and International Financial Reporting Interpretations Committee, which have been approved by the FSRSC and adopted by the SEC.

Presentation of financial statements

The financial statements are presented in accordance with PAS 1 (Revised), *Presentation of Financial Statements.* The Company presents all items of income and expense in a single statement of comprehensive income (loss), with profit or loss and other comprehensive income (OCI) presented in two sections. It is required to present a statement of financial position as at the beginning of the earliest comparative period when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements and said retrospective application, retrospective restatement or reclassification has a material effect on such third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed.

These financial statements are presented in Philippine Peso (P), which is also the Company's functional currency and all values are rounded to the nearest peso. Functional currency is the currency of the primary economic environment in which the entity operates or in which it primarily generates and expends cash, while presentation currency is the currency in which the financial statements are presented.

Basis of measurement

The Company's financial statements have been prepared on historical cost basis, except as disclosed in the accounting policies that follow.

Use of judgments and estimates

The preparation of financial statements in compliance with PFRSs requires the use of certain critical accounting estimates. It also requires the Company's management to exercise its judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in Note 3.

2.2 Changes in accounting policies and disclosures

The accounting policies applied are consistent with those of the previous year, except for the following amendments which were adopted as of January 1, 2024. Unless otherwise indicated, the adoption of these amendments did not have a significant impact on the Company's financial statements.

Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained. 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.

Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about those items. The amendments include the following:

- 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 align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve months and make explicit that only rights in place at the end of the reporting period should affect the classification of a liability;
- Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- Make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. In addition, the amendments require additional disclosures for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within 12 months after the reporting period.

Amendments to PAS 7 and PFRS 7: *Supplier Finance Arrangements*

The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The new requirements were developed to provide users of financial statements with information to enable them (a) to assess how supplier finance arrangements affect an entity's liabilities and cash flows; and (b) to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

New standards and amendments issued but not yet effective

New standards and amendments issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. These are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Company.

PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance) regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

In June 2020, PFRS 17 was amended. The amendments are aimed at helping companies implement the standard and making it easier for them to explain their financial performance. PFRS 17 incorporating the amendments is effective from annual reporting periods beginning on or after January 1, 2023.

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. It has approved also on the same day the adoption of amendment to IFRS 17, *Insurance Contracts, Initial Application of IFRS 17 and IFRS 9 - Comparative Information* issued by the International Accounting Standards Board (IASB) in December 2021 as amendment to PFRS 17, *Insurance Contracts, Initial Application of PFRS 17 and PFRS 9 - Comparative Information*.

The amendment adds a transition option for a classification overlay to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of PFRS 17.

On February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of Initial application by an additional two years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

Amendments to PAS 21, *Lack of Exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted and when applying the amendments, an entity cannot restate comparative information.

Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The FSRSC has approved on July 12, 2024 the adoption of amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* issued by the IASB in May 2024 as amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*.

These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments design.

An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. An entity is required to apply the amendments retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight.

Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the accounting standards.

The following is the summary of the standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

  The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

  The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

  a) Lessee Derecognition of Lease Liabilities

  The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

  b) Transaction Price

  The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

  The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

  The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

PFRS 18, *Presentation and Disclosure in Financial Statements*

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in PFRS 18 relate to:
- The structure of the statement of profit or loss with defined subtotals;
- Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (i.e., management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS accounting standards.

The standard will become effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. An entity is required, during the first period (annual and interim) in which it applies the standard, to disclose comparative information for current year amounts as required by PFRS 19, unless PFRS 19 or another PFRS accounting standard permits or requires otherwise.

Deferred

Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3.

Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

The amendments must be applied prospectively.

On January 13, 2016, the Financial Reporting Standards Council decided to postpone the original effective date of January 1, 2016 of the above amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The management, however, expects no significant impact from the adoption of the new standards and amendments on the Company's financial position and financial performance.

2.3 Cash

Cash includes cash on hand and in banks. Cash in banks, which are stated at face amount, represent deposits held at call with banks which earn interest at the prevailing bank deposit rates and are unrestricted as to withdrawal.

2.4 Securities transaction

Securities transactions and the related commission revenue and expenses are recorded on trade date basis, which is the date on which the Company commits to purchase or sell the asset.

Significant related expenses include:

(i) Stock exchange fees and dues - refer to fees paid to the Philippine Stock Exchange (PSE), SEC and Securities Investors Protection Fund for every trade transaction made by the Company, relative to the respective volumes of such transactions. These are recognized in profit or loss on the date they are incurred.

(ii) Philippine Central Depository charges - refer to depository maintenance fee for the customer accounts maintained by the Company in the Philippine Depository and Trust Corporation (PDTC), the independent custodian of scripless securities which are traded in the PSE. These are recognized in profit or loss upon utilization of the service of the PDTC.

Securities are valued using the latest closing price at the end of the financial reporting period for securities with trading transaction at the stock exchange, or in the absence thereof, the latest bid or ask price. Gains or losses on sale of securities are also recognized at the corresponding trade dates.

Receivable from (Payable to) customers, which is recorded upon purchase or sale of securities on customers' behalf, is carried at original invoice amount, inclusive (net) of related tax charges and commissions.

Receivable from or payable to clearing house is recorded upon consummation of buying and selling transactions.

2.5 Financial instruments

Initial recognition and measurement

A financial asset or a financial liability is recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through OCI (FVOCI) and FVPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case, all affected financial assets are reclassified on the first day of the first financial reporting period following the change in the business model.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Financial assets at amortized cost (debt instruments)
ii. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
iii. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
iv. Financial assets at FVPL

The Company does not have financial assets at FVOCI (debt instruments).

Financial assets at amortized cost (debt instruments)

The Company measures a financial asset at amortized cost if both of the following conditions are met:

i. It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
ii. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash, net receivables from customers and clearing house, other receivables presented under other current assets and refundable deposit.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading.

The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company's investment in PSE shares is included under this category (see Note 10).

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss. Dividends on listed equity investments are also recognized as other income in profit or loss when the right of payment has been established.

The Company's securities held for trading are classified under this category (see Note 6).

Impairment of financial assets

The Company recognizes an expected credit loss (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages: (a) for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL); and (b) for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the financial reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information which includes the following:

i. Internal/external credit rating;
ii. Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
iii. Actual or expected significant changes in the operating results of the debtor;
iv. Significant increases in credit risk on other financial instruments of the same debtor; and
v. Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor and changes in the operating results of the debtor.

Financial assets are written off when there is no reasonable expectation of recovery. The Company categorizes a loan or receivable for write off when a debtor fails to make payments or when it is probable that the receivable will not be collected. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Financial liabilities

Financial liabilities are classified as (a) financial liabilities at FVPL (including financial liabilities held for trading and those that are designated at fair value), and (b) other financial liabilities measured at amortized cost.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Gains and losses arising from changes in the fair value of financial liabilities classified as held for trading are included in profit or loss.

Other financial liabilities pertain to issued financial instruments that are not classified or designated at FVPL and contain contractual obligations to deliver cash or other financial assets to the holder or to settle the obligation other than the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial liabilities at amortized cost include payable to customers, other current liabilities (excluding due to government) and other non-current liabilities. The Company did not classify any of its financial liabilities at FVPL.

Classification of financial instruments between debt and equity

Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as income or expense in profit or loss.

Derecognition of financial instruments

Financial asset

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

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

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

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

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

Offsetting of financial instruments

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

Determination of fair value

The fair value of financial instruments traded in active markets is based on their quoted market price or dealer price quotation (bid price for long positions and ask price for short positions). When the current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

If the financial instruments are not listed in an active market, the fair value is determined using appropriate valuation techniques which include recent arm's length market transactions, net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Fair value hierarchy

All assets and liabilities for which the 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. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

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

Disclosure of fair value is not required when the carrying amount is a reasonable approximation of fair value.

2.6 Input Value-Added Tax (VAT)

Input VAT represents tax imposed on the Company by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Company's current VAT liability. Input VAT is stated at cost less allowance for impairment, if any.

2.7 Creditable withholding taxes (CWTs)

CWTs represent taxes withheld by the Company's customers required under the Philippine taxation laws and regulations. CWTs are recognized as assets and will be credited against the Company's income tax liability. If at the end of the financial reporting period, the Company has current income tax due, the CWTs shall be applied as payment for the tax due, and any excess shall be carried over to the succeeding period. CWTs are stated at cost, less allowance for impairment, if any.

2.8 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization, and any impairment in value. The initial cost of property and equipment is comprised of the purchase price and costs directly attributable to bringing the asset to its working condition and location for its intended use.

Subsequent expenditures incurred after the asset has been put into operation are capitalized as additional cost of the asset when the resulting future economic benefit exceeds the originally assessed standard of performance of the asset. All other subsequent expenditures such as repairs and maintenance are recognized in profit or loss in the period the costs are incurred. Renewals and betterments, which improve the originally assessed standard of performance of the property, are capitalized to the appropriate property account.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

Property classification	Useful life
Office furniture, fixtures and equipment	1-5 years
Transportation equipment	5 years
Other property and equipment	2 years

Leasehold improvements are amortized over the improvements' useful life of three years or when shorter, the term of the relevant lease.

An asset is depreciated/amortized when it is available for use until it is derecognized even if during that period the item is idle. Fully-depreciated/amortized assets still in use are retained in the financial statements.

The estimated useful lives, and depreciation and amortization methods are reviewed periodically to ensure that the periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment. If there is an indication that there has been a significant change in the estimated useful life of an asset, the depreciation/amortization of the asset is revised prospectively to reflect the new expectation.

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation/ amortization, and any impairment in value are removed from the accounts and any resulting gain or loss arising from the disposal, determined as the difference between the sales proceeds and the carrying amount of the asset, or retirement of an asset is recognized in profit or loss.

2.9 Intangible assets

Computer software

Computer software represents software acquired by the Company for the online trading platform of the PSE which is amortized over a period of five years. It is carried at cost less amortization and allowance for impairment, if any. The carrying amount of computer software is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Trading right

Trading right is the result of the conversion plan of the PSE to preserve the access of stockbrokerage to the trading facilities and continue to transact business in the PSE. The trading right is an intangible asset that is regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company.

Trading right is initially recognized at the amount allocated from the original cost of the exchange membership seat. Subsequently, it is carried at cost less any allowance for impairment.

The carrying amount of trading right is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is calculated at the higher of the asset's value in use and its fair value less costs to sell.

2.10 Refundable deposit

Refundable deposit represents payment arising from the Company's internet service agreement. This is carried at cost and will generally be refunded at the end of the agreement period.

2.11 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets such as property and equipment, and trading right are reviewed at each financial reporting date to determine whether there is any indication of impairment or an impairment loss previously recognized no longer exists or may have decreased.

Among others, the factors that the Company considers important which could trigger an impairment review include the following:

- significant or prolonged decline in fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

If any such indication exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and an impairment loss is recognized in profit or loss in the period in which it arises. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation/amortization, if no impairment loss had been recognized. Reversals of impairment are recognized in profit or loss. After such reversal, the depreciation/amortization expense is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining life.

2.12 Accrued expenses and other liabilities

Accruals are liabilities for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the suppliers, including amounts due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions.

Other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforced claim against the Company is established. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.13 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

The Company's ordinary shares are classified as equity instruments. Share capital is determined using the par value of shares that have been issued. Incremental costs incurred directly attributable to the issuance of new shares are recognized as a deduction from equity, net of tax.

2.14 Retained earnings

Unappropriated retained earnings include all current and prior period results as disclosed in the statements of comprehensive income (loss) and statements of changes in equity, free of any restriction.

Appropriated retained earnings pertain to surplus restricted for a particular purpose. The account is used to record undistributed earnings reserved for capital build-up pursuant to SEC Memorandum Circular No. 16, Series of 2004, *Adoption of the Risk-Based Capital Adequacy Requirement/Ratio (RBCA) for Brokers Dealers.*

2.15 Revenue recognition

Upon adoption of PFRS 15, revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognized:

Commission revenue

Commission revenue, which is recognized on accrual basis, is recorded on the trade date based upon the occurrence of securities transactions. It is normally based on a certain percentage of the gross value of the transaction, which is equal to the number of shares multiplied by the price per share, which can also be referred to as the cost of the shares. Commission revenue is earned from both buy and sell transactions.

Gain or loss on dealer's trading operations

Gain or loss on dealer's trading operations is computed using the specific identification method. It is recognized when the proceeds from the sale exceeds the cost of the securities.

Interest revenue

Interest revenue earned from bank deposits is recognized as it accrues usually on a time proportion basis taking into account the effective yield on the asset or EIR, and is presented net of applicable final tax withheld by banks.

Interest revenue on receivables from customers is accrued on a time proportion basis by reference to the outstanding balance and at the EIR applicable.

Dividend revenue

Dividend revenue is recognized in profit or loss when the Company's right to receive payment is established.

Other revenue

Other revenue is recognized when there is an incidental economic benefit, other than from usual business operations that will flow to the Company through an increase in asset or reduction in liability that can be reliably measured.

2.16 Cost and expense recognition

The financial statements are prepared on accrual basis of accounting. Under this basis, costs and expenses are recognized when incurred and are reported in the financial statements in the periods to which they relate.

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. They are recognized (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

Cost of services represents expenses incurred that are associated with the Company's trading of securities. Operating expenses are costs attributable to the administrative and other business activities of the Company.

2.17 Provisions and contingencies

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is charged against profit or loss, net of any reimbursement.

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be reliably estimated, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognized in the Company's financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

2.18 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under PFRS 16, a lease exists where the contract grants the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an identified asset for a period of time is conveyed when the customer has both of the following throughout the period of use:

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

In identifying the leases, lease and some non-lease components shall be accounted for separately under applicable standards.

The Company as a lessee

For lessees, PFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statements of financial position, with certain exemptions allowed by this new standard:

i. Short-term leases (twelve months or less); and
ii. Leases where the underlying asset, in a new condition, is of low value.

A right-of-use asset and a lease liability are recognized for lease which is not short term and of low value asset.

The Company does not recognize right-of-use asset and lease liability considering that the term of its lease agreement is not more than twelve months and the underlying asset is of low value. It recognizes the lease payments associated with the lease as expense recognized on a straight-line basis over the lease term.

2.19 Employee benefits

Short-term benefits

Short-term benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future prepayments. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Retirement benefits

The Company does not have an established retirement plan and only conforms to the minimum regulatory benefit under the Retirement Pay Law (Republic Act (RA) No. 7641), which is of a defined benefit type and provides a retirement benefit equal to 22.5 days' pay for every year of credited service. The regulatory benefit is paid in a lump-sum amount upon retirement. Defined benefit plan defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Retirement benefit cost is determined using the projected unit credit method. This method reflects the services rendered by the employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. The components of defined benefit cost include service cost, net interest on the net defined benefit liability that is recognized in profit or loss, and remeasurements of the net defined benefit liability that are recognized in OCI. Remeasurements of the net defined benefit liability recognized in OCI shall not be reclassified to profit or loss in a subsequent period.

The retirement liability recognized in the statement of financial position is the present value of the Company's defined benefit obligation (DBO) at the end of the financial reporting period less the fair value of plan assets. The DBO is calculated by an independent actuary using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current year. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rate on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement obligation.

Plan assets are assets that are held by a long-term employee benefit fund. They are neither available to the creditors of the Company nor can they be paid directly to the Company. The fair value of plan asset is based on market price information.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in OCI in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

2.20 Income taxes

Provision for income tax represents the sum of the current and deferred taxes.

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, determined at the end of every quarter, subject to adjustments at the end of the period when a final adjustment return is filed and the corresponding annual income tax is computed and determined to be recovered or paid.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit (loss) as reported in profit or loss because it excludes items of revenue or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the financial reporting date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit and is accounted for using the liability method.

Deferred tax is determined using tax rates and tax laws that have been enacted or substantively enacted at the financial reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences while deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available in future periods against which the deductible temporary differences and the carryforward of unused tax credits from excess MCIT over RCIT and unused tax losses from NOLCO can be utilized.

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

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and current tax liabilities on a net basis.

Current and deferred taxes are recognized as an expense or revenue in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in OCI or directly in equity account), in which case, the tax is also recognized outside profit or loss.

2.21 Related parties

A related party is an entity or person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common or joint control with, the Company in governing the financial and operating policies, or that has an interest in the Company that gives it significant influence over the Company in making financial and operating decisions.

It also includes members of the key management personnel of the Company or close members of their family and others, who have the ability to control, jointly control or significantly influenced by or for which significant voting power in the Company resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.22 Events after financial reporting date

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

NOTE 3 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the accompanying financial statements in accordance with PFRSs requires the Company's management to make judgments and estimates that affect the application of accounting policies, reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

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 the circumstances. Revision to accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments

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

(a) Determining fair value of financial instruments

The Company classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These estimates may include consideration of liquidity, volatility and correlation.

The financial assets carried at fair value, including the methods and assumptions applied, are set out in Note 4.

(b) Significant increase of credit risk

ECL is measured as an allowance equal to 12-month ECL or lifetime ECL. An asset moves to the next stage when its credit risk has increased significantly since initial recognition.

PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Determining lease term

Under PFRS 16, the Company determines whether there is a need to recognize right-of-use asset and lease liability - on-balance sheet lease. Judgment is used in determining whether the lease term will not go beyond twelve months and if it contains underlying assets of low value. In making such judgment, the Company evaluates the terms and conditions of the lease arrangement.

The Company decided to apply the recognition exemption on short-term leases and lease of low-value assets.

(d) Recognizing provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 2.17. In 2024 and 2023, the Company has determined that no contingencies will materially affect its financial statements, hence, no provisions are recognized.

Estimates

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Estimating credit losses on receivables

The Company measures ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

In addition to specific allowance against individually significant loans and receivables, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This level of allowance is based on the status of the accounts receivable, past collection experience and other factors that may affect collectibility.

As provided in the Securities Regulation Code (SRC) Rule 52. 1, every broker dealer shall establish appropriate allowance for doubtful accounts and the basis for such computation of the allowance shall be properly disclosed. The SEC or the PSE shall have the prerogative to determine the reasonableness of such receivable valuation taking into consideration the generally accepted accounting principles and industry practices.

The net carrying values of the Company's receivables follow:

	2024	2023
Receivables from:		
Customers, net (Note 7)	**P712,966**	P321,984
Clearing house, net (Note 8)	**1,501,656**	2,433,730
Other receivables (Note 9)	**207,998**	153,272
Refundable deposit	**105,352**	105,352
	P2,527,972	P3,014,338

Based on management's assessment, the allowance for credit losses amounting to P3,153 and P935 as at December 31, 2024 and 2023, respectively, is adequate to provide for any losses which may be sustained in the realization of receivables (see Note 7).

(b) Determining value of unquoted equity securities

The valuation of unquoted equity securities is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for instruments with similar terms and risk characteristics; or
- other valuation models.

The determination of the cash flows and discount factors for unquoted equity securities requires significant estimates. The Company calibrates the valuation techniques periodically and tests them for validity using either price from observable current market transactions in the same instrument or from other available observable market data.

(c) *Estimating useful lives of property and equipment*

The Company estimates the useful lives of property and equipment based on the period over which the asset is expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to technical or commercial obsolescence, and legal or other limits on the use of the asset. In addition, the estimate of the useful lives of property and equipment are based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar asset. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recorded operating expenses and decrease non-current assets.

The net carrying value of property and equipment amounted to P66,152 and P102,104 as at December 31, 2024 and 2023, respectively. Accumulated depreciation and amortization amounted to P3,948,478 and P3,912,526 as at December 31, 2024 and 2023, respectively (see Note 11). There is no change in the estimated useful lives of these assets in 2024 and 2023.

(d) *Determining impairment of non-financial assets*

PFRSs require that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.11. Determining the fair value of non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, necessitates the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that a non-financial asset is impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations of the Company.

The preparation of the estimated future cash flows involves significant judgments and estimates. Though management believes that the assumptions used in estimating 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 of the Company.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. It is charged against current operations in the year in which it arises. For exchange trading right, the Company uses the latest transacted price from the PSE in its impairment testing.

No impairment loss was recognized by the Company on its non-financial assets in 2024 and 2023.

Below are the net carrying values of the non-financial assets of the Company as at December 31:

	2024	2023
Property and equipment (Note 11)	**P66,152**	P102,104
Trading right (Note 12)	**1,320,000**	1,320,000
	P1,386,152	P1,422,104

(e) Determining realizable amount of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at each financial reporting date and reduces the same to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the benefit of all or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profit together with the future tax planning strategies.

Estimates of future taxable profit indicate that temporary differences will be realized in the future. Deferred tax assets recognized by the Company amounted to P3,971,744 and P3,143,135 as at December 31, 2024 and 2023, respectively (see Note 24).

(f) Estimating retirement benefit cost

The present value of the DBO depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement include the discount rate. Any changes in the assumptions will have an impact on the carrying amount of the retirement obligation.

The Company determines the appropriate discount rate at the end of each financial reporting period. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligation. In determining the appropriate discount rate, the Company considers the interest rate on government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement obligation.

Other key assumptions for retirement obligation are based in part on current market conditions. Additional information is disclosed in Note 22.

While the Company believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and related obligations.

Retirement benefit cost recognized in profit or loss in 2024 and 2023 amounted to P224,664 and P193,799, respectively (see Notes 18, 20 and 22).

As at December 31, 2024 and 2023, the retirement liability of the Company amounted to P992,995 and P875,338, respectively (see Note 22).

NOTE 4 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets and financial liabilities of the Company as at December 31 are as follows:

	2024	2023
Financial assets		
Cash (Note 5)	**P41,003,993**	P18,442,798
Receivables from:		
Customers, net (Note 7)	**712,966**	321,984
Clearing house, net (Note 8)	**1,501,656**	2,433,730
Other receivables (Note 9)	**207,998**	153,272
Refundable deposit	**105,352**	105,352
	P18,149,022	P21,457,136
Financial liabilities		
Payable to customers (Note 13)	**P41,227,308**	P21,120,208
Other current liabilities* (Note 14)	**172,180**	518,605
Other non-current liabilities (Note 14)	**76,123**	48,486
	P41,475,611	P21,687,299

**excluding due to government*

The above carrying amounts of financial assets and financial liabilities, which are carried at amortized cost, are assumed to approximate their fair values due to their relatively short-term maturities and their being subject to an insignificant risk of changes in value.

Quoted market price is not available for refundable deposit. This is reported at cost and is not significant in relation to the Company's total portfolio of financial assets.

As discussed in Note 2.5, the disclosure of fair value is not required when the carrying amount is a reasonable approximation of fair value.

Below is the summary of financial assets of the Company which are carried at fair value.

	2024				2023			
	Fair value	**Level 1**	**Level 2**	**Level 3**	Fair value	Level 1	Level 2	Level 3
Financial assets at FVPL (Note 6)	**P5,342,230**	**P5,342,230**	**P-**	**P-**	P7,885,840	P7,885,840	P-	P-
Financial asset at FVOCI (Note 10)	**31,920,960**	**31,920,960**	**-**	**-**	33,088,800	33,088,800	-	-
	P37,263,190	**P37,263,190**	**P-**	**P-**	P40,974,640	P40,974,640	P-	P-

The fair values of financial assets at FVPL and financial asset at FVOCI are based on the closing quoted market prices of stock investments published by the PSE.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurement during the years ended December 31, 2024 and 2023.

None of the Company's financial assets has been pledged as collateral for liabilities or contingent liabilities.

Items of revenue, expense, gains or losses with respect to financial instruments recognized in the statements of comprehensive loss are as follows:

	2024	2023
Financial assets at FVPL		
Dividend revenue (Notes 6 and 19)	**P461,120**	P306,943
Gain on sale of financial assets at FVPL (Notes 6 and 19)	**89,816**	66,170
Unrealized market gain (loss) on financial assets at FVPL (Notes 6 and 19)	**366,390**	(350,694)
Financial assets at amortized cost		
Interest revenue (Notes 5 and 7)	**8,234**	28,189
Provision for credit losses (Notes 7 and 19)	**(2,218)**	-
Financial asset at FVOCI		
Dividend revenue (Notes 10 and 19)	**1,946,400**	1,946,400
Unrealized gain (loss) on fair value changes of financial assets at FVOCI, net of tax (Note 10)	**(934,272)**	1,868,544
	P1,935,470	P3,865,552

Offsetting financial asset and financial liability

Receivable from (Payable to) clearing house	**Gross amount of recognized financial asset**	**Gross amount of recognized financial liability set off in the statement of financial position**	**Net amount of recognized financial asset presented in the statement of financial position (Note 13)**
At December 31, 2024	**P2,754,465**	**(P1,252,809)**	**P1,501,656**
At December 31, 2023	P3,932,850	(P1,499,120)	P2,433,730

Financial risk management

The Company's activities expose it to a variety of financial risks, namely (a) market risk, (b) credit risk and (c) liquidity risk.

Similar to all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further, quantitative information in respect of these risks is presented throughout these financial statements.

There have been no significant changes to the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods, unless otherwise stated in this note.

General objectives, policies and processes

The BOD has overall responsibility for the Company's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Company's financial performance and financial position due to the unpredictability of financial markets.

The main risks arising from the Company's use of financial instruments are summarized as follows:

(a) Market risk

Market risk is the risk that the value of financial instruments will fluctuate due to movements in market factors such as, but not limited to, price risk or the risk that the stock prices will change; interest rate risk or the risk that the interest rates will change; currency risk or the risk that foreign exchange rates will change; equity index risk or the risk that stock and other index price will change.

1) Price risk - the Company is exposed to equity securities' price risk because of the investments it holds which are classified as financial assets at FVPL and financial asset at FVOCI. Positions relating to dealing errors are closed immediately.

The following table shows the sensitivity of the Company's loss before income tax to a reasonably possible change in market value of the individual stock in the following categories included in the Company's financial assets at FVPL and financial asset at FVOCI as at December 31:

	2024			2023		
Sector	**Change in market price**	**Decrease (Increase) in loss before income tax**	**Increase in equity before income tax**	Change in market price	Decrease (Increase) in loss before income tax	Increase in equity before income tax
Financial assets at FVPL						
Financials	**0.35%**	**P511**		-0.40%	(P510)	
Mining and oil	**-1.84%**	**(1,169)**		-2.14%	(1,624)	
Holding	**-13.47%**	**(9,698)**		-2.28%	(1,633)	
Industrial	**-1.49%**	**(20,014)**		-0.45%	(5,502)	
Property	**-3.40%**	**(48,155)**		1.91%	24,347	
Services	**-6.34%**	**(146,087)**		-1.38%	(70,541)	
		(P224,612)			(P55,463)	
Financial asset at FVOCI						
Financials	**-0.53%**		**(P168,072)**	0.46%		P152,023

The assumed fluctuation rate is based on the average change in month-end market value of the individual stock included in the categories from years 2022 to 2024 for 2024 and years 2021 to 2023 for 2023.

2) Interest rate risk - refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to any significant interest rate risk as its investments are non-interest sensitive, except for the bank deposits which are mainly short term in nature and at market interest rates.

3) Foreign exchange risk

The Company does not have transactions in foreign currency; thus, it is not exposed to foreign exchange risk.

(b) Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligation. This includes risk of non-payment by customers of their securities transactions, by employees of their advances, and by related parties of their outstanding account balances.

In the normal course of business, the Company's activities include trade execution for its customers. These activities may expose the Company to risk arising from price volatility which can reduce the customer's ability to meet its obligation. To the extent customer is unable to meet its commitments to the Company, the latter may be required to purchase or settle financial instruments at prevailing market prices in order to fulfill the customer's obligation.

In accordance with the industry practice, customer trades are settled generally three business days after trade date. However, the settlement cycle for trades executed on a specific trading day was shortened from T+3 trading days to T+2 trading days effective August 24, 2023. Should either the customer or the counterparty fail to perform, the Company may be required to complete the transaction at prevailing market prices. Individual customers maintain their securities position with the Company in its scripless form and is usually sufficient to cover debit balances. The Company monitors concentration of credit risks and limits the risk through consideration of factors which include the creditworthiness of the customer, its financial strength and the size of its positions or commitments.

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

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

The following table provides information regarding the maximum credit risk exposure of the Company without taking into account the value of any collateral as at December 31:

	2024	2023
Financial asset at FVOCI (Note 10)	**P31,920,960**	P33,088,800
Financial assets at FVPL (Note 6)	**5,342,230**	7,885,840
Financial assets at amortized cost		
Cash in banks (Note 5)	**40,998,993**	18,437,798
Receivables from:		
Customers, net (Note 7)	**712,966**	321,984
Clearing house, net (Note 8)	**1,501,656**	2,433,730
Other receivables (Note 9)	**207,998**	153,272
Refundable deposit	**105,352**	105,352
	P80,790,155	P62,426,776

The following tables show the aging analyses of financial assets (gross of allowance for credit losses) as at December 31:

	2024				
			Past due but not impaired		
	Total	Neither past due nor impaired	T+2 to T+12	Beyond T+12	Impaired
Financial asset at FVOCI	**P31,920,960**	**P31,920,960**	**P-**	**P-**	**P-**
Financial assets at FVPL	**5,342,230**	**5,342,230**	**-**	**-**	**-**
Financial assets at amortized cost					
Cash in banks	**40,998,993**	**40,998,993**	**-**	**-**	**-**
Receivables from:					
Customers	**712,966**	**489,342**	**-**	**220,471**	**3,153**
Clearing house, net	**1,501,656**	**1,501,656**	**-**	**-**	**-**
Other receivables	**207,998**	**207,998**	**-**	**-**	**-**
Refundable deposit	**105,352**	**105,352**	**-**	**-**	**-**
	80,790,155	**80,566,531**	**-**	**220,471**	**3,153**
Allowance for credit losses	**(3,153)**	**-**	**-**	**-**	**(3,153)**
	P80,787,002	**P80,566,531**	**P-**	**P220,471**	**P-**

	2023				
			Past due but not impaired		
	Total	Neither past due nor impaired	T+2 to T+12	Beyond T+12	Impaired
Financial asset at FVOCI	P33,088,800	P33,088,800	P-	P-	P-
Financial assets at FVPL	7,885,840	7,885,840	-	-	-
Financial assets at amortized cost					
Cash in banks	18,437,798	18,437,798	-	-	-
Receivables from:					
Customers	322,919	53,163	-	268,821	935
Clearing house, net	2,433,730	2,433,730	-	-	-
Other receivables	153,272	153,272	-	-	-
Refundable deposit	105,352	105,352	-	-	-
	64,427,711	62,157,955	-	268,821	935
Allowance for credit losses	(935)	-	-	-	(935)
	P62,426,776	P62,157,955	P-	P268,821	P-

The credit quality of the Company's financial assets is evaluated using internal credit rating. Financial assets are considered as high grade if the counterparties are not expected to default in settling their obligations, thus, credit risk exposure is minimal. These counterparties include banks, customers and related parties who pay on or before due date.

Credit quality per class of financial assets

The cash in banks, financial assets at FVPL and financial asset at FVOCI are considered by management as with financial institutions, companies and counterparties that are reputable and/or with good credit standing. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution. Such coverage was increased to P1,000,000 effective March 15, 2025.

The receivables from customers, receivable from clearing house, net, other receivables and refundable deposit, which are neither past due nor impaired, are considered by management of the Company as exposed to normal business risk and there is no objective evidence of impairment for these receivables which may cause the Company to incur losses at the financial reporting date.

The Company's bases in grading its financial assets are as follows:

High grade - The debtor has a very low probability of default as demonstrated by its long history of stability, profitability and good financial standing. The debtor has the proven ability to raise substantial amounts of funds through the public markets or external financing, has strong debt service record and moderate use of leverage.

Standard grade - The debtor has no history of default, has sufficient liquidity to service its debt over the medium term and reported recently turned profitable. The debtor also has adequate capital to absorb any potential losses from its operations and any reasonably foreseeable contingencies. Debtors under this grade should be monitored regularly.

Substandard grade - The debtor is subject to economic cycles and its operating performance could be marginal or declining as a result. The debtor is, however, expected to be able to adjust to the cyclical downturns, but any prolonged adverse economic conditions could create profitability and/or liquidity issues. The use of leverage is above industry standards. Debtors under this grade should be placed under an exit strategy.

All of the financial assets of the Company that are neither past due nor impaired are considered high grade.

The Company has no financial assets that are past due or impaired whose terms have been renegotiated.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and trading securities, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out positions.

Liquidity risk is managed on the basis of maturity dates of both the financial assets and financial liabilities. The liability to customers/clearing house is matched by a corresponding receivable from customers/clearing house. Liquidity risk would arise if all receivables are not settled in the usual trade settlement period. It is managed by the Company by forecasting daily cash flows and maintaining a balance between continuity of funding and flexibility. The Company maintains sufficient cash and pre-terminable placements with banks, augmented by credit facilities to cover daily operational and working capital requirements.

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31:

	2024			
	Total	**< 1 year**	**1 to 5 years**	**> 5 years**
Payable to customers	**P41,227,308**	**P41,227,308**	**P-**	**P-**
Other current liabilities	**172,180**	**172,180**	**-**	**-**
Other non-current liabilities	**76,123**	**-**	**76,123**	**-**
	P41,475,611	**P41,399,488**	**P76,123**	**P-**

	2023			
	Total	< 1 year	1 to 5 years	> 5 years
Payable to customers	P21,120,208	P21,120,208	P-	P-
Other current liabilities	518,605	518,605	-	-
Other non-current liabilities	48,486	-	48,486	-
	P21,687,299	P21,638,813	P48,486	P-

NOTE 5 - CASH

The account at December 31 consists of:

	2024	2023
Cash on hand	**P5,000**	P5,000
Cash in banks	**40,998,993**	18,437,798
	P41,003,993	P18,442,798

In compliance with SRC Rule 49.2-1 covering customer protection reserve and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers. The Company's reserve requirement is determined on a daily basis based on the SEC-prescribed computations.

Cash in banks include a special reserve account with balance of P6,226,918 and P11,222,530 as at December 31, 2024 and 2023, respectively.

Cash in banks earn interest at the prevailing bank deposit rates. Interest revenue earned from bank deposits in 2024 and 2023 amounted to P8,234 and P12,154, respectively.

NOTE 6 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The account includes the Company's own trading securities as at the financial reporting date amounting to P5,342,230 and P7,885,840 as at December 31, 2024 and 2023, respectively.

All are stated at their fair values determined directly by reference to the prescribed price quotations in an active market.

The movements in the account are summarized as follows:

	2024	2023
Balance at January 1	**P7,885,840**	P5,816,160
Additions	**-**	2,481,397
Disposals	**(2,910,000)**	(61,023)
Unrealized market gain (loss) (Note 19)	**366,390**	(350,694)
Total	**P5,342,230**	P7,885,840

Proceeds from the sale of trading securities, net of VAT, amounted to P2,999,816 and P127,193 resulting in net gains, net of VAT, of P89,816 and P66,170 in 2024 and 2023, respectively (see Note 19).

The Company received dividends from various shares amounting to P461,120 and P306,943 in 2024 and 2023, respectively (see Note 19).

NOTE 7 - RECEIVABLES FROM CUSTOMERS

The account includes amounts due on cash transactions resulting from brokerage services rendered, including the value of securities bought or sold on behalf of customers, commissions and other charges thereon.

The money balances and security values of the customer accounts as at December 31 follow:

	2024			2023		
	Money balance	Security valuation		Money balance	Security valuation	
		Long	Short		Long	Short
Fully secured accounts						
More than 250%	**P712,128**	**P84,915,130**	**P-**	P320,981	P12,186,182	P-
Between 200% to 250%	**-**	**-**	**-**	229	488	-
Between 150% to 200%	**184**	**281**	**-**	169	325	-
Between 100% to 150%	**693**	**819**	**-**	532	622	-
	713,005	**84,916,230**	**-**	321,911	12,187,617	-
Partially secured accounts						
Less than 100%	**2,799**	**190**	**-**	693	308	-
Unsecured	**315**	**-**	**-**	315	-	-
	3,114	**190**	**-**	1,008	308	-
Allowance for credit losses	**(3,153)**	**-**	**-**	(935)	-	-
	P712,966	**P84,916,420**	**P-**	P321,984	P12,187,925	P-

Receivable from customers is generally settled three days after the transaction date. However, starting August 24, 2023, the transactions should be settled two days after the trade date (see Note 25). Securities owned by customers are held as collateral for amounts due from them.

Security valuation represents the fair market value of the securities owned by the customers, which are in the custody of the Company and are located either in the vault, transfer office or the PDTC.

Fully-secured accounts include margin accounts which earn annual interest of 15% in 2023. The annual interest rate of 15% became effective starting October 2021. Interest revenue earned on these margin accounts amounted to P16,035 in 2023. There are no margin accounts in 2024.

Receivables from related parties amounted to P213,824 and P264,598 with security valuation of P1,964,927 and P1,536,949 as at December 31, 2024 and 2023, respectively (see Note 23).

The movements in allowance for credit losses follow:

	2024	2023
Balance at January 1	**P935**	P935
Provision for credit losses (Note 20)	**2,218**	-
Balance at December 31	**P3,153**	P935

With the foregoing level of allowance for credit losses, management believes that the Company has sufficient allowance to manage any risk from non-collection or non-realization of the Company's receivables from securities transactions.

NOTE 8 - RECEIVABLE FROM CLEARING HOUSE, NET

The account represents the net amount due on the purchases and sales of securities made at the trading floor of the PSE for which settlement must be made within three days from the consummation of the transaction.

Net receivable from clearing house amounted to P1,501,656 and P2,433,730 as at December 31, 2024 and 2023, respectively.

The offsetting of receivable from (payable to) clearing house is disclosed in Note 4.

NOTE 9 - OTHER CURRENT ASSETS

The account at December 31 consists of:

	2024	2023
Creditable withholding taxes (Note 24)	**P147,691**	P157,794
Other receivables	**207,998**	153,272
Other prepayments	**114,054**	107,029
Input VAT	**67,319**	112,499
Prepaid insurance	**62,486**	64,653
Prepaid broker's license	**34,875**	34,875
Deferred input VAT	**-**	8,959
	P634,423	P639,081

Other receivables pertain to employees' advances which are for salary deduction. Other prepayments include the unexpired portion of the payments for annual software licenses and maintenance.

NOTE 10 - FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Following the guidelines issued by the SEC and the PSE in 2004, the Company has allocated the cost of exchange membership of P3,000,000 between the PSE shares and the trading right as follows: (a) 56% as the value of the 50,000 PSE shares; and (b) 44% as the value of the trading right (see Note 12).

	2024	2023
Cost	**P36,981,600**	P36,981,600
Accumulated unrealized loss on investment	**(5,060,640)**	(3,892,800)
Market value at December 31	**P31,920,960**	P33,088,800

The movements of the accumulated net unrealized loss on investment in PSE shares follow:

	2022	Credited to equity during the year	2023	**Debited to equity during the year**	**2024**
Unrealized gain (loss)	(P6,228,480)	P2,335,680	(P3,892,800)	**(P1,167,840)**	**(P5,060,640)**
Deferred tax asset (liability) (Note 24)	1,245,696	(467,136)	778,560	**233,568**	**1,012,128**
Net	(P4,982,784)	P1,868,544	(P3,114,240)	**(P934,272)**	**(P4,048,512)**

The PSE declared cash dividend on March 7, 2024 equivalent to P10 per share to shareholders of record as of March 8, 2024. The PSE also declared cash dividend on March 22, 2023 equivalent to P10 per share to shareholders of record as of April 5, 2023.

The Company owns 194,640 PSE shares as at December 31, 2024 and 2023. As at December 31, 2024 and 2023, the market value of the PSE shares is quoted at P164 and P170 per share, respectively.

Dividend revenue recognized by the Company on PSE shares amounted to P1,946,400 in 2024 and 2023 (see Note 19).

NOTE 11 - PROPERTY AND EQUIPMENT

Details and movements of the account follow:

	Office furniture, fixtures and equipment	Leasehold improvements	Transportation equipment	Other property and equipment	Total
Cost					
At January 1, 2023	P518,760	P329,800	P2,895,000	P188,926	**P3,932,486**
Additions	-	-	-	82,144	**82,144**
At December 31, 2024 and 2023	**518,760**	**329,800**	**2,895,000**	**271,070**	**4,014,630**
Accumulated depreciation and amortization					
At January 1, 2023	518,760	329,800	2,895,000	138,490	3,882,050
Depreciation (Note 20)	-	-	-	30,476	30,476
At December 31, 2023	518,760	329,800	2,895,000	168,966	3,912,526
Depreciation (Note 20)	-	-	-	35,952	35,952
At December 31, 2024	**518,760**	**329,800**	**2,895,000**	**204,918**	**3,948,478**
Net book value					
At December 31, 2023	P-	P-	P-	P102,104	P102,104
At December 31, 2024	**P-**	**P-**	**P-**	**P66,152**	**P66,152**

The cost of fully-depreciated property and equipment still in use amounted to P3,873,915 as at December 31, 2024 and 2023.

NOTE 12 - INTANGIBLE ASSETS

Details and movements of the account follow:

	Trading right (Note 10)	Computer software	Total
Cost			
At December 31, 2024 and 2023	**P1,320,000**	**P567,347**	**P1,887,347**
Accumulated amortization			
At December 31, 2024 and 2023	**-**	**567,347**	**567,347**
Net book value			
At December 31, 2024 and 2023	**P1,320,000**	**P-**	**P1,320,314**

The Company has no intention of selling its trading right in the future as it intends to continue to operate as a stockbrokerage entity. As at December 31, 2024 and 2023, the latest transacted price of the trading right, as provided by the PSE, is P8,000,000 and is therefore within Level 1 of the fair value hierarchy. As at December 31, 2024 and 2023, the trading right shows no indication of impairment.

NOTE 13 - PAYABLE TO CUSTOMERS

The account at December 31 consists of:

	2024			2023		
	Money balance	Security valuation Long	Security valuation Short	Money balance	Security valuation Long	Security valuation Short
Free balances						
With money balances	**P41,227,308**	**P381,997,347**	**P-**	P21,120,208	P626,153,302	P-
No money balances	**-**	**509,502,912**	**-**	-	417,552,557	-
	P41,227,308	**P891,500,259**	**P-**	P21,120,208	P1,043,705,859	P-

The account includes amounts due on cash transactions. Payable to customers is generally settled within the trade settlement period, unless there is an agreement between the Company and the customer that the latter will not collect the proceeds from the sale of the securities and just keep them with the Company for future trading transactions.

The Company has payable to its related parties arising from trading transactions amounting to P34,891,753 and P9,092,210 with security valuation of P45,596,874 and P33,497,135 as at December 31, 2024 and 2023, respectively (see Note 23).

NOTE 14 - OTHER CURRENT / NON-CURRENT LIABILITIES

The accounts at December 31 consist of:

Other current liabilities

	2024	2023
Accrued expenses	**P169,733**	P516,158
Due to government	**72,316**	74,172
Dividends payable - customers	**2,447**	2,447
	P244,496	P592,777

Accrued expenses include accruals of audit fees, utilities and membership fees.

Other non-current liabilities

Other non-current liabilities of P76,123 and P48,486 as at December 31, 2024 and 2023 include stale checks in the amount of P3,048 and P186, respectively.

NOTE 15 - SHARE CAPITAL

Details of the account at December 31, 2024 and 2023 are as follows:

	No. of shares	Amount
Authorized, issued and outstanding - at P100 par value per share	**400,000**	**P40,000,000**

NOTE 16 - APPROPRIATION OF RETAINED EARNINGS

In accordance with Rule 49.1 (B) of the SEC Memorandum Circular No. 16, Series of 2004, 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 in accordance with the schedule set in the said circular. Minimum appropriation shall be 30%, 20% and 10% of profit after tax for broker dealers with unimpaired paid-up capital between P10 million to P30 million, between P30 million to P50 million, and more than P50 million, respectively. The amount appropriated shall not be available for payment of dividends. Where in any financial year, the broker dealer's paid-up capital is impaired, the broker dealer is required to transfer from the Appropriated Retained Earnings account to the Capital account an amount equivalent to the impairment. Such amount so transferred out shall not be available for payment of dividends.

The Memo for Brokers No. 377-2006, *Clarifications on the Interpretation and Implementation of the Risk-Based Capital Adequacy Rule,* issued by the PSE, provides that if a company incurs losses during the current year, the loss should be covered by the unappropriated retained earnings. The remaining loss should be covered by the same amount from the appropriated retained earnings. If the company earns income during the current year but has deficit, the latter is wiped out first using the current year's income and the remaining balance is used as the basis for applying the appropriation rule.

The net income after tax in 2024 amounted to P125,216 and the net loss after tax in 2023 amounted to P1,755,830, respectively. Appropriated retained earnings amounted to P10,002,636 as at December 31, 2024 and 2023.

NOTE 17 - COMMISSION REVENUE

The commission earned by the Company in 2024 and 2023 amounting to P3,049,807 and P1,843,746, respectively, is mostly from trading transactions with individuals. Commission revenue earned from transactions with related parties amounted to P6,317 and P5,721 in 2024 and 2023, respectively (see Note 23).

NOTE 18 - COST OF SERVICES

Details of the account follow:

	2024	2023
Salaries and benefits	**P1,744,346**	P1,699,471
Stock exchange dues and fees	**507,202**	501,383
Retirement benefit cost (Note 22)	**150,525**	129,845
SSS, Philhealth and HDMF contributions	**146,292**	129,383
	P2,548,365	P2,460,082

NOTE 19 - OTHER REVENUES, NET

Details of the account follow:

	2024	2023
Dividend revenue (Notes 6 and 10)	**P2,407,520**	P2,253,343
Unrealized market gain (loss) on financial assets at FVPL (Note 6)	**366,390**	(350,694)
Gain on sale of financial assets at FVPL (Note 6)	**89,816**	66,170
Miscellaneous	**271,422**	200
	P3,135,148	P1,969,019

NOTE 20 - OPERATING EXPENSES

Details of the account follow:

	2024	2023
Salaries and benefits	**P977,169**	P1,069,469
Rental (Notes 21 and 23)	**655,631**	617,988
Postage, telephone and communication	**509,133**	503,963
Professional fees	**250,290**	298,304
Representation and entertainment	**213,120**	151,687
Insurance	**184,164**	220,833
Transportation and travel	**170,550**	192,987
Office supplies	**113,258**	91,227
SSS, Philhealth and HDMF contributions	**100,860**	101,323
Taxes and licenses	**92,029**	124,394
Utilities (Note 23)	**91,715**	73,061
Retirement benefit cost (Note 22)	**74,139**	63,954
Repairs and maintenance	**63,730**	138,839
Membership fees and dues (Note 23)	**47,058**	47,058
Depreciation (Note 11)	**35,952**	30,476
Trainings and seminars	**7,510**	268
Provision for credit losses (Note 7)	**2,218**	-
Bank charges	**115**	190
Miscellaneous	**393,843**	358,348
	P3,982,484	P4,084,369

Miscellaneous expenses include technistock financial terminal internet and levy fee.

NOTE 21 - LEASE

On January 10, 2012, the Company entered into a sublease agreement with a related party, KSY Land Development Corporation, for its new office space for a period of two years. Under the sublease agreement, the Company agrees to pay a monthly rental of P30,221, exclusive of 12% VAT, subject to 5% escalation on the second year. The original agreement expired on January 13, 2014. This sublease agreement was renewed effective until January 13, 2017.

Terms of the subsequent renewals of the sublease agreement are as follows:

Period covered	Monthly rental
January 14, 2015 - January 13, 2017	P30,221
January 14, 2017 - January 13, 2018	45,333
January 14, 2018 - January 13, 2019	47,600
January 14, 2019 - January 13, 2020	49,980
January 14, 2020 - January 13, 2021	52,480
January 14, 2021 - January 13, 2022	55,104
January 14, 2022 - January 13, 2023	55,104
January 14, 2023 - January 13, 2024	55,104
January 14, 2024 - January 13, 2025	58,460

Rental expense incurred recognized under operating expenses amounted to P655,631 and P617,988 in 2024 and 2023, respectively (see Notes 20 and 23).

NOTE 22 - RETIREMENT BENEFIT COST

As disclosed in Note 2.19, the Company only conforms to the minimum regulatory benefit under RA No. 7641. The latest actuarial valuation performed by an independent actuarial consulting firm on the Company's retirement benefit cost and DBO is as of December 31, 2024.

The following data summarize the results of the said valuation:

Defined benefit cost recognized in profit or loss follows:

	2024	2023
Current service cost	**P178,411**	P162,730
Interest cost	**202,033**	203,125
Interest income	**(155,780)**	(172,056)
	P224,664	P193,799

Retirement benefit cost is allocated as follows:

	2024	2023
Cost of services (Note 18)	**P150,525**	P129,845
Operating expenses (Note 20)	**74,139**	63,954
	P224,664	P193,799

Actuarial loss recognized by the Company in OCI, before tax, comprised of:

	2024	2023
Actuarial loss (gain) due to:		
- Changes in financial assumptions	**(P15,815)**	P248,846
- Changes in demographic assumptions	**271,869**	24,465
- Experience	**(159,663)**	(159,199)
Remeasurement loss - plan assets	**15,711**	129,210
	P112,102	P243,322

The amounts of actuarial loss of P89,682 in 2024 and P194,658 in 2023 shown in the statements of comprehensive loss are net of tax. Accumulated actuarial loss on retirement obligation, net of tax amounted to P1,843,503 and P1,753,821 as at December 31, 2024 and 2023, respectively.

Changes in present value of the DBO follow:

	2024	2023
Present value of DBO at January 1	**P3,344,923**	P2,864,956
Current service cost	**178,411**	162,730
Interest cost	**202,033**	203,125
Actuarial loss	**96,391**	114,112
Present value of DBO at December 31	**P3,821,758**	P3,344,923

In 2014, the Company has participated in a Multi-employer Retirement Plan with KSY Land Development Corporation, a related party, which is non-contributory and provides a retirement benefit equal to 22.5 days' pay for every year of credited service in accordance with the Retirement Pay Law. The Company and the said related party entered into a Trust Agreement with BDO Unibank Inc. - Trust and Investment Group (the "Trustee") in September 2014 whereby the latter has agreed to administer and manage the fund of the retirement plan. Under the trust arrangement, the Trustee shall hold legal title over the fund for the benefit of the participants of the plan and their beneficiaries.

No part of the fund shall be used for, or diverted to, any purpose other than for the exclusive benefit of such participants and their beneficiaries.

Plan assets of the Company as at December 31 comprised the following:

	2024	2023
Cash	**P134**	P4,415
Investment in UITF	**2,828,629**	2,466,817
Accrued trust fees	**-**	(1,647)
	P2,828,763	P2,469,585

Changes in the fair value of plan assets follow:

	2024	2023
Fair value of plan assets at January 1	**P2,469,585**	P2,426,739
Return on plan assets	**140,069**	42,846
Contributions paid	**219,109**	-
Fair value of plan assets at December 31	**P2,828,763**	P2,469,585

The retirement liability recognized in the statements of financial position as at December 31 follows:

	2024	2023
Present value of DBO	**P3,821,758**	P3,344,923
Fair value of plan assets	**(2,828,763)**	(2,469,585)
Retirement liability	**P992,995**	P875,338

The movements in the retirement liability recognized in the statements of financial position follow:

	2024	2023
Retirement liability at January 1	**P875,338**	P438,217
Retirement benefit cost recognized in profit or loss	**224,664**	193,799
Actuarial loss recognized in OCI	**112,102**	243,322
Contributions paid	**(219,109)**	-
Retirement liability at December 31	**P992,995**	P875,338

The key actuarial assumptions used as at December 31 follow:

	2024	2023
Discount rate	**6.09%**	6.04%
Salary increase rate	**5.00%**	5.00%
Mortality rate	**2017 Philippine Intercompany Mortality Table**	
Disability rate	**The Disability Study, Period 2 Benefit 5 (Society of Actuaries)**	

	Age	2024	2023
Withdrawal rates	19-24	**28.75%**	0.00%
	25-29	**23.00%**	8.33%
	30-34	**12.96%**	22.92%
	35-39	**1.50%**	0.00%
	40-44	**1.00%**	0.00%
	45-49	**1.00%**	6.25%
	≥50	**0.50%**	6.25%

The discount rate assumption is based on the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market (previously the PDEx (PDST-R2) market yields on benchmark government bonds) as of the valuation date and considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the DBO at the financial reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

The sensitivity of the DBO to changes in the principal actuarial assumptions, assuming all other assumptions were held constant as at December 31 follows:

	2024		2023	
Decrease in DBO due to 100 bps increase in discount rate	**(P293,508)**	**-7.7%**	(P237,747)	-7.1%
Increase in DBO due to 100 bps decrease in discount rate	**339,740**	**8.9%**	271,558	8.1%
Increase in DBO due to 100 bps increase in salary increase rate	**340,053**	**8.9%**	271,668	8.1%
Decrease in DBO due to 100 bps decrease in salary increase rate	**(298,987)**	**-7.8%**	(242,112)	-7.2%
Increase in DBO, no attrition rates	**119,733**	**3.1%**	387,271	11.6%

Maturity analyses of the undiscounted expected future benefit payments follow:

	2024	2023
<u>Financial year</u>		
Year 1	**P53,275**	P175,809
Year 2	**63,571**	181,659
Year 3	**1,331,111**	210,302
Year 4	**349,083**	1,234,342
Year 5	**1,392,774**	372,619
Year 6-10	**174,129**	1,392,462
	P3,363,943	P3,567,193

The Company's retirement liability is exposed to interest rate risk, price risk and changes in the life expectancy for pensioners. There was no plan amendment, curtailment, or settlement recognized in 2024 and 2023.

The weighted average duration of the DBO is 8.3 years in 2024 and 7.6 years in 2023.

The expected contribution to the fund in the next financial year is P328,115.

NOTE 23 - RELATED PARTY TRANSACTIONS

The Company, in the normal course of its business, has transactions with related parties.

Details of related party transactions and balances recognized in the books are as follows:

Name of related party	Nature of transaction	Amount 2024	Amount 2023
(a) Shareholders and officers (other related parties)	***Balances:***		
	Trading transactions		
	- Receivables (Note 7)	**P213,824**	P264,598
	- Payables (Note 13)	**34,891,753**	9,092,210
	Allowance for credit losses related to the outstanding balance	**-**	-
	Transactions:		
	Commission revenue (Note 17)	**6,317**	5,721
	Expense recognized during the year in respect of impaired accounts due from related party	**-**	-
	Nature of the consideration to be provided in settlement	**Cash**	Cash
(b) KSY Land Development Corporation (entity under common control)	***Transactions:***		
	Rental expense from sublease agreement (Notes 20 and 21)	**655,631**	617,988
	Utilities (Note 20)	**91,715**	73,061
	Membership fees and dues (Note 20)	**47,058**	47,058

In the normal course of business, the Company acts as a stockbroker for some of its officers and shareholders. Trading transactions are reflected under receivable from/payable to customers account.

Transactions with related parties, other than the receivables from shareholders and officers arising from trading transactions, are unsecured and the Company has neither given nor received any guarantees for the related party receivables and payables. The transactions with related parties are non-interest bearing.

Retirement benefits

The Company provides for estimated retirement benefits to its qualified employees under a defined benefit plan. Refer to Note 22 for the information on the Company's retirement plan, cost and funding.

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The remuneration given to key management personnel is as follows:

	2024	2023
Salaries and other short-term benefits	**P845,000**	P895,000

Defined benefit cost relating to key management personnel is broken down as follows:

	2024	2023
Defined benefit cost recognized in profit or loss	**P51,947**	P39,897
Defined benefit income recognized in OCI	**25,920**	50,092
	P77,867	P89,989

NOTE 24 - INCOME TAXES

The Company's benefit from income tax consists of:

	2024	2023
Current	**P18,468**	P-
Deferred	**(481,344)**	(947,667)
	(P462,876)	(P947,667)

Reconciliations of the income tax benefit at the statutory income tax rate and the effective income tax benefit in profit or loss are as follows:

	2024	2023
Loss before income tax	**(P337,660)**	(P2,703,497)
Income tax benefit calculated at statutory income tax rate of 20%	**(P67,532)**	(P540,699)
Adjust for tax effect of:		
Expired MCIT	**51,283**	19,514
Non-deductible expenses	**36,524**	26,618
Interest income subjected to final tax	**(1,647)**	(2,431)
Dividend revenue subject to zero tax rate	**(481,504)**	(450,669)
Effective income tax benefit	**(P462,876)**	(P947,667)

RA No. 9337 prescribes MCIT of 2% on modified gross income and allow a NOLCO. MCIT is recognized when it is higher than the RCIT. The MCIT and NOLCO may be applied against the Company's income tax liability and taxable income, respectively, for the three immediately succeeding taxable years.

On March 26, 2021, President Rodrigo Duterte signed into law RA No. 11534, also known as "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE" Act which reduced the corporate income tax rates and rationalized the current tax incentives system by making it time bound, targeted and performance based. CREATE Act introduces reforms in the areas of corporate income tax, VAT and tax incentives, aside from providing COVID-19 reliefs to taxpayers.

Effective July 1, 2020, domestic corporations with total assets not exceeding P100 million and taxable income of P5 million and below are subject to 20% income tax rate while the other domestic corporations and resident foreign corporations are subject to 25% income tax rate. The MCIT rate is reduced from 2% to 1% from July 1, 2020 to June 30, 2023. Effective July 1, 2023, the MCIT rate reverted to its previous rate of 2%.

Effective July 2008, RA No. 9504 was approved giving corporate taxpayers an option to claim itemized deduction or optional standard deduction equivalent to 40% of gross income. Once the option is made, it shall be irrevocable for the taxable year for which the option was made. The Company opted to continue claiming itemized deductions for the years ended December 31, 2024 and 2023.

Current tax regulations also provide for the ceiling on the amount of Entertainment, Amusement and Recreation (EAR) expense that can be claimed as a deduction against taxable profit. Under the regulations, EAR expense allowed as a deductible expense for a service company like the Company is limited to the actual EAR paid or incurred but not to exceed 1 % of net revenue.

Movements in creditable withholding tax are as follows:

	2024	2023
Balance at January 1	**P157,794**	P150,549
Creditable tax withheld	**8,365**	7,245
Charged to profit or loss	**(18,468)**	-
Balance at December 31 (Note 9)	**P147,691**	P157,794

The following are the composition of net deferred tax assets recognized by the Company as at December 31:

	2022	Credited (Charged) to profit or loss	Credited (Charged) to equity	2023	**Credited (Charged) to profit or loss**	**Credited (Charged) to equity**	**2024**
Deferred tax assets							
NOLCO	P1,059,921	P1,061,078	P-	P2,120,999	**P560,060**	**P-**	**P2,681,059**
Unrealized loss on fair value changes of financial asset at FVOCI (Note 10)	1,245,696	-	(467,136)	778,560	**-**	**233,568**	**1,012,128**
Retirement liability	87,644	38,760	48,664	175,068	**44,933**	**22,420**	**242,421**
Excess MCIT over RCIT	87,835	(19,514)	-	68,321	**(32,815)**	**-**	**35,506**
Allowance for credit losses	187	-	-	187	**443**	**-**	**630**
	2,481,283	1,080,324	(418,472)	3,143,135	**572,621**	**255,988**	**3,971,744**
Deferred tax liability							
Unrealized market gain on financial assets at FVPL	(39,724)	(132,657)	-	(172,381)	**(91,277)**	**-**	**(263,658)**
Net	P2,441,559	P947,667	(P418,472)	P2,970,754	**P481,344**	**P255,988**	**P3,708,086**

The details of the Company's NOLCO prior to 2020 and after 2021 are presented below:

Year incurred	**Amount**	**Expiry year**
2024	P2,800,300	2027
2023	5,305,388	2026
2022	3,218,433	2025
	P11,324,121	

Pursuant to the provisions of Section 244 of the National Internal Revenue Code, as amended, Revenue Regulations (RR) No. 25-2020 dated September 30, 2020 was promulgated to implement Section 4 (bbbb) of RA No. 11494, otherwise known as Bayanihan to Recover as One Act, that allows taxpayers which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five consecutive taxable years immediately following the year of such loss, which can be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five consecutive taxable years immediately following the year of such loss unless otherwise disqualified from claiming the deduction.

Presented below are the details of the NOLCO incurred by the Company in 2020:

Year incurred	Amount	Expiry year
2020	**P2,081,172**	2025

Details of excess MCIT over RCIT are as follows:

Year incurred	RCIT	MCIT	Excess MCIT over RCIT	Expired	Still allowable as tax credit	Expiry year
2024	P-	P18,468	P18,468	P-	P18,468	2027
2022	-	17,038	17,038	-	17,038	2025
2021	-	51,283	51,283	(51,283)	-	2024
2020	-	19,514	19,514	(19,514)	-	2023
	P-	**P106,303**	**P106,303**	**(P70,797)**	**P35,506**	

NOTE 25 - CAPITAL MANAGEMENT

The primary objectives of the Company for capital management are to ensure its ability to continue as a going concern, to maintain a strong credit rating and quality ratios, to ensure compliance with the PSE and the SEC regulations, and to maximize shareholders' value in terms of returns on investments and increased share value.

The BOD is responsible for managing the Company's capital structure and makes the necessary adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust or defer the dividend payment to shareholders. No changes were made in the Company's objectives, policies or processes during the years ended December 31, 2024 and 2023. The Company considers its total equity as the capital it manages.

Regulatory qualifying capital

The Amended Implementing Rules and Regulations of the SRC effective February 28, 2004 includes, 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 dealer as follows:

a. to allow a net capital of P2.5 million or 2.5% of aggregate indebtedness (AI), 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 RBCA model; and
c. to require unimpaired paid-up capital of P100 million for broker dealers, which are either first-time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; P10 million plus a surety bond for existing broker dealers not engaged in market-making transactions; and P2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

SEC Memorandum Circular No. 16 dated November 11, 2004 provides the guidelines on the adoption in the Philippines of the RBCA Framework for all registered brokers dealers in accordance with the SRC. These guidelines cover the following risks: (a) position or market risk, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operational risk.

RBCA ratio of a broker dealer, computed by dividing the Net Liquid Capital (NLC) by the Total Risk Capital Requirement (TRCR), should not be less than 110%. NLC and TRCR are computed based on the existing provision of the SRC. NLC consists of total equity adjusted for allowance for market decline, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription with no SEC application, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the AI of every stockbroker should not exceed 2,000% of its NLC and at all times shall have and maintain NLC of at least P5 million or 5% of the AI, whichever is higher. If the minimum RBCA ratio of 110% or the minimum NLC is breached, every broker dealer shall immediately cease doing business as broker dealer.

The SEC issued Memorandum Circular No. 11-2023 amending the 2015 Implementing Rules and Regulations of the Securities Regulation Code and Memorandum Circular No. 16-2004 relative to the settlement cycle from T+3 to T+2. The amended NLC computation was likewise included in the Memorandum Circular.

Limitations on withdrawal of core equity

No equity capital of a broker dealer may be withdrawn by action of a shareholder or a partner or by redemption or repurchase of shares of stock or through the payment of dividends or any similar distribution, nor may any unsecured advance or loan be made to a shareholder, partner, sole proprietor, employee or affiliate, if after giving effect thereto and to any such withdrawals, advances or loans and any payments under satisfactory subordination agreements in conformity with SRC Rule 49.1 which are scheduled to occur within 180 days following such withdrawal, advance or loan if:

a. The broker dealer's NLC would be less than 120% of the minimum amount which is at least P2.5 million or 5% of its AI, whichever is higher; or
b. The AI of the broker dealer exceeds 1,500% of its net capital.

Any transaction between a broker and a shareholder, partner, sole proprietor, employee or affiliate that results in a diminution of the broker dealer's net capital shall be deemed to be an advance or loan of net capital.

The RBCA ratio of the Company as at December 31 follows:

	2024	2023
Operational risk	**P1,331,033**	P1,290,668
Position risk	**1,841,930**	2,734,904
TRCR	**P3,172,963**	P4,025,572
Equity eligible for NLC	**P39,803,150**	P46,570,941
Less: Ineligible assets	**34,046,887**	35,358,622
NLC	**P5,756,263**	P11,212,319
AI	**P42,540,923**	P20,194,120
5% of AI	**P2,127,046**	P1,009,706
Required NLC	**5,000,000**	5,000,000
Net Risk-based Capital Excess	**756,263**	6,212,319
Ratio of AI to NLC	**739%**	180%
RBCA ratio	**181%**	279%

As of December 31, 2024 and 2023, the Company is in compliance with the required RBCA ratio.

The SEC approved on May 28, 2009 the PSE's Rules Governing Trading Rights and Trading Participants. The provisions of the rules mandated the following:

(a) Trading participants must have and keep a minimum subscribed capital stock in such amounts as may be required by law or regulations; provided, that trading participants shall have a minimum unimpaired paid-up capital, as defined by the SEC, of P20 million effective December 31, 2009; provided further, that effective December 31, 2010 and onwards, the minimum unimpaired paid-up capital shall be P30 million; and

(b) Unless a trading participant has arranged a form of guarantee acceptable to the PSE, the trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due the clients of the trading participant, the government, the PSE and to other trading participants of the PSE and to the Securities Clearing Corporation of the Philippines (SCCP). Such indebtedness to the PSE, SCCP and other trading participants shall always, and in every case, be a prior, preferred lien upon the value, or the proceeds of sale of the trading rights.

The Company is in compliance with the required unimpaired paid-up capital as of December 31, 2024 and 2023 as shown in the statements of changes in equity.

NOTE 26 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Presented below is the supplementary information which is required by the BIR under its existing RR to be disclosed as part of the notes to financial statements in addition to the disclosures mandated under PFRSs.

A. REVENUE REGULATIONS NO. 15-2010

In compliance with the requirements of RR No. 15-2010 issued on November 25, 2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended December 31, 2024:

1. The amount of output VAT declared during the year and the account title and amount upon which the same was based

	Amount	Output VAT
Revenues/Receipts	P3,050,700	P366,084

2. The amount of input VAT claimed

The amount of input VAT claimed is broken down as follows:

a. Balance at beginning of year	P112,499
b. Current year's domestic purchases	
- Domestic purchases of goods other than capital goods	10,644
- Domestic purchase of services	301,302
c. Claims for tax credit and other adjustments	(366,084)
d. Balance at end of year	P58,361

3. **Taxes and licenses paid/accrued during the year**

a. Local

Business permit renewal	P54,154
Others	3,000
	57,154

b. National

SEC license renewal	34,875
	P92,029

4. **Sales tax on stock transactions** P2,735,432

5. **Withholding taxes**

The amounts of withholding taxes paid/accrued during the year are as follows:

	Paid	Accrued	Total
a. Tax on compensation and benefits	P90,258	P6,979	P97,237
b. Expanded withholding taxes	69,783	10,199	79,982
c. Final withholding taxes	9,103	-	9,103
	P169,144	P17,178	P186,322

6. **Deficiency tax assessments and tax cases**

As of December 31, 2024, the Company has no pending tax cases and has not received any tax assessment notices from the BIR.

B. REVENUE REGULATIONS NO. 34-2020

On December 18, 2020, BIR issued RR No. 34-2020 which prescribed the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents, amending the pertinent provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010.

The Company is not covered by the requirements and procedures for related party transactions under the said RR as it is not one of the following taxpayers required to file and submit the RPT Form together with the annual income tax return as provided under Section 2 thereof:

a. Large taxpayer;
b. Taxpayers enjoying tax incentives, i.e., Board of Investments-registered and economic zone enterprises, those enjoying Income Tax Holiday or subject to preferential income tax rate;
c. Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two consecutive years; and
d. A related party, as defined under Section 3 of RR No. 19-2020 which has transactions with (a), (b) or (c) above.

Alba Romeo and Co.
Audit | Tax | Consulting | Outsourcing

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Makati City 1226 Philippines
Tel. No.: +63(2) 8776-0504
www.albaromeo.com

INDEPENDENT AUDITORS' SUPPLEMENTAL WRITTEN STATEMENT

The Shareholders and the Board of Directors
Alpha Securities Corporation
Unit 3003 One Corporate Center
Julia Vargas cor. Meralco Avenue
Ortigas Center, Pasig City

We have audited the financial statements of Alpha Securities Corporation for the year ended December 31, 2024, on which we have rendered the attached report dated April 11, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said company has nine shareholders owning one hundred (100) or more shares each.

ALBA ROMEO AND CO.

Romeo C. Alba
Partner
CPA Certificate No. 0014348
PTR No. 10485513, issued on January 16, 2025, Makati City
SEC Accreditation No. 14348-SEC (Individual), Group A, issued on November 18, 2021,
valid to audit 2021 to 2025 financial statements
SEC Accreditation No. 8199-SEC (Firm), Group A, issued on October 7, 2021,
valid to audit 2021 to 2025 financial statements
Tax Identification No. 123-048-264
BIR Accreditation No. 08-007141-001-2024, issued on March 15, 2024,
valid until March 14, 2027
BOA/PRC Accreditation No. 8199/P-001, issued on July 5, 2024,
valid from July 17, 2024 to July 16, 2027

Makati City
April 11, 2025

ALPHA SECURITIES CORPORATION

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

There are no liabilities subordinated to claims of general creditors.

SCHEDULE 2

ALPHA SECURITIES CORPORATION

RISK-BASED CAPITAL ADEQUACY WORKSHEET
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION
MEMORANDUM CIRCULAR NO. 16, SERIES OF 2004
DECEMBER 31, 2024

Please see attached Risk-Based Capital Adequacy Worksheet computation of net liquid capital as at December 31, 2024.

ALPHA SECURITIES CORPORATION
RISK-BASED CAPITAL ADEQUACY WORKSHEET
DECEMBER 31, 2024

Assets	**85,567,349**
Liabilities	**42,804,581**
Equity as per books	**42,762,768**
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(2,959,618)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	**(2,959,618)**
Equity Eligible For Net Liquid Capital	**39,803,150**
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	1,320,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	66,152
d. All Other Current Assets	419,413
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	32,241,322
Total ineligible assets	**34,046,887**

Net Liquid Capital (NLC)	**5,756,263**
Less:	
Operational Risk Reqt (Schedule ORR-1)	**1,331,033**
Position Risk Reqt (Schedule PRR-1)	**1,841,930**
Counterparty Risk (Schedule CRR-1 and detailed schedules)	
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	**3,172,963**
Net RBCA Margin (NLC-TRCR)	**2,583,300**
Liabilities	**42,804,581**
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	263,658
Total adjustments to AI	**(263,658)**
Aggregate Indebtedness	**42,540,923**
5% of Aggregate Indebtedness	**2,127,046**
Required Net Liquid Capital (> of 5% of AI or P5M)	**5,000,000**
Net Risk-based Capital Excess / (Deficiency)	**756,263**
Ratio of AI to Net Liquid Capital	**739%**
RBCA Ratio (NLC / TRCR)	**181%**

ALPHA SECURITIES CORPORATION

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER SRC RULE 49.2
DECEMBER 31, 2024

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

Market valuation	NIL
Number of items	NIL

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

Market valuation	NIL
Number of items	NIL

SCHEDULE 4

ALPHA SECURITIES CORPORATION

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER SRC RULE 49.2
DECEMBER 31, 2024

Particulars	Credit	Debit
Free credit balances and other credit balances in customers' security accounts	P6,338,002	
Customers' securities failed to receive	144,358	
Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection		P491,568
Failed to deliver customers' securities not older than 30 calendar days		1,646,014
Total	P6,482,360	P2,137,582
Net credit balance	P4,344,778	
Required reserve (100% of net credit if making a weekly computation or 105% if monthly)	P4,344,778	

ALPHA SECURITIES CORPORATION

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

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

ALPHA SECURITIES CORPORATION

RESULTS OF SECURITIES COUNT CONDUCTED
PURSUANT TO SRC RULE 52.1.10, AS AMENDED
DECEMBER 31, 2024

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

ALPHA SECURITIES CORP.

INVENTORY REPORT BY LOCATION - SUMMARIZED

As of December 31, 2024

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
2GO	2GO GROUP, INC.	23,000	0	0	0	23,000	13.50	310,500.00
AB	ATOK BIG WEDGE COMPANY, INC. "A"	0	0	0	36,520	36,520	5.44	198,668.80
ABA	ABACORE CAPITAL HOLDINGS, INC.	20,000	0	0	639,890	659,890	0.53	349,741.70
ABG	ASIABEST GROUP INTERNATIONAL, INC.	0	0	0	9,000	9,000	26.20	235,800.00
ABS	ABS-CBN BROADCASTING CORP.	2,050	0	0	194,675	196,725	4.20	826,245.00
ABSP	ABS-CBN PHIL. DEPOSIT RECEIPT	0	0	0	500	500	3.80	1,900.00
AC	AYALA CORPORATION	0	0	0	29,312	29,312	599.00	17,557,888.00
ACEN	ACEN CORPORATION	0	0	0	1,834,180	1,834,180	4.00	7,336,720.00
ACENA	ACEN PREF SERIES A	0	0	0	200	200	1,050.00	210,000.00
ACENB	ACEN PREF SERIES B	0	0	0	200	200	1,056.00	211,200.00
ACPAR	AYALA CORP-PREFERRED CLASS A	0	0	0	180	180	2,550.00	459,000.00
ACR	ALSONS CONSOLIDATED RESOURCES INC.	0	0	0	1,877,000	1,877,000	0.46	863,420.00
AEV	ABOITIZ EQUITY VENTURES, INC.	5,880	0	0	86,900	92,780	34.35	3,186,993.00
AGI	ALLIANCE GLOBAL, INC.	0	0	0	138,600	138,600	9.00	1,247,400.00
ALCO	ARTHALAND CORPORATION	9,100	0	0	17,859,749	17,868,849	0.37	6,522,129.89
ALCPF	ARTHALAND SERIES F PREFERRED SHARES	0	0	0	100	100	490.00	49,000.00
ALI	AYALA LAND INC.	3,193	0	0	2,972,571	2,975,764	26.20	77,965,016.80
ALLDY	ALLDAY MARTS INC	0	0	0	2,317,000	2,317,000	0.13	308,161.00
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP	0	0	0	1,887,000	1,887,000	1.70	3,207,900.00
ANI	AGRINURTURE INC.	0	0	0	107,000	107,000	0.51	54,570.00
ANS	A. SORIANO CORPORATION "A"	574	0	0	7,700	8,274	13.68	113,188.32
AP	ABOITIZ POWER CORPORATION	0	0	0	42,100	42,100	37.70	1,587,170.00
APC	APC GROUP INC.	0	0	0	353,000	353,000	0.19	65,305.00
APL	APOLLO GLOBAL CAPITAL INC	0	0	0	260,875,900	260,875,900	0.00	1,043,503.60
APVI	ALTUS PROPERTY VENTURES INC	0	0	0	33	33	8.32	274.56
APX	APEX MINING CO., INC.	0	0	0	3,704,000	3,704,000	3.45	12,778,800.00
AR	ABRA MINING & INDUSTRIAL	0	0	0	47,000,000	47,000,000	0.00	216,200.00
ARA	ARANETA PROPERTIES	15,060	0	0	1,466,000	1,481,060	0.51	755,340.60
AREIT	AREIT INC.	0	0	0	443,000	443,000	37.95	16,811,850.00
ASLAG	RASLAG CORP	0	0	0	30,000	30,000	1.03	30,900.00
AT	ATLAS CONS. MNG. & DEV.	0	0	0	86,894	86,894	4.38	380,595.72
ATI	ASIAN TERMINALS, INC.	0	0	0	7,333	7,333	17.00	124,661.00
ATN	ATN HOLDINGS, INC.	4,000	0	0	801,000	805,000	0.52	418,600.00
AUB	ASIA UNITED BANK CORPORATION	0	0	0	7,875	7,875	61.50	484,312.50
AXLM	AXELUM RESOURCES CORP	0	0	0	598,000	598,000	2.59	1,548,820.00

ALPHA SECURITIES CORP.

INVENTORY REPORT BY LOCATION - SUMMARIZED

As of December 31, 2024

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
BALAI	BALAI NI FRUITAS INC	0	0	0	10,000	10,000	0.36	3,600.00
BC	BENGUET CORPORATION	0	0	0	67,311	67,311	3.97	267,224.67
BCOR	BERJAYA PHILIPPINES, INC.	0	0	0	165,000	165,000	9.80	1,617,000.00
BDO	BDO UNIBANK, INC.	0	0	0	93,646	93,646	144.00	13,485,024.00
BEL	BELLE CORPORATION	3,000	0	0	641,500	644,500	1.66	1,069,870.00
BHI	BOULEVARD HOLDINGS CORP.	0	0	0	31,660,000	31,660,000	0.07	2,342,840.00
BKR	BRIGHT KINDLE RESOURCES	0	0	0	100,700	100,700	0.99	99,693.00
BLOOM	BLOOMBERRY RESORTS CORPORATION	0	0	0	1,305,400	1,305,400	4.58	5,978,732.00
BNCOM	BANK OF COMMERCE	0	0	0	137,000	137,000	6.75	924,750.00
BPI	BANK OF THE PHILIPPINE ISLANDS	165	0	0	71,357	71,522	122.00	8,725,684.00
BRN	A BROWN COMPANY, INC.	10,685	0	0	7,958,205	7,968,890	0.56	4,462,578.40
BRNP	A BROWN SERIES A PREFERRED SHARES	0	0	0	10,000	10,000	96.50	965,000.00
BRNPB	A. BROWN SERIES B PREFERRED SHARES	0	0	0	12,000	12,000	92.00	1,104,000.00
BSC	BASIC ENERGY CORPORATION	73,641	0	0	7,840,349	7,913,990	0.14	1,107,958.60
C	CHELSEA LOGISTICS HOLDINGS CORP	0	0	0	976,000	976,000	1.31	1,278,560.00
CAL	CALATA CORPORATION	28,000	0	0	8,551,288	8,579,288	0.00	0.00
CAT	CENTRAL AZUCARERA DE TARLAC	0	0	0	2,900	2,900	11.20	32,480.00
CBC	CHINA BANKING CORPORATION	0	0	0	121,428	121,428	63.50	7,710,678.00
CDC	CITYLAND DEVELOPMENT CORP.	0	0	0	85,884,746	85,884,746	0.68	58,401,627.28
CEB	CEBU AIR, INC.	0	0	0	85,360	85,360	28.25	2,411,420.00
CEBCP	CEBU AIR INC CONVERTIBLE PREF SHS	0	0	0	14,169	14,169	34.50	488,830.50
CEI	CROWN EQUITIES INC.	0	0	0	11,850,000	11,850,000	0.06	663,600.00
CHI	CEBU HOLDINGS, INC.	20,000	0	0	0	20,000	6.12	122,400.00
CHP	CEMEX HOLDINGS PHILS.	0	0	0	3,372,325	3,372,325	1.78	6,002,738.50
CLI	CEBU LANDMASTERS, INC	0	0	0	43,931	43,931	2.65	116,417.15
CNPF	CENTURY PACIFIC FOOD INC.	0	0	0	18,000	18,000	41.95	755,100.00
CNVRG	CONVERGE INFORMATION AND COMM TECH	0	0	0	318,500	318,500	16.14	5,140,590.00
COAL	COAL ASIA HOLDINGS INC.	0	0	0	180,000	180,000	0.15	27,720.00
COL	COL FINANCIAL GROUP INC	0	0	0	119,500	119,500	1.65	197,175.00
COSCO	COSCO CAPITAL, INC.	0	0	0	660,500	660,500	5.38	3,553,490.00
CPG	CENTURY PROPERTIES GROUP.,INC	0	0	0	1,542,100	1,542,100	0.42	647,682.00
CPM	CENTURY PEAK HOLDINGS CORPORATION	0	0	0	67,176,000	67,176,000	2.50	167,940,000.00
CPV	CEBU PROPERTY VENTURES	954	0	0	0	954	6.80	6,487.20
CREIT	CITICORE ENERGY REIT CORP	0	0	0	1,166,000	1,166,000	3.05	3,556,300.00
CROWN	CROWN ASIA CHEMICALS CORPORATION	0	0	0	160,000	160,000	1.71	273,600.00
CTS	CTS GLOBAL EQUITY GROUP INC	0	0	0	320,000	320,000	0.65	208,000.00

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CYBR	CYBER BAY CORPORATION	0	0	0	1,220,000	1,220,000	0.33	402,600.00
DD	DOUBLE DRAGON CORPORATION	0	0	0	421,700	421,700	10.20	4,301,340.00
DDMPR	DDMP REIT INC	0	0	0	8,841,000	8,841,000	1.03	9,106,230.00
DDPR	DOUBLE DRAGON PROPERTIES CORP-PREF	0	0	0	10,500	10,500	97.20	1,020,600.00
DELM	DEL MONTE PACIFIC LIMITED 2	0	0	0	95,900	95,900	3.90	374,010.00
DFNN	DIVERSIFIED FINANCIAL NETWORK, INC.	0	0	0	20,000	20,000	2.85	57,000.00
DGTL	DIGITAL TELECOMMUNICATIONS PHI	120,000	0	0	0	120,000	1.45	174,000.00
DHI	DOMINION HOLDINGS INC	0	0	0	37,950	37,950	1.60	60,720.00
DITO	DITO CME HOLDINGS CORP	0	0	0	1,513,125	1,513,125	1.64	2,481,525.00
DIZ	DIZON COPPER, SILVER MINES	0	0	0	82,510	82,510	2.03	167,495.30
DMC	DMCI HOLDINGS, INC.	0	0	0	113,500	113,500	10.82	1,228,070.00
DMW	D.M. WENCESLAO & ASSOCIATES INC	0	0	0	210,000	210,000	5.52	1,159,200.00
DNA	PHILAB HOLDINGS CORP.	0	0	0	202,000	202,000	2.86	577,720.00
DNL	D & L INDUSTRIES, INC.	0	0	0	865,100	865,100	6.09	5,268,459.00
DWC	DISCOVERY WORLD CORPORATION	0	0	0	502,000	502,000	1.12	562,240.00
ECP	EASYCALL COMM. PHILS.,INC. "COMMON"	0	0	0	2,000	2,000	2.21	4,420.00
ECVC	EAST COAST VULCAN MINING CORP.	0	0	0	599,000	599,000	0.31	185,690.00
EEI	EEI CORPORATION	9,014	0	0	176,111	185,125	3.60	666,450.00
EEIPB	EEI PREF SHARES B	0	0	0	21,000	21,000	98.45	2,067,450.00
EG	IP E-GAME VENTURES, INC.	0	0	0	76,600,000	76,600,000	0.01	720,040.00
EIBA	EXPORT & INDUSTRY BANK, INC. A	91	0	0	810,000	810,091	0.26	210,623.66
ELI	EMPIRE EAST LAND HOLDINGS INC.	311,876	0	0	1,917,430	2,229,306	0.12	267,516.72
EMI	EMPERADOR INC	0	0	0	10,000	10,000	18.06	180,600.00
ENEX	ENEX ENERGY CORP	0	0	0	98,877	98,877	5.00	494,385.00
ETON	ETON PROPERTIES PHILS	726	0	0	0	726	2.81	2,040.06
EURO	EURO-MED LAB. PHIL., INC.	0	0	0	2,000	2,000	0.82	1,640.00
EVER	EVER-GOTESCO	0	0	0	2,281,000	2,281,000	0.26	581,655.00
EW	EAST WEST BANKING CORPORATION	0	0	0	447,582	447,582	9.85	4,408,682.70
FB	SAN MIGUEL FOOD AND BEVERAGES, INC.	0	0	0	10	10	52.75	527.50
FCC	FORTUNE CEMENT CORPORATION	1,500	0	0	0	1,500	4.20	6,300.00
FCG	FIGARO COFFEE GROUP INC	0	0	0	30,000	30,000	0.86	25,800.00
FDC	FILINVEST DEVELOPMENT CORPORATION	0	0	0	37,164	37,164	4.94	183,590.16
FERRO	FERRONOUX HOLDINGS INC	0	0	0	363,000	363,000	5.35	1,942,050.00
FFI	FILIPINO FUND, INC.	0	0	0	3,723	3,723	5.87	21,854.01
FGEN	FIRST GEN CORPORATION	0	0	0	26,600	26,600	16.12	428,792.00
FILRT	FILINVEST REIT CORP	0	0	0	1,048,838	1,048,838	2.95	3,094,072.10

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FLI	FILINVEST LAND, INC.	5,974	0	0	2,203,540	2,209,514	0.73	1,612,945.22
FNI	FERRONICKEL HOLDINGS, INC.	333	0	0	2,099,665	2,099,998	1.04	2,183,997.92
FOOD	ALLIANCE SELECT FOODS INT'L.	0	0	0	6,893	6,893	0.38	2,619.34
FPH	FIRST PHILIPPINE HOLDINGS	3,197	0	0	775	3,972	59.00	234,348.00
FPI	FORUM PACIFIC, INC.	0	0	0	2,980,000	2,980,000	0.25	733,080.00
GEO	GEOGRACE RESOURCES PHILIPPINES, INC	0	0	0	3,160,807	3,160,807	0.09	278,151.02
GERI	GLOBAL-ESTATES RESORTS, INC.	0	0	0	906,865	906,865	0.64	580,393.60
GLO	GLOBE TELECOM, INC.	33	0	0	1,410	1,443	2,184.00	3,151,512.00
GMA7	GMA NETWORK, INC.	0	0	0	254,700	254,700	6.11	1,556,217.00
GMAP	GMA HOLDINGS, INC. "PDR"	0	0	0	47,000	47,000	6.26	294,220.00
GO	GOTESCO LAND, INC.	1,380,399	0	0	0	1,380,399	0.00	0.00
GREEN	GREENERGY HOLDINGS, INCORPORATED	0	0	0	1,644,920	1,644,920	0.19	312,534.80
GSMI	GINEBRA SAN MIGUEL INC.	0	0	0	1,000	1,000	275.00	275,000.00
GTCAP	GT CAPITAL HOLDINGS, INC.	0	0	0	15,835	15,835	658.00	10,419,430.00
HI	HOUSE OF INVESTMENTS, INC.	2,600	0	0	3,000	5,600	3.38	18,928.00
HLCM	HOLCIM PHILIPPINES, INC.	5,341	0	0	0	5,341	3.87	20,669.67
HOME	ALL HOME CORP	0	0	0	680,700	680,700	0.64	435,648.00
HOUSE	8990 HOLDINGS, INC.	0	0	0	867	867	9.09	7,881.03
ICT	INTL. CONTAINER TERMINAL SERV	7,003	0	0	60,325	67,328	386.00	25,988,608.00
IDC	ITALPINAS DEVELOPMENT CORPORATION	0	0	0	48,575	48,575	1.30	63,147.50
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	0	0	0	1,029,000	1,029,000	1.49	1,533,210.00
IMP	IMPERIAL RESOURCES	0	0	0	802,100	802,100	0.63	505,323.00
INFRA	PHILIPPINE INFRADEV HOLDINGS INC	0	0	0	466,000	466,000	0.30	139,800.00
ION	IONICS CIRCUITS, INC.	1,750	0	0	193,100	194,850	0.84	163,674.00
IPM	IPM HOLDINGS, INC.	0	0	0	144,000	144,000	3.00	432,000.00
IPO	IPEOPLE, INC.	0	0	0	750	750	6.79	5,092.50
IS	ISLAND INFO AND TECH INC.	0	0	0	27,400,000	27,400,000	0.14	3,945,600.00
JAS	JACKSTONE, INC.	0	0	0	3,231,000	3,231,000	1.10	3,554,100.00
JFC	JOLLIBEE FOODS CORPORATION	8,025	0	0	46,302	54,327	269.00	14,613,963.00
JFCPB	JOLLIBEE PREFERRED SERIES B	0	0	0	3,500	3,500	984.00	3,444,000.00
JGS	JG SUMMIT HOLDINGS, INC.	453,000	0	0	275,845	728,845	20.55	14,977,764.75
KEEPR	THE KEEPERS HOLDINGS INC	0	0	0	607,000	607,000	2.23	1,353,610.00
KEP	KEPPEL PHILS. PROP., INC.	0	0	0	92,000	92,000	2.79	256,680.00
KPM	KEPPEL PHILIPPINES MARINE,INC.	12,227	0	0	0	12,227	3.00	36,681.00
LAND	CITY AND LAND DEVELOPERS	0	0	0	13,646,331	13,646,331	0.68	9,279,505.08
LBC	LBC EXPRESS HOLDINGS INC.	0	0	0	498,500	498,500	11.82	5,892,270.00

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LC	LEPANTO CONS. MINING CO.	364,907	0	0	14,117,570	14,482,477	0.07	970,325.96
LCB	LEPANTO CONS. MINING CO. -B	0	0	0	2,299,171	2,299,171	0.07	154,044.46
LIB	LIBERTY TELECOMS HOLDINGS, INC.	35,000	0	0	0	35,000	1.56	54,600.00
LODE	LODESTAR INVESTMENT HOLDINGS CORP	0	0	0	40,000	40,000	0.28	11,200.00
LOTO	PACIFIC ONLINE SYS. CORP.	0	0	0	274,000	274,000	2.65	726,100.00
LPZ	LOPEZ HOLDINGS CORPORATION	23,600	0	0	1,747,170	1,770,770	2.70	4,781,079.00
LSC	LORENZO SHIPPING CORP.	0	0	0	3,250	3,250	0.86	2,795.00
LTG	LT GROUP, INC.	0	0	0	338,100	338,100	10.50	3,550,050.00
MA	MANILA MINING CORPORATION	735,000	0	0	16,490,045	17,225,045	0.00	51,675.14
MAB	MANILA MINING CORPORATION -B	1,470,000	0	0	9,179,590	10,649,590	0.00	31,948.77
MAC	MACROASIA CORPORATION	0	0	0	507,800	507,800	5.44	2,762,432.00
MAH	METRO ALLIANCE HOLDINGS	1,500	0	0	28,000	29,500	0.83	24,485.00
MARC	MARCVENTURES HOLDINGS, INC.	0	0	0	390,000	390,000	0.75	292,500.00
MAXS	MAX'S GROUP, INC.	0	0	0	14,500	14,500	2.67	38,715.00
MB	MANILA BULLETIN PUBLISHING CORP.	0	0	0	74,539	74,539	0.19	14,013.34
MBT	METROPOLITAN BANK & TRUST CO.	360	0	0	152,184	152,544	72.00	10,983,168.00
MC	MARSTEEL	0	0	0	500,000	500,000	0.02	10,000.00
MED	MEDCO HOLDINGS	0	0	0	1,990,000	1,990,000	0.12	238,800.00
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	0	0	0	114,000	114,000	0.31	35,340.00
MEG	MEGAWORLD CORPORATION	3,671	0	0	7,365,767	7,369,438	2.05	15,107,347.90
MER	MANILA ELECTRIC COMPANY	14,787	0	0	57,147	71,934	488.00	35,103,792.00
MFC	MANULIFE FINANCIAL CORP.	0	0	0	1,065	1,065	1,760.00	1,874,400.00
MG	MILLENNIUM GLOBAL HOLDINGS, INC.	0	0	0	520,000	520,000	0.09	48,880.00
MGH	METRO GLOBAL HOLDINGS CORPORATION	5,000	0	0	105,000	110,000	0.00	0.00
MHC	MABUHAY HOLDINGS CORP.	0	0	0	38,000	38,000	0.16	6,118.00
MJC	MANILA JOCKEY CLUB, INC	0	0	0	1,039	1,039	1.27	1,319.53
MJIC	MJC INVESTMENT CORPORATION	0	0	0	100	100	1.00	100.00
MM	MERRYMART CONSUMER CORP.	0	0	0	1,912,900	1,912,900	0.60	1,147,740.00
MON	MONDRAGON HOLDINGS, INC.	191,600	0	0	0	191,600	0.00	0.00
MONDE	MONDE NISSIN CORPORATION	0	0	0	494,500	494,500	8.60	4,252,700.00
MPC	METRO PACIFIC CORPORATION	4,104	0	0	0	4,104	0.44	1,805.76
MRC	MRC ALLIED, INC.	0	0	0	679,200	679,200	0.84	570,528.00
MREIT	MREIT INC	0	0	0	546,100	546,100	13.34	7,284,974.00
MRSGI	METRO RETAIL STORES GROUP INC	0	0	0	31,000	31,000	1.20	37,200.00
MWC	MANILA WATER COMPANY, INC.	0	0	0	175,300	175,300	27.00	4,733,100.00
MWIDE	MEGAWIDE CONSTRUCTION CORPORATION	0	0	0	167,582	167,582	2.43	407,224.26

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MWP2B	MEGAWIDE CONST CORP PREF SERIES 2B	0	0	0	6,500	6,500	95.00	617,500.00
MWP4	MEGAWIDE PREFERRED SERIES 4	0	0	0	12,000	12,000	97.95	1,175,400.00
MWP5	MEGAWIDE CONSTRUCTION CORP-SERIES 5	0	0	0	13,000	13,000	100.80	1,310,400.00
NI	NIHAO MINERALS RESOURCES, INTL INC	0	0	0	190,000	190,000	0.39	73,150.00
NIKL	NICKEL ASIA CORPORATION	0	0	0	1,198,800	1,198,800	3.49	4,183,812.00
NN	NEGROS NAVIGATION COMPANY INC.	2,379	0	0	0	2,379	0.44	1,046.76
NOW	NOW CORPORATION	0	0	0	1,812,100	1,812,100	0.59	1,069,139.00
NRCP	NATL. REINSURANCE CORP.	0	0	0	459,000	459,000	0.69	316,710.00
NXGEN	NEXTGENESIS CORPORATION	0	0	0	28,650	28,650	0.00	0.00
OGP	OCEANAGOLD PHILIPPINES INC	0	0	0	119,400	119,400	14.02	1,673,988.00
OM	OMICO MINING & INDUS. CORP.	30,000	0	0	400,400	430,400	0.13	57,243.20
OPM	ORIENTAL PET. & MIN. CORP.	8,743,894	0	0	178,182,922	186,926,816	0.01	1,383,258.44
OPMB	ORIENTAL PET. & MIN. CORP. -B	302,392	0	0	2,852,953	3,155,345	0.01	23,665.09
ORE	ORIENTAL PENINSULA RESOURCES, INC.	0	0	0	1,920,200	1,920,200	0.44	844,888.00
OV	THE PHILODRILL CORP.	0	0	0	71,000,000	71,000,000	0.01	532,500.00
OVB	THE PHILODRILL CORP. -B	23,000	0	0	0	23,000	0.28	6,440.00
PA	PACIFICA HOLDINGS INC.	0	0	0	6,300	6,300	1.60	10,080.00
PBB	PHILIPPINE BUSINESS BANK	0	0	0	73,124	73,124	9.70	709,302.80
PCEV	PLDT COMM & ENERGY VENTURES, INC.	300	0	0	0	300	2.80	840.00
PCOR	PETRON CORPORATION	66,704	0	0	712,681	779,385	2.43	1,893,905.55
PCP	PICOP RESOURCES, INC.	4,626	0	0	300,000	304,626	0.21	62,448.33
PERC	PETROENERGY RESOURCES CORPORATION	0	0	0	79,198	79,198	3.45	273,233.10
PGOLD	PUREGOLD PRICE CLUB, INC.	0	0	0	299,900	299,900	30.85	9,251,915.00
PHA	PREMIERE HORIZON ALLIANCE, CORP	0	0	0	196,000	196,000	0.17	34,104.00
PHC	PHILCOMSAT HOLDINGS CORPORATION	0	0	0	30,000	30,000	1.40	42,000.00
PHES	PHILIPPINE ESTATE CORPORATION	0	0	0	1,095,000	1,095,000	0.26	279,225.00
PHN	PHINMA CORPORATION	51	0	0	10,805	10,856	19.00	206,264.00
PHR	PH RESORTS GROUP HOLDINGS INC.	0	0	0	716,000	716,000	0.54	386,640.00
PIZZA	SHAKEYS PIZZA ASIA VENTURES INC	0	0	0	87,000	87,000	7.99	695,130.00
PLUS	DIGIPLUS INTERACTIVE CORP	40,000	0	0	14,323	54,323	27.15	1,474,869.45
PMPC	PANASONIC MFG PHIL CORP.	900	0	0	1,730	2,630	5.48	14,412.40
PMT	PRIMETOWN PROPERTY GROUP, INC.	0	0	0	9,600	9,600	0.37	3,552.00
PNB	PHIL NATIONAL BANK	5,881	0	0	35,076	40,957	27.70	1,134,508.90
PNC	PHIL. NATIONAL CONSTRUCTION CORP.	67	0	0	0	67	4.90	328.30
PNX	PHOENIX PETROLEUM PHILS.	0	0	0	47,004	47,004	4.17	196,006.68
PNX4	PHOENIX PETROLEUM SERIES 4	0	0	0	1,200	1,200	177.90	213,480.00

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PPI	PHILTOWN PROPERTY, INC.	4,428	0	0	18,297	22,725	0.00	0.00
PREIT	PREMIERE ISLAND POWER REIT CORP	0	0	0	275,000	275,000	2.21	607,750.00
PRF3B	PETRON PERPETUAL PREFERRED 3B	0	0	0	200	200	1,030.00	206,000.00
PRF4B	PRF4B-SERIES 4B PREFERRED SHARES	0	0	0	1,100	1,100	1,030.00	1,132,000.00
PRF4D	PETRON CORP SERIES 4- PRF4D	0	0	0	550	550	1,050.00	577,500.00
PRIM	PRIME MEDIA HOLDINGS, INC.	64	0	0	129,336	129,400	2.13	275,622.00
PRMX	PRIMEX CORPORATION	0	0	0	69,000	69,000	1.81	124,890.00
PSB	PHILIPPINE SAVINGS BANK	20	0	0	7,300	7,320	58.20	426,024.00
PSE	PHILIPPINE STOCK EXCHANGE, INC.	0	0	0	201,730	201,730	164.00	33,083,720.00
PTT	PT & T CORP.	3,000	0	0	518,666	521,666	0.00	0.00
PTTB	PHIL. TELEGRAPH & TEL. CORP. "B"	6,000	0	0	0	6,000	0.00	0.00
PX	PHILEX MINING CORPORATION	2,882	0	0	9,256,251	9,259,133	2.79	25,832,981.07
PXP	PXP ENERGY CORPORATION	0	0	0	479,824	479,824	2.87	1,377,094.88
RCB	RIZAL COMM'L. BANKING CORP.-A	0	0	0	63,315	63,315	23.85	1,510,062.75
RCI	ROXAS & COMPANY, INC.	0	0	0	114,564	114,564	2.72	311,614.08
RCR	RL COMMERCIAL REIT INC	0	0	0	1,184,600	1,184,600	5.85	6,929,910.00
REDC	REPOWER ENERGY DEVELOPMENT CORP	0	0	0	75,000	75,000	5.10	382,500.00
RFM	RFM CORPORATION	16,166	0	0	210,232	226,398	3.87	876,160.26
RLC	ROBINSON'S LAND CORPORATION	0	0	0	786,800	786,800	13.30	10,464,440.00
RLT	PHIL REALTY & HOLDINGS	136,002	0	0	29,319,109	29,455,111	0.12	3,534,613.32
ROCK	ROCKWELL LAND CORPORATION	439	0	0	397,440	397,879	1.51	600,797.29
ROX	ROXAS HOLDINGS, INC.	1,500	0	0	37,214	38,714	1.45	56,135.30
RPC	REYNOLDS PHILIPPINE CO.	0	0	0	101,425	101,425	0.00	0.00
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	0	0	0	1,100	1,100	36.00	39,600.00
SCC	SEMIRARA MINING AND POWER CORP.	0	0	0	101,800	101,800	34.90	3,552,820.00
SECB	SECURITY BANK CORPORATION	200	0	0	86,375	86,575	87.00	7,532,025.00
SFI	SWIFT FOODS INC	5,550	0	0	26,060,886	26,066,436	0.06	1,511,853.29
SFIP	SWIFT FOODS, INC. CONV. PREFERRED	0	0	0	11,437	11,437	1.68	19,214.16
SGI	SOLID GROUP INC.	4,000	0	0	10,000	14,000	1.03	14,420.00
SGP	SYNERGY GRID &DEVELOPMENT PHILS INC	0	0	0	263,900	263,900	9.80	2,586,220.00
SHLPH	SHELL PILIPINAS CORPORATION	0	0	0	563,600	563,600	7.50	4,227,000.00
SHNG	SHANG PROPERTIES, INC.	0	0	0	223,064	223,064	3.94	878,872.16
SLF	SUNLIFE FINANCIAL SRV'S OF CANADA	126	0	0	326	452	3,028.00	1,368,656.00
SM	SM INVESTMENTS CORP.	0	0	0	7,177	7,177	899.00	6,452,123.00
SMC	SAN MIGUEL CORPORATION	10,822	0	0	68,908	79,730	86.00	6,856,780.00
SMC2I	SMC SUBSERIES 2-I PREFERRED SHARES	0	0	0	15,000	15,000	72.25	1,083,750.00

ALPHA SECURITIES CORP.

INVENTORY REPORT BY LOCATION - SUMMARIZED

As of December 31, 2024

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
SMC2J	SMC SERIES 2-J PREF SHARES	0	0	0	36,700	36,700	70.50	2,587,350.00
SMC2K	SMC SERIES 2-K PREF SHARES	0	0	0	2,000	2,000	70.00	140,000.00
SMC2L	SMC SERIES 2 L PREF SHARES	0	0	0	32,300	32,300	77.65	2,508,095.00
SMC2N	SMC SERIES 2 N PREF SHARES	0	0	0	28,900	28,900	79.70	2,303,330.00
SMC2O	SMC SERIES 2 O PREF SHARES	0	0	0	4,800	4,800	82.30	395,040.00
SMDC	SM DEVELOPMENT CORP.	2,957	0	0	0	2,957	6.81	20,137.17
SMPH	SM PRIME HOLDINGS, INC.	0	0	0	4,243,659	4,243,659	25.15	106,728,023.85
SOC	SOCRESOURCES, INC.	0	0	0	10,500	10,500	0.18	1,932.00
SPC	SALCON POWER CORPORATION	0	0	0	12,500	12,500	9.01	112,625.00
SPM	SEAFRONT RES. CORP.	0	0	0	922	922	1.51	1,392.22
SPNEC	SP NEW ENERGY CORPORATION	0	0	0	1,532,687	1,532,687	1.02	1,563,340.74
SSI	SSI GROUP, INC.	0	0	0	1,890,000	1,890,000	3.18	6,010,200.00
STI	STI EDUCATION SYSTEMS HOLDINGS, INC	0	0	0	30,000	30,000	1.34	40,200.00
STN	STENIEL MANUFACTURING CORP.	15,964	0	0	92,669	108,633	1.57	170,553.81
STR	VISTAMALLS INC.	0	0	0	25,000	25,000	1.47	36,750.00
SUN	SUNTRUST RESORT HOLDINGS INC.	0	0	0	12,500	12,500	0.90	11,250.00
SWM	SANITARY WARES MANUFACTURING CORP.	8,100	0	0	26,000	34,100	0.20	6,820.00
TBGI	TRANSPACIFIC BROADBAND GROUP INTL.	0	0	0	1,853,000	1,853,000	0.14	250,155.00
TCB2D	CIRTEK HOLDINGS SUB SERIES 2D CLASS	0	0	0	1,000	1,000	46.10	46,100.00
TECH	CIRTEK HOLDINGS PHILIPPINES CORP	0	0	0	1,915,545	1,915,545	1.32	2,528,519.40
TEL	PLDT INC.	130	0	0	7,052	7,182	1,295.00	9,300,690.00
TELR	PLDT (10% PREF.) SERIES R	200	0	0	0	200	10.72	2,144.00
TELV	PLDT (10% PREF.) SERIES V	540	0	0	0	540	10.66	5,756.40
TFHI	TOP FRONTIER INVESTMENT HLDGS. INC.	0	0	0	10,589	10,589	63.10	668,165.90
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	0	0	0	1,533,000	1,533,000	0.62	950,460.00
UBP	UNION BANK OF THE PHILS.	8,944	0	0	57,352	66,296	36.00	2,386,656.00
UNI	UNIOIL RES. & HOLDINGS CO	5,000	0	1,482,000	0	1,487,000	0.00	0.00
UP	UNIVERSAL RIGHTFIELD PROPERTIES	11,000	0	0	8,146,000	8,157,000	0.04	309,966.00
UPM	UNITED PARAGON MINING CO.	5,250,000	0	0	174,125,000	179,375,000	0.00	502,250.00
UPSON	UPSON INTERNATIONAL CORP	0	0	0	407,000	407,000	0.68	276,760.00
URC	UNIVERSAL ROBINA CORPORATION	500	0	0	26,905	27,405	79.00	2,164,995.00
UW	UNIWIDE HOLDINGS, INC.	35,424,000	0	0	0	35,424,000	0.00	0.00
V	VANTAGE EQUITIES, INC.	35,500	0	0	674,000	709,500	0.70	496,650.00
VITA	VITARICH CORPORATION	2,500	0	0	667,500	670,000	0.54	361,800.00
VLL	VISTA LAND & LIFFESCAPES, INC.	0	0	0	20,650	20,650	1.48	30,562.00
VMC	VICTORIAS MILLING, CO., INC.	29,973	0	0	48,920	78,893	2.00	157,786.00

ALPHA SECURITIES CORP.

INVENTORY REPORT BY LOCATION - SUMMARIZED

As of December 31, 2024

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
VREIT	VISTA REIT INC	0	0	0	907,000	907,000	1.89	1,714,230.00
VVT	VIVANT CORPORATION	625	0	0	250	875	18.02	15,767.50
WEB	PHILWEB CORPORATION	0	0	0	2,946,280	2,946,280	1.40	4,124,792.00
WHI	WISE HOLDINGSS., INC.	16,505	0	0	0	16,505	1.00	16,505.00
WIN	WELLEX INDUSTRIAL INC.	0	0	0	535,000	535,000	0.21	112,885.00
WLCON	WILCON DEPOT, INC.	0	0	0	158,700	158,700	14.30	2,269,410.00
WPI	WATERFRONT PHILS	0	0	0	2,517,000	2,517,000	0.38	943,875.00
WPIW	WATERFRONT WARRANT	2,500	0	0	0	2,500	0.00	0.00
X	XURPAS INC.	0	0	0	3,739,400	3,739,400	0.18	680,570.80
XCBC	COSMOS BOTTLING CORPORATION	1,000	0	644	0	1,644	3.00	4,932.00
ZHI	ZEUS HOLDINGS, INC.	0	0	0	13,011,000	13,011,000	0.07	936,792.00
		55,619,251		**1,482,644**	**1,353,425,843**	**1,410,527,738**		**1,013,679,868.90**

ALPHA SECURITIES CORPORATION

FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2024 AND 2023

		2024		2023	
i. Current/liquidity ratios					
Current ratio	Current assets	**49,195,268**	**1.19**	29,723,433	1.37
	Current liabilities	**41,471,804**		21,712,985	
Quick ratio	Current assets - inventories	**48,768,843**	**1.18**	29,237,625	1.35
	Current liabilities	**41,471,804**		21,712,985	
ii. Solvency ratios/debt-to-equity ratios					
Solvency ratio	After tax net profit (loss) + Depreciation (Non-cash expenses)	**161,168**	**0.00**	(1,725,354)	(0.08)
	Total liabilities	**42,540,922**		22,636,809	
Debt-to-equity ratio	Total liabilities	**42,540,922**	**0.95**	22,636,809	0.51
	Total equity	**43,774,896**		44,673,634	
iii. Asset-to-equity ratio					
Asset-to-equity ratio	Total assets	**86,315,818**	**1.95**	67,310,443	1.51
	Total equity	**43,774,896**		44,673,634	
iv. Interest rate coverage ratio					
Interest rate coverage ratio	Earnings before interest and tax	**(337,660)**	-	(2,703,497)	-
	Interest expense	**-**		-	
v. Profitability ratios					
Return on equity	Net profit (loss)	**125,216**	**0.00**	(1,755,830)	(0.04)
	Total equity	**43,774,896**		44,673,634	
Gross margin	Gross profit	**501,442**	**0.16**	(616,336)	(0.33)
	Revenue	**3,049,807**		1,843,746	
Net margin	Net profit (loss)	**125,216**	**0.04**	(1,755,830)	(0.95)
	Revenue	**3,049,807**		1,843,746	
Return on assets	Net profit (loss)	**125,216**	**0.00**	(1,755,830)	(0.02)
	Average total assets	**76,813,131**		71,344,202	

ALPHA SECURITIES CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2024

	Current Year	Prior Year
Total Audit Fees	P125,000	P125,000
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	P125,000	P125,000