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Company Information

SEC Registration No.: AS93000606
Company Name: FIRST INTEGRATED CAPITAL SECURITIES, INC.
Industry Classification: J66930
Company Type: Stock Corporation

Document Information

Document ID: OST10502202583246959
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

AS093006 06

COMPANY NAME

FIRST INTEGRATED CAPITAL
SECURITIES, INC.

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

UNITS 1211-1212 TOWER ONE &
EXCHANGE PLAZA AYALA AVE,
MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	BD

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
admin@fincapsecurities.com	88919419	9175268821

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
9	4TH MONDAY OF JANUARY	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
MANUEL LUIS M. MAÑALAC	admin@fincapsecurities.com	8891-9419	NONE

CONTACT PERSON's ADDRESS

UNITS 1211-1212 TOWER ONE AND EXCHANGE PLAZA AYALA AVE, MAKATI CITY

NOTE 1 : *In case of death, resignation 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 within 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-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

FIRST INTEGRATED CAPITAL SECURITIES, INC.
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:	**First Integrated Capital Securities, Inc.**	
Address of Principal Place of Business:	Unit 1211-1212 Tower One & Exchange Plaza, Ayala Avenue, Makati City	
Name and Phone Number of Person to Contact in Regard to this Report		
Name: Ms. Marilyn Angcao	Tel No.:	8844-2016
	Fax No.:	8759-4326

IDENTIFICATION OF ACCOUNTANT			
Name of Independent Certified Public Accountant whose opinion is contained in this report:			
Name: Nellybeth C. Balingcongan Alba Romeo and Co.		Tel No.: Fax No.:	8776-0504 Not applicable
Address: P-5 VGP Center, 6772 Ayala Avenue, Makati City			
Certificate No.:	0096192		
BOA/PRC Registration No.:	8199/P-002		
SEC Accreditation No.	96192-SEC		
PTR No.:	10485512	Date Issued:	January 16, 2025

FinCap
Securities, Inc.
Member Philippine Stock Exchange

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

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

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

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

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

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.

ERLINDA M. MAÑALAC
Chairman of the Board

MANUEL LUIS M. MAÑALAC
President

ERLINDA M. MAÑALAC
Treasurer

Signed this 11th day of April, 2025

Subject **FW: Your BIR AFS eSubmission uploads were received**
From <xander.c.pasion@albaromeo.com>
To 'Nellybeth' <nellybeth.c.balingcongan@albaromeo.com>
Date 2025-05-01 00:08

From: Malen <fincapsecinc@yahoo.com>
Sent: Thursday, May 1, 2025 12:03 AM
To: milarie.b.david@albaromeo.com; xander.c.pasion@albaromeo.com
Subject: Fwd: Your BIR AFS eSubmission uploads were received

---------- Forwarded message ----------
From: eafs@bir.gov.ph
Date: 30 Apr 2025 11:58 pm
Subject: Your BIR AFS eSubmission uploads were received
To: FINCAPSECINC@YAHOO.COM
Cc: ECELESPLANA05@GMAIL.COM

Hi FIRST INTEGRATED SECURITIES INC,

Valid files

- EAFS002194182ITRTY122024.pdf
- EAFS002194182AFSTY122024.pdf
- EAFS002194182TCRTY122024-02.pdf
- EAFS002194182TCRTY122024-01.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-QXS3RPWS0N4Y4VZXWPSS4XPVW0BBCHF99B**
Submission Date/Time: **Apr 30, 2025 11:58 PM**
Company TIN: **002-194-182**

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

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

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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
First Integrated Capital Securities, Inc.
Unit 1211-1212 Tower One & Exchange Plaza
Ayala Avenue, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of First Integrated Capital Securities, Inc. (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 23 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.

Nellybeth C. Balingcongan
Partner
CPA Certificate No. 0096192
PTR No. 10485512, issued on January 16, 2025, Makati City
SEC Accreditation No. 96192-SEC (Individual), Group A, issued on January 17, 2023,
valid to audit 2022 to 2026 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. 501-376-933
BIR Accreditation No. 08-007141-003-2024, issued on March 15, 2024,
valid until March 14, 2027
BOA/PRC Accreditation No. 8199/P-002, issued on July 5, 2024,
valid from July 17, 2024 to July 16, 2027

Makati City
April 11, 2025

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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	**P82,549,268**			P67,633,946		
Receivable from customers, net	6	**12,956**	**P21,886,012**		10,066,552	P167,541,775	
Other current assets	7	**2,331,478**			4,018,394		
Total current assets		**84,893,702**			81,718,892		
Non-current assets							
Property and equipment, net	8	**110,606**			242,225		
Investment property, net	9	**7,914,278**			8,507,849		
Trading right	10	**2,178,000**			2,178,000		
Refundable deposit		**7,881**			7,881		
Deferred tax assets, net	21	**2,220,996**			1,346,333		
Total non-current assets		**12,431,761**			12,282,288		
Total assets		**P97,325,463**			P94,001,180		
SECURITIES							
In vault and with Philippine Depository & Trust Corp.				**P981,443,517**			P822,016,181
LIABILITIES AND EQUITY							
Current liabilities							
Payable to:							
Customers	11	**P64,282,454**	**959,557,505**		P56,895,699	654,474,406	
Clearing house, net	12	**31,200**			1,478,900		
Other current liabilities	13	**1,827,734**			1,256,251		
Total current liabilities		**66,141,388**			59,630,850		
Non-current liability							
Retirement liability	20	**808,999**			201,824		
Total liabilities		**66,950,387**			59,832,674		
Equity							
Share capital	14	**58,000,000**			58,000,000		
Deficit	15	**(26,603,205)**			(23,190,462)		
Accumulated other comprehensive loss, net	20	**(1,021,719)**			(641,032)		
Total equity		**30,375,076**			34,168,506		
Total liabilities and equity		**P97,325,463**	**P981,443,517**	**P981,443,517**	P94,001,180	P822,016,181	P822,016,181

(The notes on pages 1 to 41 are an integral part of these financial statements.)

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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

	Note	2024	2023
Commission revenue	16	**P1,839,974**	P6,912,714
Cost of services	17	**(4,136,466)**	(3,730,177)
Gross profit (loss)		**(2,296,492)**	3,182,537
Other revenues	18	**2,406,475**	1,495,520
Operating expenses	19	**(4,383,147)**	(4,893,415)
Loss from operations		**(4,273,164)**	(215,358)
Interest revenue	5,7	**84,705**	65,972
Loss before income tax		**(4,188,459)**	(149,386)
Provision for (Benefit from) income tax	21	**(775,716)**	209,831
Net loss for the year		**(3,412,743)**	(359,217)
Other comprehensive loss, net			
Item that will not be reclassified subsequently to profit or loss			
Actuarial loss on remeasurement of retirement obligation, net	20	**(380,687)**	(148,927)
Total comprehensive loss for the year		**(P3,793,430)**	(P508,144)

(The notes on pages 1 to 41 are an integral part of these financial statements.)

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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

	Share capital (Note 14)	Deficit (Note 15)	Accumulated other comprehensive loss, net (Note 20)	Total equity
Balance at January 1, 2023	P53,000,000	(P22,781,245)	(P492,105)	P29,726,650
Issuance of shares during the year	5,000,000	-	-	5,000,000
Net loss for the year	-	(359,217)	-	(359,217)
Share issuance cost	-	(50,000)	-	(50,000)
Actuarial loss on remeasurement of retirement obligation, net	-	-	(148,927)	(148,927)
Balance at December 31, 2023	58,000,000	(23,190,462)	(641,032)	34,168,506
Net loss for the year	-	(3,412,743)	-	(3,412,743)
Actuarial loss on remeasurement of retirement obligation, net	-	-	(380,687)	(380,687)
Balance at December 31, 2024	**P58,000,000**	**(P26,603,205)**	**(P1,021,719)**	**P30,375,076**

(The notes on pages 1 to 41 are an integral part of these financial statements.)

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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		**(P4,188,459)**	(P149,386)
Adjustments for:			
Depreciation	8,9,19	**748,038**	746,248
Provision for retirement	17,19,20	**131,316**	98,962
Provision (Reversal of allowance for) credit losses	6,18,19	**(2)**	(1,216)
Interest revenue	5,7	**(84,705)**	(65,972)
Operating profit (loss) before changes in operating assets and liabilities		**(3,393,812)**	628,636
Changes in operating assets and liabilities			
(Increase) Decrease in:			
Receivable from customers		**10,053,598**	(1,205,879)
Other current assets		**(180,718)**	429,727
Increase (Decrease) in:			
Payable to:			
Customers		**7,386,755**	(60,173,513)
Clearing house, net		**(1,447,700)**	1,236,750
Other current liabilities		**571,483**	1,186,939
Cash generated from (used in) operations		**12,989,606**	(57,897,340)
Interest received	5,7	**84,705**	65,972
Creditable taxes withheld	21	**(136,141)**	(384,512)
Net cash provided by (used in) operating activities		**12,938,170**	(58,215,880)
Cash flow from investing activity			
Additions to property and equipment	8	**(22,848)**	-
Cash flows from financing activities			
Proceeds from issuance of shares	14	**-**	3,000,000
Collection of subscriptions receivable	14	**2,000,000**	-
Share issuance cost	14	**-**	(50,000)
Net cash provided by financing activities		**2,000,000**	2,950,000
Net increase (decrease) in cash		**14,915,322**	(55,265,880)
Cash	5		
January 1		**67,633,946**	122,899,826
December 31		**P82,549,268**	P67,633,946

(The notes on pages 1 to 41 are an integral part of these financial statements.)

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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

NOTE 1 - GENERAL INFORMATION

1.1 Corporate information

First Integrated Capital Securities, Inc. (the "Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 27, 1993 per SEC Registration No. AS09300606 primarily to engage in the business of effecting for the account of others, as broker, transaction relative to stocks, bonds, debentures and other securities or commercial papers of any person, partnership, association, syndicate, corporation or government body.

The Company's registered office, which is also its principal place of business, is located at Unit 1211-1212 Tower One & Exchange Plaza, Ayala Avenue, Makati 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 Manuel Luis M. Mañalac, the Company's President, 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 (formerly Philippine Financial Reporting Standards). 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 has financial assets at amortized cost only. It does not have financial assets at FVOCI, both debt and equity instruments, and at FVPL.

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 receivable from customers, advances to employees and refundable deposit. The financial assets as at December 31, 2024 and 2023 also include interest receivable and subscriptions receivable, respectively.

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 and clearing house, and other current liabilities (excluding due to government). 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 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 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 condominium	13.75 to 20 years
Transportation equipment	5 years
Office furniture, fixtures and equipment	3 years

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

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation 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 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, 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 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 an agreement entered into by the Company. 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, if no impairment loss had been recognized. Reversals of impairment are recognized in profit or loss. After such reversal, the depreciation 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.

Subscriptions receivable includes the amounts still to be collected from the shareholders before the Company will issue the shares. Subscription receivable is presented as deduction from related subscribed share capital. However, if the subscription receivable is collectible within one year, it shall be presented as part of current assets.

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 advances to employees is accrued on a time proportion basis by reference to the outstanding balance and at the interest rate 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 lessor

Rental income is recognized as income on a straight-line basis over the lease term of the relevant lease. Benefits received and receivable as an incentive to enter into a contract of lease are also spread 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) 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.

(b) *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.

The Company determines the impairment losses on financial assets based on factors that affect the credit risk exposure of the accounts. These factors include but not limited to the time value of money, past events, known macroeconomics factors and forecasts of future economic conditions.

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 carrying values of the Company's receivables follow:

	2024	2023
Receivable from customers, net (Note 6)	**P12,956**	P10,066,552
Other receivables (Note 7)		
- Advances to employees	**787,195**	636,677
- Interest receivable	**24,150**	-
- Subscriptions receivable	**-**	2,000,000
	P824,301	P12,703,229

Based on management's assessment, the allowance for credit losses amounting to P1 and P3 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 6).

(b) *Estimating useful lives of property and equipment, and investment property*

The Company estimates the useful lives of property and equipment, and investment property 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 these assets is 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 P110,606 and P242,225 as at December 31, 2024 and 2023, respectively. Accumulated depreciation amounted to P19,912,290 and P19,757,823 as at December 31, 2024 and 2023, respectively (see Note 8). The net carrying value of investment property amounted to P7,914,279 and P8,507,849 as at December 31, 2024 and 2023, respectively. Accumulated depreciation amounted to P11,192,348 and P10,598,778 as at December 31, 2024 and 2023, respectively (see Note 9). There is no change in the estimated useful lives of these assets in 2024 and 2023.

(c) *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 2.13. 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 8)	**P110,606**	P242,225
Investment property (Note 9)	**7,914,279**	8,507,849
Trading right (Note 10)	**2,178,000**	2,178,000
	P10,202,885	P10,928,074

(d) 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 P2,220,996 and P1,346,333 as at December 31, 2024 and 2023, respectively (see Note 21).

(e) 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 20.

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 P131,316 and P98,962, respectively (see Notes 17 and 20).

As at December 31, 2024 and 2023, the retirement liability of the Company amounted to P808,999 and P201,824, respectively (see Note 20).

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)	**P82,549,268**	P67,633,946
Receivable from customers (Note 6)	**12,956**	10,066,552
Subscriptions receivable (Note 7)	-	2,000,000
Advances to employees (Note 7)	**787,195**	636,677
Interest receivable (Note 7)	**24,150**	-
Refundable deposit (Note 7)	**7,881**	7,881
	P83,381,450	P80,345,056
Financial liabilities		
Payable to:		
Customers (Note 11)	**P64,282,454**	P56,895,699
Clearing house, net (Note 12)	**31,200**	1,478,900
Other current liabilities* (Note 13)	**1,652,094**	861,224
	P65,965,748	P59,235,823

**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.

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
Interest revenue (Notes 5 and 7)	**P84,705**	P65,972
Reversal of allowance for credit losses (Notes 6 and 18)	**2**	1,216
	P84,707	P67,188

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) Interest rate risk - refers to risk that the value of a financial instrument will fluctuate due to changes in interest rates. The Company's exposure to interest rate risk mainly arises from the cash deposits maintained with a local bank, which bear interest based on prevailing bank rates. The Company is not materially exposed to interest rate risk as the Company's interest rates on cash in bank have historically shown small changes.

2) 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 at the PSE was shortened from T+3 trading days to T+2 trading days effective August 24,2023. Should either the customer or the counterparty fails 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
Cash in banks (Note 5)	**P75,539,268**	P67,623,946
Receivable from customers, net (Note 6)	**12,956**	10,066,552
Advances to employees (Note 7)	**787,195**	636,677
Interest receivable (Note 7)	**24,150**	-
Refundable deposit	**7,881**	7,881
Subscriptions receivable (Note 7)	**-**	2,000,000
	P76,371,450	P80,335,056

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+13**	**Beyond T+13**	**Impaired**
Cash in banks	**P75,539,268**	**P75,539,268**	**P-**	**P-**	**P-**
Receivable from customers	**12,957**	**181**	**-**	**12,775**	**1**
Advances to employees	**787,195**	**787,195**	**-**	**-**	**-**
Interest receivable	**24,150**	**-**	**-**	**-**	**-**
Refundable deposit	**7,881**	**7,881**	**-**	**-**	**-**
	76,371,451	**76,334,525**	**-**	**12,775**	**1**
Allowance for credit losses	**(1)**	**-**	**-**	**-**	**(1)**
	P76,371,450	**P76,334,525**	**P-**	**P12,775**	**P-**

	2023				
			Past due but not impaired		
	Total	Neither past due nor impaired	T+2 to T+13	Beyond T+13	Impaired
Cash in banks	P67,623,946	P67,623,946	P-	P-	P-
Receivable from customers	10,066,555	2,858,619	7,190,617	17,316	3
Subscriptions receivable	2,000,000	2,000,000	-	-	-
Advances to employees	636,677	636,677	-	-	-
Refundable deposit	7,881	7,881	-	-	-
	80,335,059	73,127,123	7,190,617	17,316	3
Allowance for credit losses	(3)	-	-	-	(3)
	P80,335,056	P73,127,123	P7,190,617	P17,316	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 bank is considered by management as with financial institution that is reputable and/or with good credit standing. Cash in bank is 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, shareholders and employees, 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

Liquidity risk pertains to the risk that the Company will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

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	**P64,282,454**	**P64,282,454**	**P-**	**P-**
Clearing house, net	**31,200**	**31,200**	**-**	**-**
Other current liabilities*	**1,652,094**	**1,652,094**	**-**	**-**
	P65,965,748	**P65,965,748**	**P**	**P-**

	2023			
	Total	< 1 year	1 to 5 years	> 5 years
Payable to:				
Customers	P56,895,699	P56,895,699	P-	P-
Clearing house, net	1,478,900	1,478,900	-	-
Other current liabilities*	861,224	861,224	-	-
	P59,235,823	P59,235,823	P-	P-

**excluding due to government*

NOTE 5 - CASH

The account at December 31 consists of:

	2024	2023
Cash on hand	**P10,000**	P10,000
Cash in bank	**75,539,268**	67,623,946
Cash equivalents	**7,000,000**	-
	P82,549,268	P67,633,946

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 bank includes a special reserve account with balance of P62,737,506 and P42,191,148 as at December 31, 2024 and 2023, respectively.

Cash in bank earns interest at the prevailing bank deposit rates. Interest revenue earned from bank deposits in 2024 and 2023 amounted to P84,705 and P40,887, respectively.

NOTE 6 - RECEIVABLE 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. Securities owned by customers are held as collateral for amounts due from them.

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

	2024			2023		
	Money balance	**Security valuation**		Money balance	Security valuation	
		Long	**Short**		Long	Short
Fully secured accounts						
More than 250%	**P12,957**	**P21,886,012**	**P-**	P10,056,940	P167,520,500	P-
Between 200% to 250%	**-**	**-**	**-**	9,615	21,275	-
	12,957	**21,886,012**	**-**	10,066,555	167,541,775	-
Allowance for credit losses	**(1)**	**-**	**-**	(3)	-	-
	P12,956	**P21,886,012**	**P-**	P10,066,552	P167,541,775	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 22). The net receivable from customers as at December 31, 2024 and 2023 is subsequently collectible.

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.

Changes in allowance for credit losses follow:

	2024	2023
Balance at January 1	**P3**	P1,219
Reversal (Note 18)	**(2)**	(1,216)
Balance at December 31	**P1**	P3

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 7 - OTHER CURRENT ASSETS

The account at December 31 consists of:

	2024	2023
Creditable withholding taxes (Note 21)	**P1,343,781**	P1,211,415
Advances to employees	**787,195**	636,677
Prepayments	**176,352**	170,302
Interest receivable	**24,150**	-
Subscriptions receivable	**-**	2,000,000
	P2,331,478	P4,018,394

Advances to employees represent cash loans given to employees which bear an annual interest rate of 4% and are for salary deduction. Interest income earned from these advances amounted to P25,085 in 2023.

Prepayments include the unexpired portion of taxes and licenses, real property tax and insurance paid during the year.

NOTE 8 - PROPERTY AND EQUIPMENT

Details and movements of the account follow:

	Transportation equipment	Office condominium	Office furniture, fixtures and equipment	Total
Cost				
At January 1 and December 31, 2023	P4,400,000	P13,337,603	P2,262,445	P20,000,048
Additions	-	-	22,848	22,848
At December 31, 2024	**4,400,000**	**13,337,603**	**2,285,293**	**20,022,896**
Accumulated depreciation				
At January 1, 2023	4,399,998	13,337,602	1,867,546	19,605,146
Depreciation (Note 19)	-	-	152,677	152,677
At December 31, 2023	4,399,998	13,337,602	2,020,223	19,757,823
Depreciation (Note 19)	-	-	154,467	154,467
At December 31, 2024	**4,399,998**	**13,337,602**	**2,174,690**	**19,912,290**
Net book value				
At December 31, 2023	P2	P1	P242,222	P242,225
At December 31, 2024	**P2**	**P1**	**P110,603**	**P110,606**

Management has reviewed the carrying amounts of the items of property and equipment as at December 31, 2024 and 2023, and based on the results of its evaluation, there are no indications that an impairment loss has occurred on these assets.

There are no property and equipment pledged as collateral for liabilities as at December 31, 2024 and 2023.

NOTE 9 - INVESTMENT PROPERTY

The account represents a condominium unit that is held for rental. Movements in the account are as follows:

Cost	
At December 31, 2024 and 2023	**P19,106,627**
Accumulated depreciation	
At January 1, 2023	10,005,207
Depreciation (Note 19)	593,571
At December 31, 2023	10,598,778
Depreciation (Note 19)	593,571
At December 31, 2024	**11,192,349**
Net book value	
At December 31, 2023	P8,507,849
At December 31, 2024	**P7,914,278**

No impairment loss was recognized in 2024 and 2023.

There are no other direct costs and expenses incurred in 2024 and 2023 from the investment property that generated income other than the depreciation and real property taxes.

Rental income earned by the Company from its investment property amounted to P2,360,797 and P1,435,563 in 2024 and 2023, respectively (see Note 18).

The fair value of the investment property amounted to P23,340,000 as of January 16, 2023 based on the recent appraisal report conducted by third party appraisers. The property was valued using the Market Data (or Sales Comparison) approach. With this method, sales/listings of similar property are compared, analyzed and adjusted to provide a value indication for the property being appraised. Factors considered in the valuation include location, desirability, utility, size and time element.

The property is not pledged as a collateral for any liabilities of the Company as at December 31, 2024 and 2023.

NOTE 10 - TRADING RIGHT

The carrying value of PSE trading right amounted to P2,178,000 as at December 31, 2024 and 2023.

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 11 - PAYABLE TO CUSTOMERS

The account at December 31 consists of:

	2024			2023		
	Money balance	**Security valuation**		Money balance	Security valuation	
		Long	**Short**		Long	Short
Free balances						
With money balances	**P64,282,454**	**P699,815,279**	**P-**	P56,895,699	P386,662,988	P-
No money balances	**-**	**259,742,226**	**-**	-	267,811,418	-
	P64,282,454	**P959,557,505**	**P-**	P56,895,699	P654,474,406	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.

NOTE 12 - PAYABLE TO CLEARING HOUSE, NET

The account represents the net amount due on the purchases and sales of securities made at the PSE for which settlement must be made within three days (shortened to two days effective August 24, 2023) from the consummation of the transaction.

Payable to clearing house, net amounted to P31,200 and P1,478,900 as at December 31, 2024 and 2023, respectively.

NOTE 13 - OTHER CURRENT LIABILITIES

The account at December 31 consists of:

	2024	2023
Accrued expenses	**P1,432,382**	P835,593
Rental deposit payable	**205,607**	-
Due to government	**175,640**	395,027
Salaries payable	**11,473**	12,104
Transfer fee payable	**1,229**	6,708
Clearing house fee payable	**1,118**	6,098
Central depository fees payable	**285**	721
	P1,827,734	P1,256,251

Accrued expenses include accruals of postage and telephone, transportation and travel, utilities, repairs and maintenance, and other expenses.

NOTE 14 - SHARE CAPITAL

Details and movements of the account at December 31 are as follows:

	Number of shares		Amount	
	2024	2023	**2024**	2023
Authorized				
Common shares at P100 par value each	**1,000,000**	1,000,000	**P100,000,000**	P100,000,000
Issued and outstanding - at P100 par value each				
Balance at January 1	**580,000**	530,000	**P58,000,000**	P53,000,000
Issuance of shares	-	50,000	-	5,000,000
Balance at December 31	**580,000**	580,000	**P58,000,000**	P58,000,000

NOTE 15 - 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 loss after tax in 2024 and 2023 amounted to P3,412,743 and P359,217, respectively.

As at December 31, 2024 and 2023, the Company has no appropriation as it is in deficit position.

NOTE 16 - COMMISSION REVENUE

The commission earned by the Company in 2024 and 2023 amounting to P1,839,974 and P6,912,714, respectively, is mostly from trading transactions with individuals.

NOTE 17 - COST OF SERVICES

Details of the account follow:

	2024	2023
Salaries and wages	**P2,563,000**	P2,041,000
Other staff costs	**630,220**	883,023
Stock exchange dues and fees	**339,886**	285,420
SSS, Philhealth and HDMF contributions	**305,481**	252,957
Central depository fees	**119,139**	128,116
Provision for retirement (Notes 20 and 23)	**78,790**	39,211
Research fees	**76,200**	76,200
Commission	**23,750**	24,250
	P4,136,466	P3,730,177

NOTE 18 - OTHER REVENUES

Details of the account follow:

	2024	2023
Rental income (Note 9)	**P2,360,797**	P1,435,563
Gain on sale of financial asset at FVPL	**468**	-
Reversal of allowance for credit losses (Note 6)	**2**	1,216
Miscellaneous	**45,207**	58,741
	P2,406,474	P1,495,520

Gain on sale of financial asset at FVPL pertains to the profit from selling the stocks bought in Initial Public Offering.

NOTE 19 - OPERATING EXPENSES

Details of the account follow:

	2024	2023
Salaries and wages	**P758,400**	P638,400
Depreciation (Notes 8 and 9)	**748,038**	746,248
Repairs and maintenance	**642,576**	988,321
Professional fees	**253,000**	466,599
Utilities	**224,128**	308,712
Taxes and licenses	**217,706**	200,947
Other staff costs	**206,490**	213,490
Postage, telephone and telegram	**193,343**	196,276
Transportation and travel	**190,144**	231,348
Association dues	**161,912**	323,825
SSS, Philhealth and HDMF contributions	**93,588**	81,820
Stationery and supplies	**71,154**	36,536
Provision for retirement (Notes 20 and 23)	**52,526**	59,751
Insurance	**37,004**	74,008
Entertainment, amusement and recreation	**608**	1,975
Interest	**-**	374
Miscellaneous	**532,530**	324,785
	P4,383,147	P4,893,415

NOTE 20 - 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:

(a) Defined benefit cost recognized in profit or loss is as follows:

	2024	2023
Current service cost	**P119,186**	P101,889
Interest cost	**158,581**	159,931
Interest income on plan assets	**(146,451)**	(163,060)
Interest on the effect of the asset ceiling	**-**	202
	P131,316	P98,962

Provision for retirement is allocated as follows:

	2024	2023
Cost of services (Note 17)	**P78,790**	P39,211
Operating expenses (Note 19)	**52,526**	59,751
	P131,316	P98,962

(b) Actuarial gain recognized by the Company in OCI, before tax, comprised of:

	2024	2023
Actuarial loss (gain) due to:		
- Changes in financial assumptions	**(P23,320)**	P153,698
- Remeasurement loss - plan assets	**45,182**	
- Remeasurement loss (gain) - changes in the effect of the asset ceiling	**-**	(3,128)
- Experience	**453,997**	(88,041)
	P475,859	P145,150

The amounts of actuarial loss of P380,687 and P148,927 in 2024 and 2023, respectively, shown in the statements of comprehensive loss are net of tax. Accumulated actuarial loss on retirement obligation, net of tax amounted to P1,021,719 and P641,032 as at December 31, 2024 and 2023, respectively.

(c) Changes in present value of the DBO follow:

	2024	2023
Present value of DBO at January 1	**P2,638,617**	P2,311,140
Interest cost	**158,581**	159,931
Current service cost	**119,186**	101,889
Actuarial loss	**430,677**	65,657
Present value of DBO at December 31	**P3,347,061**	P2,638,617

(d) Actuarial return on plan assets consists of:

	2024	2023
Interest income	**P146,451**	P163,060
Remeasurement loss	**(45,182)**	(82,621)
	P101,269	P80,439

(e) Changes in the fair value of plan assets follow:

	2024	2023
Fair value of plan assets at January 1	**P2,436,793**	P2,356,354
Interest income	**146,451**	163,060
Remeasurement loss - return on plan assets	**(45,182)**	(82,621)
Fair value of plan assets at December 31	**P2,538,062**	P2,436,793

Plan assets of the Company include cash and cash equivalents, and investment in unit investment trust funds. The plan assets are valued by the fund manager at fair value using the mark-to-market valuation.

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

	2024	2023
Present value of DBO	**P3,347,061**	P2,638,617
Fair value of plan assets	**(2,538,062)**	(2,436,793)
Retirement liability	**P808,999**	P201,824

The movements in the retirement liability (asset) recognized in the statements of financial position are as follows:

	2024	2023
Retirement liability (asset) at January 1	**P201,824**	(P42,288)
Retirement benefit cost recognized in profit or loss	**131,316**	98,962
Actuarial loss recognized in OCI	**475,859**	145,150
Retirement liability at December 31	**P808,999**	P201,824

(g) The key actuarial assumptions used as at December 31 follow:

	2024	2023
Discount rate	**6.13%**	6.01%
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	Rate
Turnover rates	**18-24**	**0.00%**
	25-29	**0.00%**
	30-34	**0.00%**
	35-39	**20.00%**
	40-44	**0.00%**
	≥45	**0.00%**

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	**(P94,936)**	**-3.3%**	(P85,851)	-3.3%
Increase in DBO due to 100 bps decrease in discount rate	**98,576**	**2.9%**	89,432	3.4%
Increase in DBO due to 100 bps increase in salary increase rate	**201,229**	**6.0%**	182,644	6.9%
Decrease in DBO due to 100 bps decrease in salary increase rate	**(190,075)**	**-5.7%**	(171,414)	-6.5%
Increase in DBO, no attrition rates	**-**	**0.0%**	-	0.0%

(h) Maturity analyses of the undiscounted expected future benefit payments follow:

	2024	2023
Financial year		
Year 1	**P-**	P-
Year 2	**-**	-
Year 3	**-**	-
Year 4	**-**	-
Year 5	**3,593,698**	-
Year 6-10	**1,662,888**	4,565,061
	P5,256,586	P4,565,061

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 5.8 years in 2024 and 6.6 years in 2023.

The expected contribution to the fund in the next financial year is nil.

NOTE 21 - INCOME TAXES

The Company's provision for income tax consists of:

	2024	2023
Current	**P3,775**	P70,466
Deferred	**(779,491)**	139,365
	(775,716)	P209,831

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

	2024	2023
Loss before income tax	**(P4,188,459)**	(P149,386)
Income tax benefit calculated at statutory income tax rate of 20%	**(P837,692)**	(P29,877)
Adjust for tax effect of:		
Change in tax rate following the provisions of CREATE	**-**	252,729
Expired MCIT	**46,069**	10,019
Non-deductible expenses	**32,848**	4,420
Adjustment of deferred tax asset previously recognized on allowance for credit losses	**-**	(609)
Non-taxable revenue	**-**	(8,674)
Share issuance cost charged directly to equity	**-**	(10,000)
Interest income subjected to final tax	**(16,941)**	(8,177)
Effective income tax expense (benefit)	**(P775,716)**	P209,831

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	**P1,211,415**	P897,369
Creditable tax withheld	**136,141**	384,512
Charged to profit or loss	**(3,775)**	(70,466)
Balance at December 31 (Note 7)	**P1,343,781**	P1,211,415

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

	2022	Charged to profit or loss (Change in tax rate)	Credited to profit or loss	Credited to OCI	2023	**Credited (Charged) to profit or loss**	**Credited to OCI**	**2024**
NOLCO	P1,263,342	(P252,668)	P32,759	P-	P1,043,433	**P795,522**	**P-**	**P1,838,955**
Actuarial loss on retirement liability	164,035	(32,807)	-	29,030	160,258	**-**	**95,172**	**255,430**
Excess MCIT over RCIT	62,403	-	60,447	-	122,850	**(42,294)**	**-**	**80,556**
Provision for retirement	-	-	19,792	-	19,792	**26,263**	**-**	**46,055**
Allowance for expected credit losses	(305)	(61)	366	-	-	**-**	**-**	**-**
Net	P1,489,475	(P285,536)	P113,364	P29,030	P1,346,333	**P779,491**	**P95,172**	**P2,220,996**

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

Year incurred	Amount	Expiry year
2024	P3,977,610	2027
2023	163,797	2026
2022	2,597,865	2025
	P6,739,272	

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	P2,455,503	2025

Details of excess MCIT over RCIT are as follows:

Year incurred	RCIT	MCIT	Excess MCIT over RCIT	Applied	Expired	Still allowable as tax credit	Expiry year
2024	P-	P3,775	P3,775	P-	P-	P3,775	2027
2023	-	70,466	70,466	-	-	70,466	2026
2022	-	6,315	6,315	-	-	6,315	2025
2021	-	46,069	46,069	-	(46,069)	-	2024
2020	-	13,359	13,359	(3,340)	(10,019)	-	2023
	P-	**P139,984**	**P139,984**	**(P3,340)**	**(P56,088)**	**P80,556**	

NOTE 22 - 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 SRC and SEC 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	**P1,466,925**	P1,281,030
Position risk	**-**	-
Counterparty risk	**14**	-
TRCR	**P1,466,939**	P1,281,030
Equity eligible for NLC	**P28,154,080**	P33,463,205
Less: Ineligible assets	**12,518,093**	14,954,349
NLC	**P15,635,987**	P18,508,856
AI	**P66,207,746**	P53,998,776
5% of AI	**P3,310,387**	P2,699,939
Required NLC	**5,000,000**	5,000,000
Net Risk-based Capital Excess	**10,635,987**	13,508,856
Ratio of AI to NLC	**423%**	292%
RBCA ratio	**1066%**	1445%

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 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 23 - 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
Vatable receipts/revenue	P4,200,771	P504,043

2. The amount of input VAT claimed

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

a. Balance at beginning of year	P-
b. Current year's transactions	
- Domestic purchase of services	182,578
c. Total input VAT	182,578
d. Claims for tax credit and other adjustments	(182,578)
e. Balance at end of year	P-

VAT paid during the year amounted to P270,122. VAT payable at December 31, 2024 amounted to P51,393.

3. Taxes and licenses paid/accrued during the year

a. Local	
Real property tax	P92,778
Business permit renewal	66,080
Cedula	17,397
Others	40,951
	217,206
b. National	
BIR annual registration fee	500
	P217,706

4. Sales tax on stock transactions	P1,309,028

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	P185,461	P-	P185,461
b. Expanded withholding taxes	27,534	4,424	31,958
	P212,995	P4,424	P217,419

6. Deficiency tax assessments and tax cases

On November 7, 2023, the Company received a Letter of Authority from the BIR for the examination of its books of accounts and other accounting records for all internal revenue taxes for the period January 1, 2021 to December 31, 2021. The Company paid total deficiency tax of P208,559, inclusive of interest, surcharge and compromise penalty of P44,318, P3,084 and P5,000, respectively.

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 RR No. 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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INDEPENDENT AUDITORS' SUPPLEMENTAL WRITTEN STATEMENT

The Shareholders and the Board of Directors
First Integrated Capital Securities, Inc.
Unit 1211-1212 Tower One & Exchange Plaza
Ayala Avenue, Makati City

We have audited the financial statements of First Integrated Capital Securities, Inc. 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 only one shareholder owning one hundred or more shares.

ALBA ROMEO AND CO.

Nellybeth C. Balingcongan
Partner
CPA Certificate No. 0096192
PTR No. 10485512, issued on January 16, 2025, Makati City
SEC Accreditation No. 96192-SEC (Individual), Group A, issued on January 17, 2023,
valid to audit 2022 to 2026 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. 501-376-933
BIR Accreditation No. 08-007141-003-2024, issued on March 15, 2024,
valid until March 14, 2027
BOA/PRC Accreditation No. 8199/P-002, issued on July 5, 2024,
valid from July 17, 2024 to July 16, 2027

Makati City
April 11, 2025

SCHEDULE 1

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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.

FIRST INTEGRATED CAPITAL SECURITIES, INC.
RISK-BASED CAPITAL ADEQUACY WORKSHEET
DECEMBER 31, 2024

Assets	**97,325,463**
Liabilities	**66,950,387**
Equity as per books	**30,375,076**
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	2,220,996
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	**(2,220,996)**
Equity Eligible For Net Liquid Capital	**28,154,080**
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	2,178,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	8,024,884
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	963,547
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	1,351,662
Total ineligible assets	**12,518,093**

Net Liquid Capital (NLC)	**15,635,987**
Less:	
Operational Risk Reqt (Schedule ORR-1)	**1,466,925**
Position Risk Reqt (Schedule PRR-1)	
Counterparty Risk (Schedule CRR-1 and detailed schedules)	**14**
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)	**1,466,939**
Net RBCA Margin (NLC-TRCR)	**14,169,048**
Liabilities	**66,950,387**
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	742,641
Total adjustments to AI	**(742,641)**
Aggregate Indebtedness	**66,207,746**
5% of Aggregate Indebtedness	**3,310,387**
Required Net Liquid Capital (> of 5% of AI or P5M)	**5,000,000**
Net Risk-based Capital Excess / (Deficiency)	**10,635,987**
Ratio of AI to Net Liquid Capital	**423%**
RBCA Ratio (NLC / TRCR)	**1066%**

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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	P46,691,827	
Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection		P10,736
Total	P46,691,827	P10,736
Net credit balance	**P46,681,091**	
Required reserve (100% of net credit if making a weekly computation or 105% if monthly)	**P46,681,091**	

SCHEDULE 5

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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.

SCHEDULE 6

FIRST INTEGRATED CAPITAL SECURITIES, INC.

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.

FIRST INTEGRATED CAPITAL SECURITIES, INC.
Inventory Report By Security Location
December 31, 2024

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET PRICE	TOTAL MARKET VALUE
AB	ATOK-BIG WEDGE MNG. CO., INC. "A"			305	305	5.4400	1,659.20
ABS	ABS-CBN BROADCASTING CORP.			40,000	40,000	4.2000	168,000.00
AC	AYALA CORPORATION			6,048	6,048	599.0000	3,622,752.00
ACEN	AC ENERGY CORPORATION			670,594	670,594	4.0000	2,682,376.00
ACR	ALSON CONSOLIDATED RESOURCES	2,185,000		182,116,758	184,301,758	0.4600	84,778,808.68
AEV	ABOITIZ EQUITY VENTURES, INC.	1,000		114,200	115,200	34.3500	3,957,120.00
AGI	ALLIANCE GLOBAL, INC.			8,000	8,000	9.0000	72,000.00
ALCO	ARTHALAND CORPORATION			10,000	10,000	0.3650	3,650.00
ALI	AYALA LAND, INC.			429,141	429,141	26.2000	11,243,494.20
ALLDY	ALLDAY MARTS, INC.			2,000,000	2,000,000	0.1330	266,000.00
ALLHC	AYALALOGISTICS HOLDINGS CORP			1,272,700	1,272,700	1.7000	2,163,590.00
ALTER	ALTERNERGY HOLDINGS CORP.			1,550,000	1,550,000	1.2000	1,860,000.00
ANS	A. SORIANO CORPORATION "A"			54,551	54,551	13.6800	746,257.68
AP	ABOITIZ POWER CORPORATION			1,387,000	1,387,000	37.7000	52,289,900.00
APL	APOLLO GLOBAL CAPITAL, INC.			207,000	207,000	0.0040	828.00
APX	APEX MINING CO., INC. "A"			100,000	100,000	3.4500	345,000.00
ARA	ARANETA PROPERTIES, INC.			3,926,000	3,926,000	0.5100	2,002,260.00
AREIT	AREIT, INC.			359,500	359,500	37.9500	13,643,025.00
AT	ATLAS CONS. MINING DEV. "A"			3,681	3,681	4.3800	16,122.78
ATI	ASIAN TERMINALS, INC.			132,100	132,100	17.0000	2,245,700.00
AUB	ASIA UNITED BANK			18,000	18,000	61.5000	1,107,000.00
AXLM	AXELUM RESOURCES CORP			1,987,000	1,987,000	2.5900	5,146,330.00
BCP	BENGUET PREFERRED			558	558	16.3000	9,095.40
BDO	BANCO DE ORO UNIVERSAL BANK			114,598	114,598	144.0000	16,502,112.00
BEL	BELLE CORPORATION			295,333	295,333	1.6600	490,252.78
BHI	BOULEVARD HOLDINGS, INC.			7,000,000	7,000,000	0.0740	518,000.00
BLOOM	BLOOMBERRY RESORTS CORP			11,000	11,000	4.5800	50,380.00
BPI	BANK OF PHIL. ISLANDS	9		25,257	25,266	122.0000	3,082,452.00
BSC	BASIC ENERGY CORPORATION	8,234		792	9,026	0.1400	1,263.64

FIRST INTEGRATED CAPITAL SECURITIES, INC.
Inventory Report By Security Location
December 31, 2024

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET PRICE	TOTAL MARKET VALUE
C	CHELSEA LOGISTICS AND INFRASTRUCTUR			80,000	80,000	1.3100	104,800.00
							.00
CEB	CEBU AIR INC.			5,170	5,170	28.2500	146,052.50
CEBCP	CEBU AIR, INC. CONVERTIBLE PREF			2,832	2,832	34.5000	97,704.00
CHP	CEMEX HOLDINGS PHILS. INC.			955,000	955,000	1.7800	1,699,900.00
CLI	CEBU LANDMASTERS, INC.			33,450	33,450	2.6500	88,642.50
CNPF	CENTURY PACIFIC FOOD , INC.			20,400	20,400	41.9500	855,780.00
CPG	CENTURY PROPERTIES GROUP			3,333,332	3,333,332	0.4200	1,399,999.44
CREC	CITICORE RENEWABLE ENERGY CORP			370,000	370,000	3.2100	1,187,700.00
							.00
CREIT	CITICORE ENERGY REIT CORP.			702,000	702,000	3.0500	2,141,100.00
CYBR	CYBER BAY CORPORATION			121,250	121,250	0.0000	.00
DD	DOUBLEDRAGON PROPERTIES CORP			316,800	316,800	10.2000	3,231,360.00
DDMPR	DDMP REIT, INC.			4,916,000	4,916,000	1.0300	5,063,480.00
DDPR	DOUBLE DRAGON PREF			14,000	14,000	97.2000	1,360,800.00
DFNN	DFNN INC.			240,000	240,000	2.8500	684,000.00
DITO	DITO CME HOLDINGS CORP			1,760,000	1,760,000	1.6400	2,886,400.00
DIZ	DIZON COPPER-SILVER MINES			6,800	6,800	2.0300	13,804.00
DMC	DMCI HOLDINGS, INC.			1,779,450	1,779,450	10.8200	19,253,649.00
DNL	D & L INDUSTRIES, INC.			100,000	100,000	6.0900	609,000.00
EIBA	EXPORT INDUSTRY BANK A	132		41,180,000	41,180,132	0.0000	.00
EIBB	EXPORT & INDUSTRY BANK B			600,000	600,000		.00
ELI	EMPIRE EAST LAND INC.			238,483	238,483	0.1200	28,617.96
ENEX	ENEX ENERGY CORP.			30,498	30,498	5.0000	152,490.00
ESLON	FILIPINAS ESLON	51,662			51,662		.00
EVER	EVER GOTESCO RESOURCES & HOLDINGS			30,000	30,000	0.2550	7,650.00
							.00
EW	EAST WEST BANKING CORP			39,877	39,877	9.8500	392,788.45
FAF	FIRST ABACUS FINANCIAL HOLDINGS			16,990,000	16,990,000	0.6500	11,043,500.00

FIRST INTEGRATED CAPITAL SECURITIES, INC.
Inventory Report By Security Location
December 31, 2024

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET PRICE	TOTAL MARKET VALUE
FDC	FILINVEST DEV. CORP.			504,600	504,600	4.9400	2,492,724.00
FEU	FAR EASTERN UNIVERSITY			122	122	735.0000	89,670.00
FFI	FILIPINO FUND, INC			105	105	5.8700	616.35
FGEN	FIRST GEN CORPORATION			1,519,919	1,519,919	16.1200	24,501,094.28
FJP	F&J PRINCE HOLDINGS CORP.			2,000	2,000	2.5000	5,000.00
FLI	FIL-INVEST LAND, INC.	312		205,000	205,312	0.7300	149,877.76
FMETF	FIRST METRO PHIL EQUITY EXCH			318,150	318,150	105.6000	33,596,640.00
	TRADED						.00
FPH	FIRST PHIL. HOLDINGS			31,835	31,835	59.0000	1,878,265.00
FPI	FORUM PACIFIC, INC.			950,000	950,000	0.2460	233,700.00
FRUIT	FRUITAS HOLDINGS, INC.			50,000	50,000	0.6400	32,000.00
FWBC	F W B C HOLDINGS, INC.	498,108			498,108		.00
GERI	GLOBAL-ESTATE RESORTS INC.			351,404	351,404	0.6400	224,898.56
GHPB	GUOCO HOLDINGS PREFERRED B	100			100		.00
GLO	GLOBE TELECOM INC.			2,740	2,740	2,184.0000	5,984,160.00
GMA7	GMA 7			2,636,600	2,636,600	6.1100	16,109,626.00
GMAP	GMA PDR			100,000	100,000	6.2600	626,000.00
GTCAP	GT CAPITAL HOLDINGS INC.			213,785	213,785	658.0000	140,670,530.00
HOME	ALLHOME CORP			60,000	60,000	0.6400	38,400.00
I	I-REMIT INC.			5,671	5,671	0.2330	1,321.34
ICT	INTL CONTAINER TERMINAL SER.			151,682	151,682	386.0000	58,549,252.00
IMP	IMPERIAL RES., INC.			5,000	5,000	0.6300	3,150.00
INFRA	PHILIPPINE INFRADEV HOLDINGS,			800,000	800,000	0.3000	240,000.00
	INC.						.00
ION	IONICS, INC.			30,000	30,000	0.8400	25,200.00
JFC	JOLLIBEE FOODS CORP.			91,431	91,431	269.0000	24,594,939.00
JGS	JG SUMMIT HOLDINGS, INC.			40,000	40,000	20.5500	822,000.00
LC	LEPANTO CONS. MNG. "A"			3,891,196	3,891,196	0.0670	260,710.13
LCB	LEPANTO CONS. MNG. - B			575,585	575,585	0.0670	38,564.20
LPC	LFM PROPERTIES CORP.			242,880	242,880	0.0460	11,172.48
LPZ	LOPEZ HOLDINGS CORPORATION			70,000	70,000	2.7000	189,000.00

FIRST INTEGRATED CAPITAL SECURITIES, INC.
Inventory Report By Security Location
December 31, 2024

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET PRICE	TOTAL MARKET VALUE
LTG	LT GROUP INC			60,000	60,000	10.5000	630,000.00
MA	MANILA MINING CORP. "A"	10,000		48,600,000	48,610,000	0.0030	145,830.00
MAC	MACROASIA CORPORATION			1,128,000	1,128,000	5.4400	6,136,320.00
MAXS	MAXS GROUP, INC			231,400	231,400	2.6700	617,838.00
MB	MANILA BULLETIN PUBLISHING			6,362	6,362	0.1880	1,196.06
MBT	METROPOLITAN BANK & TRUST CO.			198,000	198,000	72.0000	14,256,000.00
MED	MEDCO HOLDINGS, INC.			10,000	10,000	0.1200	1,200.00
MER	MANILA ELECTRIC COMPANY			302,498	302,498	488.0000	147,619,024.00
MFC	MANULIFE FINANCIAL CORP.			273	273	1,760.0000	480,480.00
MJC	MANILA JOCKEY CLUB, INC.			113,309,479	113,309,479	0.0000	.00
MJIC	MJC INVESTMENTS CORPORATION			66,900	66,900	0.0000	.00
MM	MERRYMART CONSUMER CORP			200,000	200,000	0.6000	120,000.00
MONDE	MONDE NISSIN CORP			355,000	355,000	8.6000	3,053,000.00
MREIT	MREIT, INC.			100,000	100,000	13.3400	1,334,000.00
MRSGI	METRO RETAIL STORES GROUP, INC.			17,000	17,000	1.2000	20,400.00
MWC	MANILA WATER COMPANY, INC.			125,200	125,200	27.0000	3,380,400.00
NRCP	NATIONAL REINSURANCE CORP.			80,000	80,000	0.6900	55,200.00
OPM	ORIENTAL PETROLEUM "A"	173,271		48,956,057	49,129,328	0.0074	363,557.03
OPMB	ORIENTAL PETROLEUM "B"			1,437,528	1,437,528	0.0075	10,781.46
OV	PHILODRILL CORPORATION "A"	264,448		386,201,400	386,465,848	0.0075	2,898,493.86
PA	PACIFICA HOLDINGS, INC.			2,500	2,500	1.6000	4,000.00
PAL	PAL HOLDINGS INC.			4,500	4,500	4.9500	22,275.00
PBC	PHIL. BANK OF COMMUNICATIONS-A			561,100	561,100	15.5800	8,741,938.00
PCOR	PETRON CORPORATION			78,008	78,008	2.4300	189,559.44
PCP	PICOP RESOURCES, INC.			9,039,906	9,039,906	0.0000	.00
PHA	PREMIERE HORIZON ALLIANCE CORP			1,530,000	1,530,000	0.1740	266,220.00
PHN	PHINMA CORPORATION			51,500	51,500	19.0000	978,500.00

FIRST INTEGRATED CAPITAL SECURITIES, INC.
Inventory Report By Security Location
December 31, 2024

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET PRICE	TOTAL MARKET VALUE
PHR	PH RESORTS GROUP HOLDINGS, INC.			3,000	3,000	0.5400	1,620.00
PIZZA	SHAKEYS PIZZA VENTURES INC			9,000	9,000	7.9900	71,910.00
PLUS	DIGIPLUS INTERACTIVE CORP.			270,000	270,000	27.1500	7,330,500.00
PNB	PHIL. NATIONAL BANK			1,567,749	1,567,749	27.7000	43,426,647.30
PNX	PHOENIX PETROLEUM INC.			80,000	80,000	0.0000	.00
PODCO	PHIL OIL DEV CO INC	500,000			500,000		.00
PPI	PHILTOWN PROPERTY INC.	113,730			113,730		.00
PSB	PHILIPPINE SAVINGS BANK			2,196	2,196	58.2000	127,807.20
PSE	PHIL. STOCK EXCHANGE, INC.			21,984	21,984	164.0000	3,605,376.00
PTT	PHIL.TELEGRAPH TEL.CO.	16,666			16,666		.00
PULP	UNITED PULP AND PAPER COMPANY	450			450		.00
PX	PHILEX MNG. CORP.			107,844	107,844	2.7900	300,884.76
PXP	PXP ENERGY CORPORATION			340,921	340,921	2.8700	978,443.27
RCI	ROXAS AND COMPANY INC.			1,697,000	1,697,000	2.7200	4,615,840.00
RCR	RL COMMERCIAL REIT, INC.			780,000	780,000	5.8500	4,563,000.00
RFM	RFM CORPORATION			387,438	387,438	3.8700	1,499,385.06
RLC	ROBINSONS LAND CORP.			144,000	144,000	13.3000	1,915,200.00
ROCK	ROCKWELL LAND CORPORATION			26,267	26,267	1.5100	39,663.17
SBS	SBS PHILS CORP			64,583	64,583	4.9500	319,685.85
SCC	SEMIRARA MINING AND POWER CORP			28,400	28,400	34.9000	991,160.00
							.00
SECB	SECURITY BANK CORP.			845	845	87.0000	73,515.00
SEVN	PHILIPPINE SEVEN CORP.			149,878	149,878	67.8000	10,161,728.40
SFI	SWIFT FOODS, INC.			497	497	0.0580	28.83
SFIP	SWIFTS FOOD, INC.-PREFERRED			989	989	0.0000	.00
SGI	SOLID GROUP, INC.			1,000	1,000	1.0300	1,030.00
SGP	SYNERGY GRID & DEVT. PHILS. INC.			440,700	440,700	9.8000	4,318,860.00
SHLPH	PILIPINAS SHELL PETROLEUM CORP			1,921,051	1,921,051	7.5000	14,407,882.50

FIRST INTEGRATED CAPITAL SECURITIES, INC.
Inventory Report By Security Location
December 31, 2024

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET PRICE	TOTAL MARKET VALUE
SHNG	SHANG PROPERTIES INC.			6,152	6,152	3.9400	24,238.88
SM	SM INVESTMENTS CORPORATION			59,952	59,952	899.0000	53,896,848.00
SMC	SAN MIGUEL CORPORATION			80,369	80,369	86.0000	6,911,734.00
SMPH	SM PRIME HOLDINGS, INC.			62,940	62,940	25.1500	1,582,941.00
SOC	SOCRESOURCES, INC.			2,925,000	2,925,000	0.1840	538,200.00
SPM	SEAFRONT RESOURCES CORP.			3,809	3,809	1.5100	5,751.59
SSI	SSI GROUP, INC			190,000	190,000	3.1800	604,200.00
STI	STI EDUCATION SYSTEMS HOLDINGS INC			400,000	400,000	1.3400	536,000.00
							.00
SUN	SUNTRUST HOME DEVELOPERS, INC.			263	263	0.9000	236.70
TEL	PLDT INC			17,358	17,358	1,295.0000	22,478,610.00
TFC	PTFC REDEVELOPMENT CORP			395,266	395,266	55.0000	21,739,630.00
TFHI	TOP FRONTIERINVESTMENT HOLDINGS INC			7,698	7,698	63.1000	485,743.80
							.00
TUGS	HARBOR STAR SHIPPING SERVICES INC.			412,500	412,500	0.6200	255,750.00
							.00
URC	UNIVERSAL ROBINA CORP.			61,700	61,700	79.0000	4,874,300.00
V	VANTAGE EQUITIES INC.			115,000	115,000	0.7000	80,500.00
VITA	VITARICH CORPORATION			4,000	4,000	0.5400	2,160.00
VMC	VICTORIAS MILLING CO., INC.	8,730			8,730	2.0000	17,460.00
WEB	PHILWEB CORPORATION			3,204,900	3,204,900	1.4000	4,486,860.00
WPI	WATERFRONT PHILS., INC.			100	100	0.3750	37.50
X	XURPAS, INC			70,200	70,200	0.1820	12,776.40
		3,831,852		**919,270,323**	**923,102,175**		**981,443,516.36**

FIRST INTEGRATED CAPITAL SECURITIES, INC.

FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2024 AND 2023

		2024		2023	
i. Current/liquidity ratios					
Current ratio	Current assets	**84,893,702**	**1.28**	81,718,892	1.37
	Current liabilities	**66,141,388**		59,630,850	
Quick ratio	Cash + Receivables	**82,562,224**	**1.25**	77,700,498	1.30
	Current liabilities	**66,141,388**		59,630,850	
ii. Solvency ratios/debt-to-equity ratios					
Solvency ratio	After tax net profit (loss) + Depreciation (Non-cash expenses)	**(2,664,705)**	**(0.04)**	(387,031)	(0.01)
	Total liabilities	**66,950,387**		59,832,674	
Debt-to-equity ratio	Total liabilities	**66,950,387**	**2.20**	59,832,674	1.75
	Total equity	**30,375,076**		34,168,506	
iii. Asset-to-equity ratio					
Asset-to-equity ratio	Total assets	**97,325,463**	**3.20**	94,001,180	2.75
	Total equity	**30,375,076**		34,168,506	
iv. Interest rate coverage ratio					
Interest rate coverage ratio	Earnings before interest and tax	**(4,188,459)**	-	(149,012)	(398.43)
	Interest expense	-		374	
v. Profitability ratios					
Return on equity	Net profit (loss)	**(3,412,743)**	**(0.11)**	(359,217)	(0.01)
	Total equity	**30,375,076**		34,168,506	
Gross margin	Gross profit	**(2,296,492)**		3,182,537	0.46
	Revenue	**1,839,974**	**(1.25)**	6,912,714	
Net margin	Net profit (loss)	**(3,412,743)**		(359,217)	(0.05)
	Revenue	**1,839,974**	**(1.85)**	6,912,714	
Return on assets	Net profit (loss)	**(3,412,743)**		(359,217)	(0.00)
	Average total assets	**95,663,322**	**(0.04)**	120,554,252	

FIRST INTEGRATED CAPITAL SECURITIES, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2024

	Current Year	Prior Year
Total Audit Fees	P130,000	P130,000
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	P130,000	P130,000

Reference No : 462500065334224
Date Filed : April 14, 2025 10:48 AM
Batch Number : 0

For BIR Use Only: BCS/ Item:

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

BIR Form No. **1702-RT** January 2018(ENCS) Page 1

Annual Income Tax Return

For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.

1702-RT 01/18ENCS P1

1 For (X) Calendar ( ) Fiscal
2 Year Ended (MM/20YY) 12/2024
3 Amended Return? ( ) Yes (X) No
4 Short Period Return? ( ) Yes (X) No
5 Alphanumeric Tax Code (ATC)
IC055 Minimum Corporate Income Tax (MCIT) ✓
IC010 DOMESTIC CORPORATION IN GENERAL ✓

Part I - Background Information

6 Taxpayer Identification Number (TIN) 002 - 194 - 182 - 000
7 RDO Code 050
8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*
FIRST INTEGRATED CAPITAL SECURITIES, INC.
9A Registered Address *(Indicate complete registered address)*
U-1211-1212 PSE PLAZA TOWER I AYALA AVE.,COR PASEO ROXAS SALCEDO VILLAGE MAKATI CITY
9B Zipcode 1226
10 Date of Incorporation/Organization (MM/DD/YYYY) 01/27/1993
11 Contact Number 7594326
12 Email Address fincapsecinc@yahoo.com
13 Method of Deductions (X) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

14 Total Income Tax Due (Overpayment) *(From Part IV Item 43)*		3,775
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*		1,347,556
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*		(1,343,781)
Add Penalties		
17 Surcharge	0	
18 Interest	0	
19 Compromise	0	(1,343,781)

If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*
( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) (X) To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN)*

Signature over printed name of President/Principal Officer/Authorized Representative
Signature over printed name of Treasurer/Assistant Treasurer
Title of Signatory TIN
Title of Signatory TIN
22 Number of Attachments 4

Part III - Details of Payment

Particulars	Drawee Bank/Agency	Number	Date *(MM/DD/YYYY)*	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others *(Specify Below)*				
				0

Machine Validation/Revenue Official Receipts Details *(if not filed with an Authorized Agent Bank)*

Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

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Annual Income Tax Return
Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P2

Taxpayer Identification Number (TIN)	**Registered Name**
002 - 194 - 182 - 000	FIRST INTEGRATED CAPITAL SECURITIES, INC.

Part IV - Computation of Tax *(Do NOT enter Centavos)*

27 Sales/Receipts/Revenues/Fees		1,839,974
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*		1,839,974
30 Less: Cost of Sales/Services		4,057,676
31 Gross Income from Operation *(Item 29 Less Item 30)*		(2,217,702)
32 Add: Other Taxable Income Not Subjected to Final Tax		2,406,472
33 **Total Taxable Income** *(Sum of Items 31 and 32)*		188,770
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	4,166,380	
35 Special Allowable Itemized Deductions *(From Part VI Schedule II Item 5)*	0	
36 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)*	0	
37 Total Deductions *(Sum of Items 34 to 36)*	4,166,380	
***OR** [in case taxable under Sec 27(A) & 28(A)(1)]*		
38 Optional Standard Deduction *(40% of Item 33)*	0	
39 **Net Taxable Income/(Loss)** *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*		(3,977,610)
40 **Applicable Income Tax Rate**		20 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) *(Item 39 x Item 40)*		0
42 MCIT Due *(2% of Item 33)*		3,775
43 **Tax Due** *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)*		3,775
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT		1,211,415
45 Income Tax Payment under MCIT from Previous Quarter/s		0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year *(From Part VI Schedule IV Item 4)*		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		105,604
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		30,537
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits *(To Part V Item 58)*		0
Other Credits/Payments *(Specify)*		
53		0
54		0
55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*		1,347,556
56 **Net Tax Payable / (Overpayment)** *(Item 43 Less Item 55)) (To Part II Item 16)*		(1,343,781)

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 **Total Tax Relief Availment** *(Sum of Items 57 and 58)*	0

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Annual Income Tax Return
Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

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Taxpayer Identification Number (TIN)	Registered Name
002 - 194 - 182 - 000	FIRST INTEGRATED CAPITAL SECURITIES, INC.

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	748,038
6 Entertainment, Amusement and Recreation	608
7 Fringe Benefits	0
8 Interest	44,318
9 Losses	0
10 Pension Trust	0
11 Rental	0
12 Research and Development	0
13 Salaries, Wages and Allowances	758,400
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	93,588
15 Taxes and Licenses	217,706
16 Transportation and Travel	190,144
17 Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*	
a Janitorial and Messengerial Services	0
b Professional Fees	253,000
c Security Services	0
d REPAIRS AND MAINTENANCE	642,576
e UTILITIES	224,128
f OTHER STAFF COSTS	206,490
g POSTAGE, TELEPHONE AND TELEGRAM	193,343
h STATIONERY AND SUPPLIES	71,154
i MISCELLANEOUS	522,887
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	4,166,380

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*			0

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Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

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Taxpayer Identification Number (TIN)	Registered Name
002 - 194 - 182 - 000	FIRST INTEGRATED CAPITAL SECURITIES, INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 33)*	188,770
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	4,166,380
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	(3,977,610)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

	Net Operating Loss		
	Year Incurred	A) Amount	B) NOLCO Applied Previous Year
4	2024	3,977,610	0
5	2023	163,797	0
6	2022	5,053,368	0
7		0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) *[E = A Less (B + C + D)]*
4	0	0	3,977,610
5	0	0	163,797
6	0	0	5,053,368
7	0	0	0
8 Total NOLCO *(Sum of Items 4D to 7D) (To Part IV, Item 36)*		0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)

	Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	2023	0	70,466	70,466
2	2022	0	6,315	6,315
3	2021	0	46,069	46,069

Continuation of Schedule IV *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	**F) Excess MCIT Applied this Current Taxable Year**	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	70,466
2	0	0	0	6,315
3	0	46,069	0	0
Total Excess MCIT Applied *(Sum of Items 1F to 3F) (To Part IV Item 47)*			0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(attach additional sheet/s, if necessary)*

1 Net Income/(Loss) per books	(4,188,459)
Add: Non-deductible Expenses/Taxable Other Income	
2 DEFICIENCY TAXES AND PENALTIES	164,241
3 PROVISION FOR RETIREMENT	131,316
4 Total *(Sum of Items 1 to 3)*	(3,892,902)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST REVENUE SUBJECTED TO FINAL TAX	84,705
6 REVERSAL OF PROVISION FOR CREDIT LOSSES	3
B) Special Deductions	
7	0
8	0

9 Total (Sum of Items 5 to 8)	84,708
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(3,977,610)

BIR Email Notification (eFiling of Tax Return)

From: no-reply@bir.gov.ph

To: fincapsecinc@yahoo.com

Date: Monday, April 14, 2025 at 10:50 AM GMT+8

Good Day FIRST INTEGRATED CAPITAL SECURITIES, INC.,

Thank you for filing your Return through eFPS.

This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,

Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 002-194-182-000
Name	: FIRST INTEGRATED CAPITAL SECURITIES, INC.
RDO	: 050
Form Type	: 1702
Reference No.	: **462500065334224**
Amount Payable / (Over Remittance)	: -1343781.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 04/14/2025
Tax Type	: IT

PLEASE DO NOT REPLY TO THIS E-MAIL