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Company Information

SEC Registration No.: 0000084986
Company Name: GUILD SECURITIES INC.
Industry Classification: J66930
Company Type: Stock Corporation

Document Information

Document ID: OST10505202583260306
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

SEC GSI <sec@guildsec.com>

SEC eFast Final Acceptance

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noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph> Wed, May 7, 2025 at 8:53 AM

Greetings!

SEC Registration No: 0000084986
Company Name: GUILD SECURITIES INC.
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SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

OST10505202583260306.pdf
67K

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

					0	8	4	9	8	6

Company Name

GUILD SECURITIES, INC.

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

UNIT 1215 TOWER ONE AND
EXCHANGE PLAZA AYALA TRIANGLE
AYALA AVENUE MAKATI CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
help.desk@guildsec.com	891-9234	NONE

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
7	LAST SATURDAY OF MARCH	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
VALERIE ANDRIE MAKALINTAL	valerie.makalintal@guildsec.com	891-9234	0907-718-6116

Contact Person's Address

UNIT 1215 TOWER ONE AND EXCHANGE PLAZA, AYALA AVENUE 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 with information and complete contact details of the new contact person designated.*

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

GUILD 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:	**Guild Securities, Inc.**
Address of Principal Place of Business:	Unit 1215 Tower One and Exchange Plaza, Ayala Avenue, Makati City
Name and Phone Number of Person to Contact in Regard to this Report	
Name: Valerie Anne Makalintal	Tel No.: Fax No.:

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Guild 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.

CLARE D. ALVAREZ
Chairman of the Board and President

PETER J. FRANCISCO
Treasurer

Signed this 8th day of April, 2025

Unit 1215, 12th Floor, Tower I & Exchange Plaza Ayala Avenue, Makati City 1226
891-9235 – 37 (632) 891-9231
help.desk@guildsec.com

esubmission BIR <esubmission.bir@guildsec.com>

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eafs@bir.gov.ph <eafs@bir.gov.ph> Wed, Apr 30, 2025 at 6:32 PM
To: ESUBMISSION.BIR@guildsec.com
Cc: ROZZ.CARBONELL@guildsec.com

Hi GUILD SECURITIES, INC.,

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Transaction Code: **AFS-0-NRW2X2XW0Q4QRVPPZNTZZ1XTQ0CFHF5EKL**
Submission Date/Time: **Apr 30, 2025 06:32 PM**
Company TIN: **000-160-393**

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.

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
Guild Securities, Inc.
Unit 1215 Tower One & Exchange Plaza
Ayala Avenue, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guild Securities, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, 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 25 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.

nebalingcongan

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 8, 2025

GUILD 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	**P17,265,749**			P19,403,555		
Financial assets at fair value through profit or loss	6	**22,136,466**	**P22,136,466**		14,964,424	P14,964,424	
Receivables from customers, net	7	**37,318,600**	**8,527,949,232**		39,034,372	4,573,022,480	
Other current assets	8	**2,781,780**			2,688,927		
Total current assets		**79,502,595**			76,091,278		
Non-current assets							
Financial asset at fair value through other comprehensive income	9	**33,406,800**	**33,406,800**		34,629,000	34,629,000	
Property and equipment, net	10	**13,425,255**			12,561,728		
Intangible assets, net	11	**440,000**			440,000		
Other non-current asset	8	**206,009**			186,555		
Total non-current assets		**47,478,064**			47,817,283		
Total assets		**P126,980,659**			P123,908,561		
SECURITIES							
In vault and with Philippine Depository and Trust Corporation (including in-transit securities)				**P15,960,506,973**			P10,490,752,964
LIABILITIES AND EQUITY							
Current liabilities							
Payable to:							
Customers	12	**P36,786,003**	**7,377,014,475**		P29,351,694	5,851,704,845	
Clearing house, net	13	**1,565,391**			7,200,423		
Other brokers		**48,867**			48,792	16,432,215	
Other current liabilities	14	**3,150,269**			1,579,050		
Total current liabilities		**41,550,530**			38,179,959		
Non-current liabilities							
Retirement liability	21	**959,436**			1,302,281		
Deferred tax liabilities, net	23	**3,731,871**			4,339,100		
Total non-current liabilities		**4,691,307**			5,641,381		
Total liabilities		**46,241,837**			43,821,340		
Equity							
Share capital	15	**36,500,000**			36,500,000		
Retained earnings							
Unappropriated		**11,832,721**			10,874,546		
Appropriated	16	**6,803,235**			6,563,691		
Accumulated other comprehensive income, net	9,21	**25,602,866**			26,148,984		
Total equity		**80,738,822**			80,087,221		
Total liabilities and equity		**P126,980,659**	**P15,960,506,973**	**P15,960,506,973**	P123,908,561	P10,490,752,964	P10,490,752,964

(The notes on pages 1 to 47 are an integral part of these financial statements.)

GUILD SECURITIES, INC.

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

	Note	2024	2023
Commission revenue	17	**P9,412,539**	P7,772,685
Cost of services	18	**6,546,029**	6,033,536
Gross income		**2,866,510**	1,739,149
Other income, net	19	**3,608,813**	2,472,775
Operating expenses	20	**(5,580,255)**	(4,351,870)
Income (Loss) from operations		**895,068**	(139,946)
Interest revenue	5	**14,236**	24,907
Income (Loss) before income tax		**909,304**	(115,039)
Benefit from income tax	23	**288,415**	750,137
Net income for the year		**1,197,719**	635,098
Other comprehensive income (loss), net			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain (loss) on fair value changes of equity security at fair value through other comprehensive income, net	9	**(916,650)**	1,833,300
Actuarial gain on remeasurement of retirement obligation, net	21	**370,532**	41,947
		(546,118)	1,875,247
Total comprehensive income for the year		**P651,601**	P2,510,345

(The notes on pages 1 to 47 are an integral part of these financial statements.)

GUILD SECURITIES, INC.

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

		Retained earnings			Accumulated other comprehensive income, net			
	Share capital (Note 15)	Unappropriated	Appropriated - reserve fund (Note 16)	Total	Net unrealized gain on equity security at FVOCI (Note 9)	Actuarial gain on retirement obligation, net (Note 21)	Total	Total equity
Balance at January 1, 2023	P36,500,000	P10,366,468	P6,436,671	P16,803,139	P23,783,782	P489,955	P24,273,737	P77,576,876
Net income for the year	-	635,098	-	635,098	-	-	-	635,098
Appropriation for reserve fund	-	(127,020)	127,020	-	-	-	-	-
Unrealized gain on fair value changes of equity security at fair value through other comprehensive income (FVOCI), net	-	-	-	-	1,833,300	-	1,833,300	1,833,300
Actuarial gain on remeasurement on retirement obligation, net	-	-	-	-	-	41,947	41,947	41,947
Balance at December 31, 2023	36,500,000	10,874,546	6,563,691	17,438,237	25,617,082	531,902	26,148,984	80,087,221
Net income for the year	-	1,197,719	-	1,197,719	-	-	-	1,197,719
Appropriation for reserve fund	-	(239,544)	239,544	-	-	-	-	-
Unrealized loss on fair value changes of equity security at FVOCI, net	-	-	-	-	(916,650)	-	(916,650)	(916,650)
Actuarial gain on remeasurement of retirement obligation, net	-	-	-	-	-	370,532	370,532	370,532
Balance at December 31, 2024	**P36,500,000**	**P11,832,721**	**P6,803,235**	**P18,635,956**	**P24,700,432**	**P902,434**	**P25,602,866**	**P80,738,822**

(The notes on pages 1 to 47 are an integral part of these financial statements.)

GUILD SECURITIES, INC.

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

	Note	2024	2023
Cash flows from operating activities			
Income (Loss) before income tax		**P909,304**	(P115,039)
Adjustments for:			
Unrealized market loss on financial assets at fair value through profit or loss	6,19	**3,504,801**	3,005,167
Depreciation	10,20	**969,619**	915,130
Provision for retirement benefit cost	18,21	**151,198**	153,713
Interest revenue	5	**(14,236)**	(24,907)
Provision (Reversal of allowance) for credit losses	7,19,20	**(345,218)**	656,105
Gain on sale of transportation equipment	10,19	**(1,000,000)**	-
Gain on sale of financial assets at fair value through profit or loss, net	6,19	**(2,816,514)**	(2,300,695)
Dividend revenue	6,9,19	**(2,947,337)**	(3,177,247)
Operating loss before changes in operating assets and liabilities		**(1,588,383)**	(887,773)
Changes in operating assets and liabilities			
(Increase) Decrease in:			
Financial assets at fair value through profit or loss		**(7,860,329)**	(7,071,115)
Receivables from:			
Customers		**2,060,990**	(17,811,063)
Clearing house, net		**-**	1,048,435
Other current assets		**(90,657)**	(256,789)
Other non-current asset		**(19,454)**	(24,395)
Increase (Decrease) in:			
Payable to:			
Customers		**7,434,309**	(5,458,809)
Clearing house, net		**(5,635,032)**	7,200,423
Other brokers		**75**	(75)
Other current liabilities		**1,571,219**	674,281
Cash used in operations		**(4,127,262)**	(22,586,880)
Interest received	5	**14,236**	24,907
Dividends received	6,9,19	**2,947,337**	3,177,247
Creditable tax withheld	23	**(138,971)**	(140,857)
Net cash used in operating activities		**(1,304,660)**	(19,525,583)
Cash flows from investing activities			
Acquisitions of property and equipment	10	**(1,833,146)**	(56,000)
Proceeds from sale of transportation equipment	10	**1,000,000**	-
Net cash used in investing activities		**(833,146)**	(56,000)
Net decrease in cash		**(2,137,806)**	(19,581,583)
Cash	5		
January 1		**19,403,555**	38,985,138
December 31		**P17,265,749**	P19,403,555

(The notes on pages 1 to 47 are an integral part of these financial statements.)

GUILD 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

Guild Securities, Inc. (the "Company"), a corporation domiciled in the Philippines, was incorporated and registered with the Securities and Exchange Commission (SEC) on March 13, 1979 per SEC Registration No. 84986 primarily to engage as a dealer in the business of offering, buying, selling, dealing or trading of securities of all kinds for its own account and as a broker in the purchases, sales, or other transactions relating to all kinds of securities of any person, corporation or entity, whether of domestic or foreign origin.

The Company is both a stockholder and a broker-dealer having the right, pursuant to Philippine Stock Exchange (PSE or Exchange) Rules, to trade at the Exchange.

The SEC issued the Certificate of Registration No. 01-2004-00065 to the Company, valid up to December 31, 2025, to effect the registration and authorization of the Company to operate as a broker-dealer.

The Company's registered office and principal place of business is at Unit 1215 Tower One and 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 8, 2025, and that Ms. Clare D. Alvarez, the Company's Chairman, was authorized to sign and cause the issuance of the financial statements on its behalf.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

Statement of compliance

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

Presentation of financial statements

The financial statements are presented in accordance with PAS 1 (Revised), *Presentation of Financial Statements.* The Company presents all items of income and expense in a single statement of comprehensive income, 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 PSE, SEC and Securities Investors Protection Fund for every trade transaction made by the Company, relative to the respective volumes of such transactions. These are recognized in profit or loss on the date they are incurred.

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

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

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

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

2.5 Financial instruments

Initial recognition and measurement

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

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

Financial assets

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

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

Subsequent measurement

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

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

The Company's financial assets at amortized cost include cash, receivables from customers, other receivables, and clearing and trade guaranty fund deposit presented under other non-current asset.

Financial assets designated at FVOCI (equity instruments)

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

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

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

Financial assets at FVPL

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

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

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

Impairment of financial assets

The Company recognizes an expected credit loss (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognized in two stages: (a) for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL); and (b) for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

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

Financial liabilities

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

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

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

The Company's financial liabilities at amortized cost include payable to customers, clearing house and other brokers, 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 the asset; or (b) has neither transferred nor retained substantially all the risks and rewards 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
Condominium unit	20 years
Condominium improvements	10 years
Transportation equipment	5 years
Office equipment	5 years
Furniture and fixtures	5 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 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.

2.11 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.

2.12 Share capital

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

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

2.13 Retained earnings

Unappropriated retained earnings include all current and prior period results as disclosed in the statements of comprehensive income 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*.

2.14 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.

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.

2.15 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.

2.16 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.

2.17 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.

2.18 Income taxes

Provision for (Benefit from) 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.

2.19 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.

2.20 Events after financial reporting date

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

NOTE 3 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments

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

(a) Determining fair value of financial instruments

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

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

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

(b) Significant increase of credit risk

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

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

(c) Determining lease term

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

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

(d) *Recognizing provisions and contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 2.16. 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 impairment losses on financial assets*

The Company makes an assessment of the business model within which the assets are held and whether the contractual term of the financial assets is SPPI on the principal amount outstanding. Further, assessment was made in establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determination of methodology for incorporation of forward-looking information into measurement of ECL and selection and approvals of methods used to measure ECL.

Lifetime ECL of the Company is computed by multiplying the loss rate against the total outstanding balance. Loss rate is calculated by dividing the outstanding accounts receivable for more than 30 days by the total accounts receivable from customers.

As an exception to the general requirements, the Company may assume that the criterion for recognizing lifetime ECL is not met if the credit risk on the financial instrument is low at the financial reporting date. The Company can choose to apply this simplification on an instrument-by-instrument basis.

PFRS 9 states that the credit risk is low if:

i. the instrument has a low risk of default;
ii. the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
iii. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the borrower's ability to fulfill its obligations.

The standard contains a rebuttable presumption that the condition for recognizing lifetime ECL is met when payments are more than 30 days past due. However, it also clarifies that delinquency is a lagging indicator, and that a significant increase in credit risk typically occurs before an asset is past due. Therefore, when more forward-looking information (compared with that about past-due payments) is available without undue cost or effort, it is considered when determining whether there has been a significant increase in credit risk.

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 macroeconomic factors and forecasts of future economic conditions.

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
Receivables from customers, net (Note 7)	**P37,144,151**	P39,034,372
Clearing and trade guaranty fund deposit (Note 8)	**206,008**	186,555
Other receivables (Note 8)	**408,865**	342,943
	P37,759,024	P39,563,870

Based on management's assessment, the allowance for credit losses amounting to P1,499,079 and P1,844,297 as at December 31, 2024 and 2023, respectively, is adequate to provide for any losses which may be sustained in the realization of receivables (see Note 7). Provision (Reversal of allowance) for credit losses recognized amounted to (P345,218) and P656,105 in 2024 and 2023, respectively (see Notes 7, 19 and 20).

(b) *Determining value of unquoted equity securities*

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

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

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

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

The Company estimates the useful lives of property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear, and technological obsolescence on the use of these assets.

In addition, the estimate of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the 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 decrease the total assets and increase recorded operating expenses.

The net carrying value of property and equipment amounted to P13,425,255 and P12,561,728 as at December 31, 2024 and 2023, respectively. Accumulated depreciation amounted to P13,957,189 and P14,305,922 as at December 31, 2024 and 2023, respectively (see Note 10).

There is no change in the estimated useful lives of these assets in 2024 and 2023.

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

PFRSs require that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.10. 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 10)	**P13,425,255**	P12,561,728
Trading right (Note 11)	**440,000**	440,000
	P13,865,255	P13,001,728

(e) *Determining realizable amount of deferred tax assets*

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

Estimates of future taxable profit indicate that temporary differences will be realized in the future. Deferred tax assets recognized by the Company amounted to P4,802,418 and P4,377,228 as at December 31, 2024 and 2023, respectively (see Note 23).

(f) *Estimating retirement benefit cost*

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

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

Other key assumptions for retirement obligation are based in part on current market conditions. Additional information is disclosed in Note 21.

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.

Provision for retirement benefit cost recognized in profit or loss in 2024 and 2023 amounted to P151,198 and P153,713, respectively (see Notes 18 and 21).

As at December 31, 2024 and 2023, the retirement liability of the Company amounted to P959,436 and P1,302,281, respectively (see Note 21).

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)	**P17,265,749**	P19,403,555
Receivables from customers, net (Note 7)	**37,318,600**	39,034,372
Clearing and trade guaranty fund deposit (Note 8)	**206,008**	186,555
Other receivables (Note 8)	**408,865**	342,943
	P55,199,222	P58,967,425
Financial liabilities		
Payable to:		
Customers (Note 12)	**P36,786,003**	P29,351,694
Clearing house, net (Note 13)	**1,565,391**	7,200,423
Other brokers	**48,867**	48,792
Other current liabilities* (Note 14)	**3,033,490**	1,254,435
	P41,433,751	P37,855,344

**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.

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

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

	2024				2023			
	Fair value	**Level 1**	**Level 2**	**Level 3**	Fair value	Level 1	Level 2	Level 3
Financial assets at FVPL (Note 6)	**P22,136,466**	**P22,136,466**	**P-**	**P-**	P14,964,424	P14,964,424	P-	P-
Financial asset at FVOCI (Note 10)	**33,406,800**	**34,406,800**	**-**	**-**	34,629,000	34,629,000	-	-
	P55,543,266	**P55,543,266**	**P-**	**P-**	P49,593,424	P49,593,424	P-	P-

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

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

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

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

	2024	2023
Financial assets at FVPL		
Dividend revenue (Notes 6 and 19)	**P910,337**	P1,140,247
Unrealized market loss on financial assets at FVPL (Notes 6 and 19)	**(3,504,801)**	(3,005,167)
Gain on sale of financial assets at FVPL, net (Notes 6 and 19)	**2,816,514**	2,300,695
Financial assets at amortized cost		
Interest revenue (Note 5)	**14,236**	24,907
Reversal of allowance (Provision) for credit losses (Notes 7,19 and 20)	**345,218**	(656,105)
Financial asset at FVOCI		
Dividend revenue (Notes 9 and 19)	**2,037,000**	2,037,000
Unrealized gain (loss) on fair value changes of financial asset at FVOCI, net of tax (Note 9)	**(916,650)**	1,833,300
	P1,701,854	P3,674,877

Offsetting financial asset and financial liability

Receivable from (Payable to) clearing house	Gross amount of recognized financial asset	Gross amount of recognized financial liability set off in the statement of financial position	Net amount of recognized financial asset (liability) presented in the statement of financial position (Note 13)
At December 31, 2024	**P8,946,668**	**(P10,512,059)**	**(P1,565,391)**
At December 31, 2023	P8,444,439	(P15,644,862)	(P7,200,423)

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 over the Company's risk management process which involves identifying, measuring, analyzing, monitoring and mitigating risks. The BOD has delegated to top management the task of developing and updating specific risk management policies and procedures as well as assessing the adequacy thereof relative to the risks being faced by the Company and relevant developments in the stockbrokerage industry.

The Company's specific risk management policies are anchored on elaborate risk limits and operational controls. For this purpose, risk management policies and systems are reviewed annually to reflect changes in market conditions and the Company's activities. Monitoring exposures to financial risks are also captured in the annual operating budgets. Most importantly, the top management, through continuous training and communication with the Company's personnel, aims to develop a disciplined and control-conscious environment.

In consideration of various industry rules and regulations imposed by the SEC and the PSE, the Company has assigned an Associated Person to ensure awareness and conformity to such rules and regulations.

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 changes 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 the stock and other index price will change.

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

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

	2024			2023		
Sector	Change in market price	Increase (Decrease) in income before income tax	Increase in equity before income tax	Change in market price	Increase (Decrease) in income before income tax	Decrease in equity before income tax
Financial assets at FVPL						
Financials	**-0.81%**	**(P11,442)**		-0.11%	(P1,412)	
Industrial	**-0.65%**	**(39,001)**		-0.15%	(5,432)	
Holding firms	**2.00%**	**(93,523)**		0.77%	21,654	
Property	**-0.28%**	**(5,306)**		-0.15%	(1,075)	
Services	**0.70%**	**(28,649)**		0.67%	25,166	
Mining and oil	**-3.21%**	**(131,485)**		0.76%	20,754	
		(P286,522)			P59,655	
Financial asset at FVOCI						
Financials	**-0.62%**		**P207,865**	0.46%		P159,910

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

2) Interest rate risk - refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to any significant interest rate risk as its investments are non-interest sensitive, except for the bank deposits which are mainly short term in nature and at market interest rates. Interest revenue in 2024 and 2023 amounted only to P14,236 and P24,907, respectively, and represents a negligible percentage of the Company's gross revenue for both years (see Note 5). As such, an upward or downward movement of interest rate by 100-basis points will not significantly affect the Company's income (loss) before income tax and equity.

3) Foreign exchange risk

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

(b) Credit risk

Credit risk is the risk of loss resulting from the failure of a customer or counterparty to perform its obligation. This includes risk of non-payment by customers of their securities transactions 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 where the 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.

The Company manages its exposure to credit risk through its compliance with the SRC, particularly on the customer protection reserves and custody of securities. The Company, on a daily basis, obtains and thereafter maintains the physical possession or control of all fully-paid securities and excess margin securities carried by the dealer for the account of the customers.

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

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

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

	2024	2023
Financial assets at FVPL (Note 6)	**P22,136,466**	P14,964,424
Financial assets at amortized cost		
Cash in banks (Note 5)	**17,257,749**	19,395,555
Receivables from customers, net (Note 7)	**37,318,600**	39,034,372
Clearing and trade guaranty fund deposit (Note 8)	**206,008**	186,555
Other receivables (Note 8)	**408,865**	342,943
Financial asset at FVOCI (Note 9)	**33,406,800**	34,629,000
	P110,734,488	P108,552,849

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
Financial assets at FVPL	**P22,136,466**	**P22,136,466**	**P-**	**P-**	**P-**
Financial assets at amortized cost					
Cash in banks	**17,257,749**	**17,257,749**	-	-	-
Receivables from customers	**38,817,679**	**7,806,412**	**13,866,082**	**15,646,106**	**1,499,079**
Clearing and trade guaranty fund deposit	**206,008**	**206,008**	-	-	-
Other receivables	**408,865**	**408,865**	-	-	-
Financial asset at FVOCI	**33,406,800**	**33,406,800**	-	-	-
	112,233,567	**81,222,300**	**13,866,082**	**15,646,106**	**1,499,079**
Allowance for credit losses	**(1,499,079)**	-	-	-	**(1,499,079)**
	P110,734,488	**P81,222,300**	**P13,866,082**	**P15,646,106**	**P-**

	2023				
			Past due but not impaired		
	Total	Neither past due nor impaired	T+3 to T+13	Beyond T+13	Impaired
Financial assets at FVPL	P14,964,424	P14,964,424	P-	P-	P-
Financial assets at amortized cost					
Cash in banks	19,395,555	19,395,555	-	-	-
Receivables from customers	40,878,669	22,101,106	3,686,400	13,246,866	1,844,297
Clearing and trade guaranty fund deposit	186,555	186,555	-	-	-
Other receivables	342,943	342,943	-	-	-
Financial asset at FVOCI	34,629,000	34,629,000	-	-	-
	110,397,146	91,619,583	3,686,400	13,246,866	1,844,297
Allowance for credit losses	(1,844,297)	-	-	-	(1,844,297)
	P108,552,849	P91,619,583	P3,686,400	P13,246,866	P-

The Company also manages credit risk by grouping its receivables into credit grades. The credit grades directly relate to the creditworthiness of the counterparties which is evaluated through quantitative and qualitative factors. Among others, quantitative factors include the market values of the underlying securities, leverage and profitability of operations of the customers. Qualitative factors, on the other hand, include, among others, the competence of management, market or industry standing, length of the establishment and the background of the owners of the counterparties.

Credit quality per class of financial assets

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

The receivables from customers, clearing and trade guaranty fund deposit and other receivables, 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 uses the following credit grades:

High grade - are receivables which have high probability of collection, as evidenced by counterparties having the ability to satisfy their obligations and where the collaterals used to secure the loans/receivables are readily enforceable.

Standard grade - are receivables where collections are probable due to the reputation and the financial capacity of the counterparty to pay but which have been outstanding for a considerable length of time.

Substandard grade - are receivables where the counterparties are not capable of honoring their financial obligations.

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

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

(c) Liquidity risk

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due at a reasonable cost. 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				
	Carrying value	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Payable to:					
Customers	**P36,786,003**	**P36,786,003**	**P-**	**P-**	**P36,786,003**
Clearing house, net	**1,565,391**	**1,565,391**	**-**	**-**	**1,565,391**
Other brokers	**48,867**	**48,867**	**-**	**-**	**48,867**
Other current liabilities	**3,033,490**	**3,033,490**	**-**	**-**	**3,033,490**
	P41,433,751	**P41,433,751**	**P-**	**P-**	**P41,433,751**

	2023				
	Carrying value	< 1 year	1-5 years	> 5 years	Total
Payable to:					
Customers	P29,351,694	P29,351,694	P-	P-	P29,351,694
Clearing house, net	7,200,423	7,200,423	-	-	7,200,423
Other brokers	48,792	48,792	-	-	48,792
Other current liabilities	1,254,435	1,254,435	-	-	1,254,435
	P37,855,344	P37,855,344	P-	P-	P37,855,344

NOTE 5 - CASH

The account at December 31 consists of:

	2024	2023
Cash on hand	**P8,000**	P8,000
Cash in banks	**17,257,749**	19,395,555
	P17,265,749	P19,403,555

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

Cash in banks include a special reserve account with balance of P14,946,350 and P12,659,559 as at December 31, 2024 and 2023, respectively.

Cash in banks earn interest at the prevailing bank deposit rates. Interest revenue earned and received from bank deposits amounted to P14,236 and P24,907 in 2024 and 2023, respectively.

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

The account represents the Company's own trading securities, which consist of listed equity securities traded in the PSE, as at the financial reporting date amounting to P22,136,466 and P14,964,424 as at December 31, 2024 and 2023, respectively. All are held for trading and stated at their fair values determined directly by reference to the prescribed price quotations in an active market.

The movements in the account are summarized as follows:

	2024	2023
Balance at January 1	**P14,964,424**	P8,597,781
Additions	**57,945,396**	175,735,338
Disposals	**(47,268,553)**	(166,363,528)
Unrealized market loss (Note 19)	**(3,504,801)**	(3,005,167)
Balance at December 31	**P22,136,466**	P14,964,424

Proceeds from the sale of trading securities, net of VAT, amounted to P50,085,067 and P168,664,223 in 2024 and 2023, respectively, resulting in net gain of P2,816,514 and P2,300,695 in 2024 and 2023, respectively (see Note 19).

Dividend revenue recognized on shares held as financial assets at FVPL amounted to P910,337 and P1,140,247 in 2024 and 2023, respectively (see Note 19).

NOTE 7 - RECEIVABLES FROM CUSTOMERS

The account includes amounts due on cash transactions resulting from brokerage services rendered, including the value of securities bought or sold on behalf of customers, commissions and other charges thereon. Receivables from customers are generally settled three days after the transaction date. However, effective August 24, 2023, the trade settlement cycle was shortened to two days. 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 Long	Security valuation Short	Money balance	Security valuation Long	Security valuation Short
Fully secured accounts						
More than 250%	**P10,249,226**	**P8,505,813,895**	**P-**	P9,962,564	P4,536,869,678	P-
Between 200% to 250%	**1,584,200**	**3,761,467**	**-**	3,372,315	7,431,936	-
Between 150% to 200%	**1,149,462**	**1,977,188**	**-**	2,466,106	4,573,563	-
Between 100% to 150%	**4,051,046**	**4,271,958**	**-**	7,577,592	8,682,250	-
	17,033,934	**8,515,824,508**	**-**	23,378,577	4,557,557,427	-
Partially secured accounts						
Less than 100%	**21,560,418**	**12,124,724**	**-**	17,451,214	15,465,053	-
Unsecured	**48,878**	**-**	**-**	48,878	-	-
	21,609,296	**12,124,724**	**-**	17,500,092	15,465,053	-
Allowance for credit losses	**(1,499,079)**	**-**	**-**	(1,844,297)	-	-
	P37,144,151	**P8,527,949,232**	**P-**	P39,034,372	P4,573,022,480	P-

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.

The Company has receivable from its related parties arising from trading transactions amounting to P10,867,471 and P9,156,039 with security valuation of P57,945,132 and P64,442,804 as at December 31, 2024 and 2023, respectively (see Note 22).

The movements in allowance for credit losses follow:

	2024	2023
Balance at January 1	**P1,844,297**	P1,188,192
Provision (Note 20)	**-**	656,105
Reversal (Note 19)	**(345,218)**	-
Balance at December 31	**P1,499,079**	P1,844,297

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 partially secured and unsecured receivables from securities transactions.

Bad debts were recognized also in 2024 amounting to P12,329 (see Note 20). Receivables from customers at December 31, 2024 also include dividends receivable of P174,449.

NOTE 8 - OTHER ASSETS

Other current assets

The account at December 31 consists of:

	2024	2023
Creditable withholding taxes (Note 23)	**P2,146,036**	P2,143,840
Other receivables	**408,865**	342,943
Prepaid taxes and licenses	**66,390**	101,333
Input VAT, net of output VAT	**58,511**	-
Due from BIR	**46,811**	17,391
Prepaid insurance	**36,879**	36,879
Deferred input VAT	**18,288**	41,387
Other prepayments	**-**	5,154
	P2,781,780	P2,688,927

Due from Bureau of Internal Revenue (BIR) represents excess remittance of withholding tax on compensation.

Other receivables pertain mainly to the employees' advances which are for salary deduction.

Other non-current asset

The account represents the clearing and trade guaranty fund deposit amounting to P206,009 and P186,555 as at December 31, 2024 and 2023, respectively. This pertains to the contributions made by the Company to the Securities Clearing Corporation of the Philippines (SCCP) which are refundable to the clearing members upon cessation of their business and/or termination of their membership with SCCP, under the following conditions:

a. Any excess of the initial contribution required of new trading participants applying with the PSE or upon resumption of trading operations as stated in SCCP Rule 5.1.4; and

b. Upon cessation of business of the clearing member and/or upon termination of its membership with SCCP, provided that all liabilities of such clearing member owing to the SCCP at the time of termination, either actual or contingent, shall have been satisfied or paid in full, and shall take into account any pending and previous applications of the clearing fund at the time of such termination.

NOTE 9 - FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Following the guidelines issued by the SEC and the PSE in 2004, the Company has allocated the cost of exchange membership of P1,000,000 between the PSE shares and the trading right as follows:

(a) 56% as the value of the 50,000 PSE shares; and
(b) 44% as the value of the trading right (see Note 12).

	2024	2023
Cost	**P472,890**	P472,890
Accumulated unrealized gain on investment	**32,933,910**	34,156,110
Market value at December 31	**P33,406,800**	P34,629,000

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

	2022	Credited to equity during the year	2023	**Debited to equity during the year**	**2024**
Unrealized gain on investments	P31,711,710	P2,444,400	P34,156,110	**(P1,222,200)**	**P32,933,910**
Deferred tax liability (Note 24)	(7,927,928)	(611,100)	(8,539,028)	**305,550**	**(8,233,478)**
Net	P23,783,782	P1,833,300	P25,617,082	**(P916,650)**	**P24,700,432**

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

The Company owns 203,700 PSE shares as at December 31, 2024 and 2023. As at December 31, 2024 and 2023, the market value of the PSE shares is quoted at P164 and P170 per share, respectively.

Dividend revenue recognized by the Company on PSE shares amounted to P2,037,000 in 2024 and 2023 (see Note 19).

NOTE 10 - PROPERTY AND EQUIPMENT

Details and movements of the account follow:

	2024					
	Condominium unit	**Condominium improvements**	**Transportation equipment**	**Office equipment**	**Furniture and fixtures**	**Total**
Cost						
At January 1, 2024	P17,847,852	P2,351,500	P5,794,246	P789,462	P84,590	P26,867,650
Additions	-	-	1,825,892	7,254	-	1,833,146
Disposal	-	-	(1,318,352)	-	-	(1,318,352)
At December 31, 2024	**17,847,852**	**2,351,500**	**6,301,786**	**796,716**	**84,590**	**27,382,444**
Accumulated depreciation						
At January 1, 2024	7,056,378	705,450	5,794,245	665,259	84,590	14,305,922
Depreciation (Note 20)	634,792	235,150	60,862	38,815	-	969,619
Disposal	-	-	(1,318,352)	-	-	(1,318,352)
At December 31, 2024	**7,691,170**	**940,600**	**4,563,755**	**704,074**	**84,590**	**13,957,189**
Net book value						
At December 31, 2024	**P10,156,682**	**P1,410,900**	**P1,765,031**	**P92,642**	**P-**	**P13,425,255**

2023						
	Condominium unit	Condominium improvements	Transportation equipment	Office equipment	Furniture and fixtures	Total
Cost						
At January 1, 2023	P17,847,852	P2,351,500	P5,794,246	P733,462	P84,590	P26,811,650
Additions	-	-	-	56,000	-	56,000
At December 31, 2023	17,847,852	2,351,500	5,794,246	789,462	84,590	26,867,650
Accumulated depreciation						
At January 1, 2023	6,421,586	470,300	5,794,245	620,071	84,590	13,390,792
Depreciation (Note 20)	634,792	235,150	-	45,188	-	915,130
At December 31, 2023	7,056,378	705,450	5,794,245	665,259	84,590	14,305,922
Net book value						
At December 31, 2023	P10,791,474	P1,646,050	P1	P124,203	P-	P12,561,728

In 2024, the Company disposed a fully-depreciated transportation equipment for P1,000,000, net of VAT and recognized the same amount as gain (see Note 19).

The cost of fully-depreciated property and equipment still in use as at December 31, 2024 and 2023 amounted to P9,712,488 and P7,151,762, respectively.

The carrying values of items of property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable. Management believes that the carrying values of the Company's property and equipment as at December 31, 2024 and 2023 do not exceed their recoverable values, hence, no impairment is recognized.

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

NOTE 11 - INTANGIBLE ASSETS

This account consists of trading right and computer software.

Trading right

The cost of PSE trading right as at December 31, 2024 and 2023 amounted to P440,000.

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.

Computer software

As at December 31, 2024 and 2023, the cost of fully-amortized computer software still in use amounted to P401,786.

NOTE 12 - PAYABLE TO CUSTOMERS

The account at December 31 consists of:

	2024			2023		
	Money balance	**Security valuation Long**	**Security valuation Short**	Money balance	Security valuation Long	Security valuation Short
Free balances						
With money balances	**P36,786,003**	**P761,449,924**	**P-**	P29,351,694	P603,409,880	P-
No money balances	**-**	**6,615,564,551**	**-**	-	5,248,294,965	-
	P36,786,003	**P7,377,014,475**	**P-**	P29,351,694	P5,851,704,845	P-

The account includes amounts due on cash transactions. Payable to customers is generally settled three days (reduced to two days effective August 24, 2023) after the transaction date.

The Company has payable to its related parties arising from trading transactions amounting to P7,377,784 and P5,155,876 with security valuation of P17,911,543 and P20,804,908 as at December 31, 2024 and 2023, respectively (see Note 22).

NOTE 13 - PAYABLE TO CLEARING HOUSE, NET

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

Net payable to clearing house amounted to P1,565,391 and P7,200,423 as at December 31, 2024 and 2023, respectively.

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

NOTE 14 - OTHER CURRENT LIABILITIES

The account at December 31 consists of:

	2024	2023
Accounts payable	**P2,568,154**	P600,821
Accrued expenses	**465,336**	653,614
SSS and other contributions payable	**65,901**	46,089
Due to BIR	**50,878**	278,526
	P3,150,269	P1,579,050

Accrued expenses mainly pertain to liabilities for professional fees.

Details of due to BIR are as follows:

	2024	2023
Stock transaction tax payable	**P43,094**	P21,995
Withholding tax payable	**7,784**	3,953
Output VAT, net of input VAT	**-**	246,647
Documentary stamp tax payable	**-**	5,931
	P50,878	P278,526

NOTE 15 - SHARE CAPITAL

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

	No. of shares	Amount
Authorized, issued and outstanding - at P100 par value per share	**500,000**	**P50,000,000**
Issued and outstanding	**365,000**	**P36,500,000**

NOTE 16 - APPROPRIATION OF RETAINED EARNINGS

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

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

In 2024 and 2023, the Company generated net income after tax of P1,197,719 and P635,098, respectively. Appropriated retained earnings amounted to P6,803,235 and P6,563,691 as at December 31, 2024 and 2023, respectively.

NOTE 17 - COMMISSION REVENUE

The commission earned by the Company in 2024 and 2023 amounting to P9,412,539 and P7,772,685, respectively, is mostly from trading transactions with individuals. It includes commission earned from trading transactions with related parties amounting to P779,574 and P1,370,603 in 2024 and 2023, respectively (see Note 22).

NOTE 18 - COST OF SERVICES

Details of the account follow:

	2024	2023
Salaries and benefits	**P4,988,977**	P4,439,056
Stock exchange dues and fees	**1,039,252**	1,126,223
SSS, Philhealth and HDMF contributions	**366,602**	314,544
Provision for retirement benefit cost (Note 21)	**151,198**	153,713
	P6,546,029	P6,033,536

NOTE 19 - OTHER INCOME, NET

Details of the account follow:

	2024	2023
Dividend revenue (Notes 6 and 9)	**P2,947,337**	P3,177,247
Gain on sale of financial assets at FVPL, net (Note 6)	**2,816,514**	2,300,695
Gain on sale of transportation equipment (Note 10)	**1,000,000**	-
Reversal of allowance for credit losses (Note 7)	**345,218**	-
Unrealized market loss on financial asset at FVPL (Note 6)	**(3,504,801)**	(3,005,167)
Miscellaneous revenues	**4,545**	-
	P3,608,813	P2,472,775

NOTE 20 - OPERATING EXPENSES

Details of the account follow:

	2024	2023
Depreciation (Note 10)	**P969,619**	P915,130
Condominium maintenance	**777,740**	670,389
Meals	**694,695**	-
Penalties and charges	**576,888**	-
Professional fees	**563,000**	348,000
Subscription	**424,572**	256,406
Utilities	**419,141**	286,404
Representation and entertainment	**261,032**	357,513
Taxes and licenses	**212,370**	144,242
Communication	**170,335**	158,897
Transportation and travel	**113,495**	331,495
Office supplies	**76,347**	53,246
Insurance	**60,602**	41,946
Bad debts	**12,329**	-
Provision for credit losses (Note 7)	-	656,105
Miscellaneous	**248,090**	132,097
	P5,580,255	P4,351,870

In 2024, the Company paid deficiency taxes of P559,888, inclusive of interest of P136,284 and compromise penalty of P2,000 as a result of the audit of its books of accounts for taxable year 2021.

NOTE 21 - RETIREMENT BENEFITS

As disclosed in Note 2.18, the Company only conforms to the minimum regulatory benefit under RA No. 7641. The actuarial valuation was done by an independent actuary using the projected unit credit method in order to determine the annual retirement benefit cost and define benefit obligation of the Company as of December 31, 2024. The valuation covers 11 and 10 employees in 2024 and 2023, respectively.

The following table shows the reconciliation from the opening balances to the closing balances of net defined benefit liability and its components:

Defined benefit cost recognized in profit or loss follows (see Note 18):

	2024	2023
Current service cost	**P103,389**	P105,808
Interest cost	**47,809**	47,905
	P151,198	P153,713

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

	2024	2023
Actuarial gain (loss) due to:		
- Changes in financial assumptions	**(P17,136)**	P4,477
- Experience	**511,179**	51,452
	P494,043	P55,929

The amounts of actuarial gain of P370,532 and P41,947 in 2024 and 2023, respectively, shown in the statements of comprehensive income are net of tax. Accumulated actuarial gain on retirement obligation, net of tax amounted to P902,434 and P531,902 as at December 31, 2024 and 2023, respectively.

Changes in the present value of the DBO follow:

	2024	2023
Present value of DBO at January 1	**P1,302,281**	P1,204,497
Current service cost	**103,389**	105,808
Interest cost	**47,809**	47,905
Actuarial gain	**(494,043)**	(55,929)
Present value of DBO at December 31	**P959,436**	P1,302,281

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

	2024	2023
Present value of DBO	**P959,436**	P1,302,281
Fair value of plan assets	**-**	-
Retirement liability	**P959,436**	P1,302,281

The Company does not have a formal retirement plan and therefore has no plan assets to match against the liabilities under the retirement obligation. The benefit claims under the retirement obligation will be paid directly by the Company when they become due.

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

	2024	2023
Retirement liability at January 1	**P1,302,281**	P1,204,497
Retirement benefit cost recognized in profit or loss (Note 18)	**151,198**	153,713
Actuarial gain recognized in OCI	**(494,043)**	(55,929)
Retirement liability at December 31	**P959,436**	P1,302,281

The key actuarial assumptions used as at December 31 follow:

	2024	2023
Discount rate	**6.28%**	6.28%
Salary increase rate	**5.00%**	5.00%
Mortality table	1994 US Group Annuity Mortality (GAM) Table, Male and Female	
Disability table	1952 Disability Table (Society of Actuaries)	
Employee turnover rates	Based on the following attained ages:	
	17-24	5%
	25-29	3%
	30-59	1%

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	
Discount rate	**+0.5%**	**-0.5%**	+0.5%	-0.5%
Present value of obligation	**P895,712**	**P1,029,337**	P706,431	P821,823
Increase (Decrease) by	**(63,724)**	**69,901**	(54,864)	60,528
Salary increase rate	**+1.0%**	**-1.0%**	+1.0%	-1.0%
Present value of obligation	**P1,100,667**	**P839,654**	P884,706	P657,778
Increase (Decrease) by	**141,231**	**(119,782)**	123,411	(103,517)

Maturity analyses of the undiscounted expected future benefit payments follow:

	2024	2023
Financial year		
1 year and less	**P-**	P-
More than 1 year to 5 years	**469,926**	-
More than 5 years to 10 years	**1,398,292**	593,954
More than 10 years to 15 years	**1,048,867**	787,624
More than 15 years to 20 years	**3,844,573**	2,774,974
More than 20 years	**25,685,459**	21,872,243
	P32,447,117	P26,028,795

There are no unusual or significant risks to which the retirement obligation exposes the Company. However, it should be noted that in the event a benefit claim arises under the retirement obligation, the benefit shall immediately be due and payable from the Company.

There was no plan amendment, curtailment, or settlement recognized in 2024 and 2023. The weighted average duration of the DBO is 23 years in 2024 and 2023.

NOTE 22 - RELATED PARTY TRANSACTIONS

The Company, in the normal course of its business, has transactions with related parties. Under the Company's policy, the transactions with related parties are within the standard transaction date plus the required settlement period.

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

		Amount	
Name of related party	**Nature of transaction**	**2024**	2023
(a) Directors and shareholders (other related parties)	***Balances:***		
	Receivable from customers (Note 7)	**P10,867,471**	P9,156,039
	Payable to customers (Note 12)	**7,377,784**	5,155,876
	Transactions:		
	Buy and sell transactions	**12,614,498**	263,778,208
	Commission revenue (Note 17)	**779,574**	1,370,603
	Nature of the consideration to be provided in settlement	**Cash**	Cash

Receivable from (Payable to) customers as at December 31, 2024 and 2023 represents the last three (last two effective August 24, 2023) days' transactions from brokerage activities of the Company towards the end of the year. These receivables and payables, which are non-interest bearing, secured and demandable, are expected to be settled in cash.

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

The Company has neither given nor received any guarantees for the related party transactions.

Retirement benefits

The Company provides for estimated retirement benefits to its qualified employees under a defined benefit plan. Refer to Note 21 for the information on the Company's retirement plan, cost and funding.

Key management compensation

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

The remuneration of key management personnel, which mainly pertains to employee salaries and other short-term benefits, amounted to P1,562,275 and P2,076,142 in 2024 and 2023, respectively.

NOTE 23 - INCOME TAXES

The Company's benefit from income tax consists of:

	2024	2023
Current	**P136,775**	P29,549
Deferred	**(425,190)**	(779,686)
	(P288,415)	(P750,137)

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

	2024	2023
Income (Loss) before income tax	**P909,304**	(P115,039)
Income tax expense (benefit) at statutory income tax rate of 25%	**P227,326**	(P28,760)
Adjust for tax effect of:		
Non-deductible expenses	**153,887**	72,133
Expired MCIT	**70,766**	7,029
Interest income subjected to final tax	**(3,559)**	(6,227)
Dividend revenue subject to zero tax rate	**(736,835)**	(794,312)
Effective income tax benefit	**(P288,415)**	(P750,137)

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

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	**P2,143,840**	P2,032,532
Creditable tax withheld	**138,971**	140,857
Charged to profit or loss	**(136,775)**	(29,549)
Balance at December 31 (Note 8)	**P2,146,036**	P2,143,840

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

	2022	Credited to profit or loss	Charged to OCI	2023	**Credited (Charged) to profit or loss**	**Credited (Charged) to OCI**	**2024**
Deferred tax assets							
NOLCO	P2,425,057	P359,330	P-	P2,784,387	**(P468,516)**	**P-**	**P2,315,871**
Unrealized market loss on financial assets at FVPL	331,838	195,382	-	527,220	**876,200**	**-**	**1,403,420**
Provision for retirement benefit cost	464,442	38,428	-	502,870	**37,800**	**-**	**540,670**
Provision for credit losses	297,048	164,026	-	461,074	**(86,304)**	**-**	**374,770**
MCIT	79,157	22,520	-	101,677	**66,009**	**-**	**167,686**
	3,597,542	779,686	-	4,377,228	**425,190**	**-**	**4,802,418**
Deferred tax liabilities							
Unrealized loss (gain) on changes in fair value of financial asset at FVOCI (Note 9)	(7,927,928)	-	(611,100)	(8,539,028)	**-**	**305,550**	**(8,233,478)**
Actuarial gain on retirement liability	(163,318)	-	(13,982)	(177,300)	**-**	**(123,511)**	**(300,811)**
	(8,091,246)	-	(625,082)	(8,716,328)	**-**	**182,039**	**(8,534,289)**
Net	(P4,493,704)	P779,686	(P625,082)	(P4,339,100)	**P425,190**	**P182,039**	**(P3,731,871)**

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

Year incurred	Amount	Applied in 2024	Expired	Balance	Expiry year
2023	P1,437,320	P-	P-	P1,437,320	2026
2022	6,032,648	(1,874,063)	-	4,158,585	2025
	P7,469,968	**(P1,874,063)**	**P-**	**P5,595,905**	

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	P3,667,582	2025

Details of excess MCIT over RCIT are as follows:

Year incurred	RCIT	MCIT	Excess MCIT over RCIT	Expired	Still allowable as tax credit	Expiry year
2024	P-	P136,775	P136,775	P-	P136,775	2027
2023	-	29,549	29,549	-	29,549	2026
2022	-	1,362	1,362	-	1,362	2025
2021	-	70,766	70,766	(70,766)	-	2024
2020	-	7,029	7,029	(7,029)	-	2023
	P-	**P245,481**	**P245,481**	**(P77,795)**	**P167,686**	

NOTE 24 - 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 his 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
Equity eligible for NLC	**P75,936,405**	P50,092,911
Less: Ineligible assets	**50,529,689**	16,453,745
NLC	**P25,406,716**	P33,639,166
Operational risk	**P2,570,334**	P2,066,681
Position risk	**5,897,864**	4,112,556
Counterparty risk	**1,432,990**	48,511
TRCR	**P9,901,188**	P6,227,748
AI	**P35,242,093**	P39,537,093
5% of AI	**P1,762,105**	P1,976,855
Required NLC	**5,000,000**	5,000,000
Net Risk-based Capital Excess	**20,406,716**	28,639,166
Ratio of AI to NLC	**139%**	118%
RBCA ratio	**257%**	540%

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 customers 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.

On November 8, 2010, the SEC approved the deferment of the new capital requirement effective January 1, 2011 until December 31, 2011 on the condition that trading participants with unimpaired paid-up capital falling below P30 million shall post surety bond amounting to P10 million for the period covering January 1, 2011 to December 31, 2011 until securities held and controlled by the trading participants shall be recorded under the name of the individual clients in the books of the transfer agent.

Compliance with this requirement is a condition for the renewal of the broker dealer license for the period covering January 1, 2011 to December 31, 2012.

In compliance with the requirements above, the Company posted surety bond amounting to P10 million in 2010. In 2020, pursuant to the application for the renewal of the broker dealer license for the year, the Company posted surety bond amounting to P12 million.

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 25 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

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/revenues	P9,412,474	P1,129,497

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 domestic purchases	
- Domestic purchases of goods other than capital goods	229,439
- Domestic purchase of services	381,605
c. Total available input tax	611,044
d. Claims during the year	552,533
e. Balance at end of year	P58,511

VAT payments during the year amounted to P576,964.

3. Taxes and licenses

a. Local

Real property tax	P66,390
Business permit renewal	47,451
Others	4,982
	118,823

b. National

SEC fees and licenses	88,047
BIR annual registration fee	500
Others	5,000
	93,547
	P212,370

4. Sales tax on stock transactions	P4,000,774

5. Withholding taxes

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

	Paid	Accrued (Overpayment)	Total
a. Tax on compensation and benefits	P246,773	(P46,811)	P199,962
b. Expanded withholding taxes	84,444	7,784	92,228
	P331,217	(P39,027)	P292,190

6. Deficiency tax assessments and tax cases

As at December 31, 2024, the Company neither has pending tax court cases nor has received tax assessment notices from the BIR.

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

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

INDEPENDENT AUDITORS' SUPPLEMENTAL WRITTEN STATEMENT

The Shareholders and the Board of Directors
Guild Securities, Inc.
Unit 1215 Tower One & Exchange Plaza
Ayala Avenue, Makati City

We have audited the financial statements of Guild Securities, Inc. as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 8, 2025.

In compliance with SRC Rule 68, we are stating that the said company has four shareholders owning one hundred or more shares each.

ALBA ROMEO AND CO.

nebalingcongan
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 8, 2025

<u>SCHEDULE 1</u>

GUILD 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

GUILD 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.

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

Assets	**P131,898,515**
Liabilities	**51,159,693**
Equity as per books	**80,738,822**
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(4,802,417)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	**(4,802,417)**
Equity Eligible For Net Liquid Capital	**75,936,405**
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	440,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	13,425,255
d. All Other Current Assets	512,134
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	36,152,300
Total ineligible assets	**50,529,689**

Net Liquid Capital (NLC)	**25,406,716**
Less:	
Operational Risk Reqt (Schedule ORR-1)	**2,570,334**
Position Risk Reqt (Schedule PRR-1)	**5,897,864**
Counterparty Risk (Schedule CRR-1 and detailed schedules)	**1,432,990**
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)	**9,901,188**
Net RBCA Margin (NLC-TRCR)	**15,505,528**
Liabilities	**51,159,693**
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	15,917,600
Total adjustments to AI	**(15,917,600)**
Aggregate Indebtedness	**35,242,093**
5% of Aggregate Indebtedness	**1,762,105**
Required Net Liquid Capital (> of 5% of AI or P5M)	**5,000,000**
Net Risk-based Capital Excess / (Deficiency)	**20,406,716**
Ratio of AI to Net Liquid Capital	**139%**
RBCA Ratio (NLC / TRCR)	**257%**

SCHEDULE 3

GUILD 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

GUILD 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	P29,451,559	
Customers' securities failed to receive	2,419,375	
Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection		21,372,897
Failed to deliver customers' securities not older than 30 calendar days		907,594
Total	P31,870,934	P22,280,491
Net credit balance	**P9,590,443**	
Required reserve (100% of net credit if making a weekly computation or 105% if monthly)	**P9,590,443**	

SCHEDULE 5

GUILD 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

GUILD 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.

GUILD SECURITIES, INC
INVENTORY REPORT BY LOCATION - SUMMARIZED
December 31, 2024

CODE		VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
AAA	ASIA AMALGAMATED HOLDINGS CORP.	0	0	0	20,000	20,000	0.00	0.00
AB	ATOK-BIG WEDGE CO., INC.	0	0	0	20,979	20,979	5.44	114,125.76
ABA	ABACORE CAPITAL HOLDINGS, INC.	0	0	5,402,100	1,228,794,849	1,234,196,949	0.53	654,124,382.97
ABG	ASIABEST GROUP INT'L INC.	0	0	0	60	60	0.00	0.00
ABS	ABS-CBN CORPORATION	0	0	0	135,069	135,069	4.20	567,289.80
ABSP	ABS-CBN HLDGS. PHIL.DEPOSIT RECEIPT	0	0	0	8,946	8,946	3.80	33,994.80
AC	AYALA CORP.	0	0	0	55,387	55,387	599.00	33,176,813.00
ACE	ACESITE (PHILS.) HOTEL CORP.	0	0	0	87,184	87,184	1.78	155,187.52
ACEN	ACEN CORPORATION	0	0	0	3,675,760	3,675,760	4.00	14,703,040.00
ACENB	ACEN SERIES B PREFERRED SHARES	0	0	0	5,000	5,000	1,056.00	5,280,000.00
ACP	AYALA CORP-PREFERRED	3,145	0	0	0	3,145	0.00	0.00
ACR	ALSONS CONSOLIDATED RESOURCES, INC.	0	0	0	206,000	206,000	0.46	94,760.00
AEV	ABOITIZ EQUITY VENTURES, INC.	0	0	0	41,640	41,640	34.35	1,430,334.00
AGI	ALLIANCE GLOBAL GROUP, INC.	0	0	0	130,000	130,000	9.00	1,170,000.00
ALCO	ARTHALAND CORPORATION	0	0	0	210,975	210,975	0.37	77,005.88
ALI	AYALA LAND INC.	0	0	0	855,073	855,073	26.20	22,402,912.60
ALLDY	ALLDAY MARTS, INC.	0	0	0	9,905,000	9,905,000	0.13	1,317,365.00
ALLHC	AYALA LAND LOGISTICS HOLDINGS CORP.	0	0	0	790,775	790,775	1.70	1,344,317.50
ALTER	ALTERNERGY HOLDINGS CORPORATION	0	0	0	1,205,377	1,205,377	1.20	1,446,452.40
ANS	A. SORIANO CORPORATION	0	0	0	98,983	98,983	13.68	1,354,087.44
AP	ABOITIZ POWER CORP.	0	0	0	268,500	268,500	37.70	10,122,450.00
APC	APC GROUP INC.	0	0	0	4,952,000	4,952,000	0.19	916,120.00
APL	APOLLO GLOBAL CAPITAL, INC.	0	0	0	37,352,900	37,352,900	0.00	149,411.60
APO	ANGLO PHILIPPINE HOLDINGS CORP.	1,700	0	0	12,846	14,546	0.45	6,545.70
APVI	ALTUS PROPERTY VENTURES, INC.	0	0	0	540,831	540,831	8.32	4,499,713.92
APX	APEX MINING CO., INC.	0	0	0	1,210,309	1,210,309	3.45	4,175,566.05
AR	ABRA MNG. & IND'L. CORP.	0	0	0	282,655,000	282,655,000	0.00	0.00
ARA	ARANETA PROPERTIES, INC.	0	0	0	420,938	420,938	0.51	214,678.38
AREIT	AREIT, INC.	0	0	0	203,600	203,600	37.95	7,726,620.00
ASLAG	RASLAG CORPORATION	0	0	0	502,000	502,000	1.03	517,060.00
AT	ATLAS CONS. MINING & DEV. CORP.	0	0	0	27,430,681	27,430,681	4.38	120,146,382.78
ATN	ATN HOLDINGS, INC.	0	0	0	717,000	717,000	0.52	372,840.00
ATNB	ATN HOLDINGS, INC. - B	0	0	0	2,714,000	2,714,000	0.52	1,411,280.00
AUB	ASIA UNITED BANK CORPORATION	0	0	0	433,525	433,525	61.50	26,661,787.50
AXLM	AXELUM RESOURCES CORP.	0	0	0	6,000	6,000	2.59	15,540.00
BALAI	BALAI NI FRUITAS, INC.	0	0	0	2,000	2,000	0.36	720.00
BC	BENGUET CORP.	0	0	0	561	561	3.97	2,227.17

GUILD SECURITIES, INC

INVENTORY REPORT BY LOCATION - SUMMARIZED

December 31, 2024

CODE		VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
BCB	BENGUET CORPORATION - B	0	0	0	39,328	39,328	3.94	154,952.32
BDO	BDO UNIBANK, INC.	0	0	0	88,456	88,456	144.00	12,737,664.00
BEL	BELLE CORPORATION	0	0	0	794,458	794,458	1.66	1,318,800.28
BHI	BOULEVARD HOLDINGS, INC.	0	0	0	7,400,000	7,400,000	0.07	547,600.00
BKR	BRIGHT KINDLE RESOURCES INVESTMENTS	0	0	0	882,000	882,000	0.99	873,180.00
BLOOM	BLOOMBERY RESORTS CORPORATION	0	0	0	336,300	336,300	4.58	1,540,254.00
BNCOM	BANK OF COMMERCE	0	0	0	1,972,261	1,972,261	6.75	13,312,761.75
BPI	BANK OF PHIL. ISLANDS	0	0	8,481	83,493	91,974	122.00	11,220,828.00
BRN	A. BROWN COMPANY, INC.	0	0	0	1,625	1,625	0.56	910.00
BRNP	A BROWN COMPANY, INC. - PREF. A	0	0	0	32,000	32,000	96.50	3,088,000.00
BSC	BASIC ENERGY CORPORATION	100,000	0	0	3,405,497	3,505,497	0.14	490,769.58
C	CHELSEA LOGISTICS HLDGS CORP.	0	0	0	457,400	457,400	1.31	599,194.00
CBC	CHINA BANKING CORPORATION	0	0	0	2,153,538	2,153,538	63.50	136,749,663.00
CDC	CITYLAND DEVELOPMENT CORPORATION	0	0	0	1,076	1,076	0.68	731.68
CEB	CEBU AIR, INC.	0	0	0	739,900	739,900	28.25	20,902,175.00
CEBCP	CEBU AIR INC. - PREFERRED	0	0	0	790,712	790,712	34.50	27,279,564.00
CEI	CROWN EQUITIES, INC.	0	0	0	9,272,528,995	9,272,528,995	0.06	519,261,623.72
CEU	CENTRO ESCOLAR UNIVERSITY	0	0	0	4,025	4,025	13.80	55,545.00
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	0	0	0	572,842	572,842	1.78	1,019,658.76
CLI	CEBU LANDMASTERS, INC.	0	0	0	90,200	90,200	2.65	239,030.00
CNPF	CENTURY PACIFIC FOOD, INC.	0	0	0	15,000	15,000	41.95	629,250.00
CNVRG	CONVERGE ICT SOLUTIONS, INC.	0	0	0	135,300	135,300	16.14	2,183,742.00
COAL	COAL ASIA HOLDINGS CORPORATION	0	0	0	1,395,000	1,395,000	0.15	214,830.00
COSCO	COSCO CAPITAL, INC.	0	0	0	263,061	263,061	5.38	1,415,268.18
CPG	CENTURY PROPERTIES GROUP INC.	0	0	0	283,272	283,272	0.42	118,974.24
CPGPB	CENTURY PROP. GRP, INC. SERIES B	0	0	0	10,000	10,000	101.00	1,010,000.00
CPM	CENTURY PEAK HOLDINGS CORP.	0	0	0	145,000	145,000	2.50	362,500.00
CREIT	CITICORE ENERGY REIT CORP.	0	0	0	3,662,200	3,662,200	3.05	11,169,710.00
CROWN	CROWN ASIA CHEMICALS CORP.	0	0	0	20,250	20,250	1.71	34,627.50
CTS	CTS GLOBAL EQUITY GROUP, INC.	0	0	0	873,000	873,000	0.65	567,450.00
CYBR	CYBER BAY CORPORATION	0	0	0	7,190,160	7,190,160	0.00	0.00
DD	DOUBLEDRAGON CORPORATION	0	0	0	71,810	71,810	10.20	732,462.00
DDMPR	DDMP REIT, INC.	0	0	0	9,424,000	9,424,000	1.03	9,706,720.00
DDPR	DOUBLEDRAGON PROP. CORP. - PREF	0	0	0	137,200	137,200	97.20	13,335,840.00
DELM	DEL MONTE PACIFIC LIMITED	0	0	0	20,000	20,000	3.90	78,000.00
DFNN	DFNN, INC.	0	0	0	10,000	10,000	2.85	28,500.00
DHI	DOMINION HOLDINGS, INC.	0	0	0	339,489	339,489	1.60	543,182.40
DITO	DITO CME HOLDINGS CORP.	0	0	0	806,149	806,149	1.64	1,322,084.36

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DIZ	DIZON COPPER-SILVER MINES, INC.	0	0	0	6,725	6,725	2.03	13,651.75
DMC	DMCI HOLDINGS INC.	0	0	0	246,100	246,100	10.82	2,662,802.00
DMW	D.M. WENCESLAO & ASSOCIATES	0	0	0	10,000	10,000	5.52	55,200.00
DNA	PHILAB HOLDINGS CORP.	0	0	0	1,600	1,600	0.00	0.00
DNL	D&L INDUSTRIES, INC.	0	0	0	148,375	148,375	6.09	903,603.75
DWC	DISCOVERY WORLD CORPORATION	0	0	0	61,000	61,000	1.12	68,320.00
ECVC	EAST COAST VULCAN MINING CORP.	0	0	0	707,000	707,000	0.31	219,170.00
EEI	EEI CORPORATION	0	0	270	32,500	32,770	3.60	117,972.00
EEIPB	EEI CORPORATION PREF. B	0	0	0	30,000	30,000	98.45	2,953,500.00
EG	IP E-GAME VENTURES, INC.	0	0	0	19,300,000	19,300,000	0.00	0.00
EIBA	EXPORT & INDUSTRY BANK, INC.	0	0	0	20,391,200	20,391,200	0.00	0.00
EIBB	EXPORT INDUSTRY BANK-B	0	0	0	300,000	300,000	0.00	0.00
ELI	EMPIRE EAST LAND HOLDINGS, INC.	0	0	0	3,753,800	3,753,800	0.12	450,456.00
EMI	EMPERADOR INC.	0	0	0	81,700	81,700	18.06	1,475,502.00
ENEX	ENEX ENERGY CORP.	0	0	0	163,536	163,536	5.00	817,680.00
ETELECA	ETELECARE INTL., INC.	338	0	0	-338	0	0.00	0.00
EVER	EVER-GOTESCO RES. & HLDG., INC.	0	0	0	70,000	70,000	0.26	17,850.00
EW	EAST WEST BANKING CORPORATION	0	0	0	293,417	293,417	9.85	2,890,157.45
FAF	FIRST ABACUS FINANCIAL HLDGS, CORP.	0	0	0	100,000	100,000	0.65	65,000.00
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	0	0	0	23,080	23,080	52.75	1,217,470.00
FCG	FIGARO CULINARY GROUP, INC.	0	0	0	415,000	415,000	0.86	356,900.00
FDC	FILINVEST DEV. CORP.	0	0	0	5,426	5,426	4.94	26,804.44
FERRO	FERRONOUX HOLDINGS, INC.	0	0	0	74,000	74,000	0.00	0.00
FEU	FAR EASTERN UNIVERSITY, INC.	0	0	0	3,036	3,036	735.00	2,231,460.00
FFI	FILIPINO FUND, INC.	0	0	300	4,417	4,717	5.87	27,688.79
FILRT	FILINVEST LAND INC. - REIT	0	0	0	65,834,039	65,834,039	2.95	194,210,415.05
FLI	FILINVEST LAND, INC.	0	0	0	109,807,805	109,807,805	0.73	80,159,697.65
FMETF	FIRST METRO PHIL. EQUITY EXCHANGE	0	0	0	721	721	105.60	76,137.60
FMF	FMF DEV. CORP.	4,062	0	0	0	4,062	0.00	0.00
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	0	0	0	61,242,931	61,242,931	1.04	63,692,648.24
FOOD	ALLIANCE SELECT FOODS INTL., INC.	0	0	0	31,433	31,433	0.38	11,944.54
FPH	FIRST PHIL. HOLDINGS CORP.	0	0	377,090	2,066,198	2,443,288	59.00	144,153,992.00
FWBC	FWBC HOLDINGS, INC.	4,831	0	0	0	4,831	0.00	0.00
FYN	FILSYN CORPORATION	0	0	0	49	49	3.00	147.00
GEO	GEOGRACE RECOURCES PHILIPPINES,INC.	0	0	0	21,607,722	21,607,722	0.09	1,901,479.54
GERI	GLOBAL-ESTATE RESORTS INC.	0	0	0	240,685,395	240,685,395	0.64	154,038,652.80
GLO	GLOBE TELECOM, INC.	0	0	36	6,094	6,130	2,184.00	13,387,920.00
GMA7	GMA NETWORK, INC.	0	0	0	692,780	692,780	6.11	4,232,885.80

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GMAP	GMA HOLDINGS, INC. (PDR)	0	0	0	27,100	27,100	6.26	169,646.00
GO	GOTESCO LAND, INC.	0	0	0	170	170	0.00	0.00
GOB	GOTESCO LAND, INC. - B	0	0	0	3,368	3,368	0.00	0.00
GPH	GRAND PLAZA HOTEL CORPORATION	0	0	0	562	562	5.91	3,321.42
GREEN	GREENERGY HOLDINGS INC.	0	0	0	2,303,554	2,303,554	0.19	437,675.26
GTCAP	GT CAPITAL HOLDINGS INC.	0	0	0	2,859	2,859	658.00	1,881,222.00
HI	HOUSE OF INVESTMENTS, INC.	0	0	0	15,000	15,000	3.38	50,700.00
HOME	ALLHOME CORP	0	0	0	499,200	499,200	0.64	319,488.00
HTI	HAUS TALK, INC.	0	0	0	300,000	300,000	1.05	315,000.00
I	I-REMIT INC.	0	0	0	289,881	289,881	0.23	67,542.27
ICT	INTL CONTAINER TERMINAL SERV INC	0	0	0	13,973	13,973	386.00	5,393,578.00
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	0	0	0	110,326	110,326	1.49	164,385.74
INFRA	PHIL. INRADEV HOLDINGS INC.	0	0	0	2,040,000	2,040,000	0.30	612,000.00
ION	IONICS, INC.	0	0	0	210,000	210,000	0.84	176,400.00
IPM	IPM HOLDINGS, INC.	0	0	0	13,830	13,830	3.00	41,490.00
IPO	IPEOPLE, INC.	0	0	0	80,558	80,558	6.79	546,988.82
IS	ISLAND INFORMATION & TECHNOLOGY,INC	0	0	0	220,000	220,000	0.00	0.00
JFC	JOLLIBEE FOODS CORP.	0	0	0	14,339	14,339	269.00	3,857,191.00
JFCPB	JFC PREFERRED SHARES SERIES B	0	0	0	1,000	1,000	984.00	984,000.00
JGS	JG SUMMIT HOLDINGS, INC.	0	0	0	58,214	58,214	20.55	1,196,297.70
KEEPR	THE KEEPERS HOLDINGS, INC.	0	0	0	398,013	398,013	2.23	887,568.99
KEP	KEPPEL PHIL. PROPERTIES, INC.	0	0	0	48,913	48,913	2.79	136,467.27
KPH	KEPPEL PHILIPPINES HOLDINGS,INC.	0	0	0	149	149	16.46	2,452.54
KPHB	KEPPEL PHIL HOLDINGS,INC-B	0	0	0	129	129	18.84	2,430.36
KPPI	KUOK PHIL PROPERTIES, INC. "A"	0	0	0	13,500	13,500	1.26	17,010.00
LAND	CITY & LAND DEVELOPERS, INC.	0	0	0	5,207	5,207	0.68	3,540.76
LC	LEPANTO CONS. MINING COMPANY	0	0	0	12,295,935	12,295,935	0.07	823,827.65
LCB	LEPANTO CONS. MINING COMPANY - B	0	0	0	7,803,464	7,803,464	0.07	522,832.09
LFM	LIBERTY FLOUR MILLS, INC.	0	0	0	4,200	4,200	17.92	75,264.00
LOTO	PACIFIC ONLINE SYSTEMS CORP.	0	0	0	215,200	215,200	2.65	570,280.00
LPC	LFM PROPERTIES CORPORATION	0	0	0	298,218	298,218	0.05	13,718.03
LPZ	LOPEZ HOLDINGS CORPORATION	0	0	23,792	0	23,792	2.70	64,238.40
LSC	LORENZO SHIPPING CORPORATION	0	0	0	60,250	60,250	0.86	51,815.00
LTG	LT GROUP, INC.	0	0	0	246,600	246,600	10.50	2,589,300.00
MA	MANILA MINING CORP.	0	0	0	208,924,930	208,924,930	0.00	626,774.79
MAB	MANILA MINING CORP. - B	0	0	0	157,200,545	157,200,545	0.00	471,601.64
MAC	MACROASIA CORPORATION	0	0	0	8,424,364	8,424,364	5.44	45,828,540.16
MAH	METRO ALLIANCE HLDGS & EQUITIES COR	0	0	0	282	282	0.83	234.06

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MAHB	METRO ALLIANCE HLDGS "B"	0	0	0	87,000	87,000	0.68	59,160.00
MARC	MARCVENTURES HOLDINGS, INC.	0	0	0	1,885,804	1,885,804	0.75	1,414,353.00
MAXS	MAX'S GROUP, INC.	0	0	0	39,400	39,400	2.67	105,198.00
MB	MANILA BULLETIN PUBLISHING CORP.	0	0	0	28,255	28,255	0.19	5,311.95
MBC	MANILA BROADCASTING CO.	0	0	0	500	500	6.40	3,200.00
MBT	METRO BANK & TRUST CO.	0	0	0	442,709	442,709	72.00	31,875,048.00
MC	MARSTEEL CONSOLIDATED, INC.	500,000	0	0	0	500,000	0.00	0.00
MCB	MARSTEEL CONS. INC. - B	6,100,000	0	0	0	6,100,000	0.00	0.00
MED	MEDCO HOLDINGS, INC.	0	0	0	1,000,000	1,000,000	0.12	120,000.00
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	0	0	0	2,774,000	2,774,000	0.31	859,940.00
MEG	MEGAWORLD CORPORATION	0	0	0	21,393,400	21,393,400	2.05	43,856,470.00
MER	MANILA ELECTRIC COMPANY	0	0	534	26,726	27,260	488.00	13,302,880.00
MFC	MANULIFE FINANCIAL CORP.	0	0	0	44	44	1,760.00	77,440.00
MG	MILLENIUM GLOBAL HOLDINGS, INC.	0	0	0	688,000	688,000	0.09	64,672.00
MGH	METRO GLOBAL HOLDINGS CORP.	0	0	0	90,800	90,800	0.00	0.00
MJC	MANILA JOCKEY CLUB, INC.	0	0	0	2,408,063	2,408,063	1.27	3,058,240.01
MJIC	MJCI INVESTMENTS., INC..	0	0	0	23,000	23,000	0.00	0.00
MM	MERRYMART CONSUMER CORP.	0	0	0	4,809,500	4,809,500	0.60	2,885,700.00
MMC	MARCOPPER MINING CORP.	0	0	0	11,035	11,035	0.00	0.00
MONDE	MONDE NISSIN CORPORATION	0	0	0	247,700	247,700	8.60	2,130,220.00
MRC	MRC ALLIED, INC.	0	0	0	569,013	569,013	0.84	477,970.92
MREIT	MREIT, INC.	0	0	0	676,000	676,000	13.34	9,017,840.00
MRSGI	METRO RETAIL GROUP, INC.	0	0	0	239,250	239,250	1.20	287,100.00
MVC	MABUHAY VINYL CORPORATION	0	0	0	2,400	2,400	5.39	12,936.00
MWC	MANILA WATER COOMPANY INC.	0	0	0	1,009,400	1,009,400	27.00	27,253,800.00
MWIDE	MEGAWIDE CONSTRUCTION CORPORATION	0	0	0	48,000	48,000	2.43	116,640.00
MWP5	MEGAWIDE CONS. CORP. PREF SERIES 5	0	0	0	35,000	35,000	100.80	3,528,000.00
NI	NIHAO MINERAL RESOURCES INT'L., INC	0	0	0	59,000	59,000	0.39	22,715.00
NIKL	NICKEL ASIA CORPORATION	0	0	0	2,541,858	2,541,858	3.49	8,871,084.42
NOW	NOW CORPORATION	0	0	0	499,900	499,900	0.59	294,941.00
NRCP	NATIONAL REINSURANCE CORP. OF THE P	0	0	0	1,432,334	1,432,334	0.69	988,310.46
NXGEN	NEXTGENESIS CORPORATION	0	0	0	134,712	134,712	0.00	0.00
OGP	OCEANAGOLD (PHILIPPINES), INC.	0	0	0	1,097,700	1,097,700	14.02	15,389,754.00
OM	OMICO CORPORATION	0	0	0	169,332	169,332	0.13	22,521.16
OPM	ORIENTAL PETROLEUM & MINERALS CORP.	0	0	0	188,225,941	188,225,941	0.01	1,392,871.96
OPMB	ORIENTAL PETROLEUM - B	0	0	0	244,957,882	244,957,882	0.01	1,837,184.12
ORE	ORIENTAL PENINSULA RESOURCES GROUP,	0	0	0	1,453,531,100	1,453,531,100	0.44	639,553,684.00
OV	THE PHILODRILL CORPORATION	0	0	0	38,522,700	38,522,700	0.01	288,920.25

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PA	PACIFICA HOLDINGS, INC.	0	0	0	4,025	4,025	1.60	6,440.00
PAL	PAL HOLDINGS	0	0	0	25,171	25,171	4.95	124,596.45
PBB	PHILIPPINE BUSINESS BANK	0	0	0	344,240	344,240	9.70	3,339,128.00
PCOR	PETRON CORPORATION	0	0	0	2,763,893	2,763,893	2.43	6,716,259.99
PCP	PICOP RESOURCES, INC.	0	0	0	2,420,485	2,420,485	0.00	0.00
PERC	PETROENERGY RESOURCES CORP.	0	0	0	40,043	40,043	3.45	138,148.35
PGOLD	PUREGOLD PRICE CLUB, INC. "PGOLD"	0	0	0	306,100	306,100	30.85	9,443,185.00
PHA	PREMIERE HORIZON ALLIANCE CORP.	0	0	0	601,000	601,000	0.17	104,574.00
PHC	PHILCOMSAT HOLDINGS, CORP.	0	0	0	105,500	105,500	1.40	147,700.00
PHES	PHILIPPINE ESTATES CORP.	0	0	0	6,000	6,000	0.26	1,530.00
PHN	PHINMA CORPORATION	0	0	0	16,941	16,941	19.00	321,879.00
PHR	PH RESORTS GROUP HOLDINGS, INC.	0	0	0	233,000	233,000	0.54	125,820.00
PIP	PEPSI COLA PRODUCTS PHILS.,INC.	0	0	0	2,000	2,000	0.00	0.00
PIZZA	SHAKEY'S PIZZA ASIA VENTURES, INC.	0	0	0	8,400	8,400	7.99	67,116.00
PLUS	DIGIPLUS INTERACTIVE CORP.	0	0	0	334,839	334,839	27.15	9,090,878.85
PMPC	PANASONIC MANUFACTURING PHILS.CORP.	0	0	0	50	50	5.48	274.00
PMT	PRIMETOWN PROPERTY GROUP, INC.	0	0	0	164,997	164,997	0.00	0.00
PNB	PHILILIPPINE NATIONAL BANK	0	0	0	2,076,734	2,076,734	27.70	57,525,531.80
PNC	PHIL. NATIONAL CONSTRUCTION CORP.	0	0	0	2,081	2,081	0.00	0.00
PNX	PHOENIX PETROLEUM PHILS.INC.	0	0	0	241	241	4.17	1,004.97
PNX4	PHOENIX PETROLEUM PREF. 4	0	0	0	1,000	1,000	177.90	177,900.00
PPC	PRYCE CORPORATION	1,017,140,468	0	0	128,585,800	1,145,726,268	10.68	12,236,356,542.24
PRC	PHILIPPINE RACING CLUB, INC.	0	0	0	1,409	1,409	7.00	9,863.00
PRF3B	PETRON PREF. SERIES 3B	0	0	0	2,000	2,000	1,030.00	2,060,000.00
PRF4C	PETRON CORP SERIES 4C PREF SHARES	0	0	0	2,400	2,400	1,043.00	2,503,200.00
PRIM	PRIME MEDIA HOLDINGS, INC.	0	0	0	153	153	2.13	325.89
PSB	PHILIPPINE SAVINGS BANK	0	0	0	2,898	2,898	58.20	168,663.60
PSE	THE PHILIPPINE STOCK EXCHANGE, INC.	200,000	0	360	82,717	283,077	164.00	46,424,628.00
PTT	PT&T CORP.	0	0	0	1,376,261	1,376,261	0.33	454,166.13
PX	PHILEX MINING CORPORATION	0	0	94	504,781	504,875	2.79	1,408,601.25
PXP	PXP ENERGY CORPORATION	6	0	2,105	237,676	239,787	2.87	688,188.69
RCB	RIZAL COMMERCIAL BANKING CORP.	0	0	0	273,898	273,898	23.85	6,532,467.30
RCI	ROXAS & COMPANY, INC.	0	0	0	780	780	2.72	2,121.60
RCR	RL COMMERCIAL REIT, INC.	0	0	0	1,588,000	1,588,000	5.85	9,289,800.00
REG	REPUBLIC GLASS HOLDINGS CORP.	0	0	0	4	4	2.75	11.00
RFM	RFM CORPORATION	0	0	0	4,000	4,000	3.87	15,480.00
RLC	ROBINSONS LAND CORPORATION	0	0	0	110,120	110,120	13.30	1,464,596.00
RLT	PHIL. REALTY & HOLDINGS CORP.	0	0	0	20,067	20,067	0.12	2,408.04

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ROCK	ROCKWELL LAND CORPORATION	0	0	1,504	26,042	27,546	1.51	41,594.46
ROX	ROXAS HOLDINGS, INC.	0	0	0	186,961	186,961	0.00	0.00
RPC	REYNOLDS PHILIPPINE CORPORATION	0	0	0	22,264,311	22,264,311	0.00	0.00
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	0	0	0	40,520	40,520	36.00	1,458,720.00
SCC	SEMIRARA MINING AND POWER CORP.	0	0	0	635,240	635,240	34.90	22,169,876.00
SECB	SECURITY BANK CORPORATION	0	0	0	3,302	3,302	87.00	287,274.00
SECBP	SECURITY BANK CORPORATION PREFERRED	1,248	0	0	0	1,248	0.00	0.00
SFI	SWIFT FOODS, INC.	0	0	0	510,251	510,251	0.06	29,594.56
SFIP	SWIFT FOODS, INC. CONV. PREF.	0	0	0	44	44	1.68	73.92
SGI	SOLID GROUP, INC.	0	0	0	5,000	5,000	1.03	5,150.00
SGP	SYNERGY GRID AND DEVT. PHILS. INC.	0	0	0	1,155,970	1,155,970	9.80	11,328,506.00
SHLPH	SHELL PILIPINAS CORPORATION	0	0	0	2,710,440	2,710,440	7.50	20,328,300.00
SHNG	SHANG PROPERTIES, INC.	0	0	0	442,026	442,026	3.94	1,741,582.44
SLF	SUN LIFE FINANCIAL, INC.	0	0	0	405	405	3,028.00	1,226,340.00
SLI	STA. LUCIA LAND, INC.	0	0	0	100,000	100,000	2.90	290,000.00
SM	SM INVESTMENTS CORPORATION	0	0	0	7,255	7,255	899.00	6,522,245.00
SMC	SAN MIGUEL CORPORATION	0	0	0	60,955	60,955	86.00	5,242,130.00
SMC2F	SAN MIGUEL CORP SERIES2 PREF 2-F	0	0	0	31,460	31,460	73.30	2,306,018.00
SMC2I	SAN MIGUEL CORP SERIES2 PREF 2-I	0	0	0	600	600	72.25	43,350.00
SMC2J	SAN MIGUEL CORP. SERIES 2 PREF 2-J	0	0	0	170	170	70.50	11,985.00
SMC2K	SAN MIGUEL CORP. PREF. S2 - K	0	0	0	14,070	14,070	70.00	984,900.00
SMPH	SM PRIME HOLDINGS, INC.	0	0	0	350,484	350,484	25.15	8,814,672.60
SOC	SOC RESOURCES, INC.	0	0	0	145,000	145,000	0.18	26,680.00
SPC	SPC POWER CORPORATION	0	0	0	84,800	84,800	9.01	764,048.00
SPM	SEAFRONT RESOURCES CORPORATION	0	0	0	23,382	23,382	1.51	35,306.82
SPNEC	SP NEW ENERGY CORPORATION	0	0	0	3,588,551	3,588,551	1.02	3,660,322.02
SSI	SSI GROUP, INC.	0	0	0	108,950	108,950	3.18	346,461.00
STI	STI EDUCATION SYSTEMS	0	0	0	2,144,015	2,144,015	1.34	2,872,980.10
STN	STENIEL MANUFACTURING CORPORATION	0	0	0	227,528	227,528	1.57	357,218.96
SUN	SUNTRUST RESORT HOLDINGS, INC.	0	0	0	402,666	402,666	0.90	362,399.40
SWM	SANITARY WARES MFG., CORP.	0	0	0	416,800	416,800	0.00	0.00
T	TKC METALS CORPORATION	0	0	0	447,000	447,000	0.29	129,630.00
TBGI	TRANSPACIFIC BROADBAND GROUP INC.	0	0	0	3,990,000	3,990,000	0.14	538,650.00
TECH	CIRTEK HOLDINGS PHILIPPINES CORP.	0	0	0	37,371,658	37,371,658	1.32	49,330,588.56
TEL	PLDT INC.	0	0	2,147	34,356	36,503	1,295.00	47,271,385.00
TFHI	TOP FRONTIER INVESTMENT HLDGS., INC	0	0	0	517,989	517,989	63.10	32,685,105.90
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	0	0	0	86,501	86,501	0.62	53,630.62
UBP	UNION BANK OF THE PHILS. INC.	0	0	1,985	47,988	49,973	36.00	1,799,028.00

GUILD SECURITIES, INC

INVENTORY REPORT BY LOCATION - SUMMARIZED

December 31, 2024

CODE		VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
UNI	UNIOIL RESOURCES HOLDINGS CO., INC.	0	0	0	1,065,000	1,065,000	0.00	0.00
UP	UNIVERSAL RIGHTFIELD PROPERTY HOLDI	0	0	0	3,017,000	3,017,000	0.00	0.00
UPM	UNITED PARAGON MINING CORP.	0	0	0	83,225,000	83,225,000	0.00	233,030.00
URC	UNIVERSAL ROBINA CORPORATION	0	0	0	88,286	88,286	79.00	6,974,594.00
V	VANTAGE EQUITIES, INC.	0	0	0	243,126	243,126	0.70	170,188.20
VITA	VITARICH CORP.	0	0	0	33,000	33,000	0.54	17,820.00
VLL	VISTA LAND & LIFESCAPES, INC.	0	0	0	45,389,050	45,389,050	1.48	67,175,794.00
VLL2B	VISTA LAND & LIFESCAPES SERIES B	0	0	0	15,000	15,000	102.50	1,537,500.00
VMC	VICTORIAS MILLING CO., INC.	0	0	0	36,876	36,876	2.00	73,752.00
VREIT	VISTA REIT INC.	0	0	0	40,000	40,000	1.89	75,600.00
VVT	VIVANT CORPORATION	0	0	0	16,500	16,500	18.02	297,330.00
WEB	PHILWEB CORPORATION	0	0	0	445,180	445,180	1.40	623,252.00
WHI	WISE HOLDINGS,INC.	0	0	22,578	0	22,578	0.00	0.00
WIN	WELLEX INDUSTRIES, INC.	0	0	0	10,000	10,000	0.21	2,110.00
WLCON	WILCON DEPOT, INC.	0	0	0	65,900	65,900	14.30	942,370.00
WPI	WATERFRONT PHILIPPINES INC.	0	0	0	151,000	151,000	0.38	56,625.00
X	XURPAS, INC.	0	0	0	18,298,500	18,298,500	0.18	3,330,327.00
ZHI	ZEUS HOLDINGS, INC.	0	0	0	1,733,500	1,733,500	0.07	124,812.00
		1,024,055,798		5,843,376	14,217,198,089	15,247,097,263		15,960,506,973.85

GUILD SECURITIES, INC.

FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2024 AND 2023

		2024		2023	
i. Current/liquidity ratios					
Current ratio	Current assets	**79,502,595**	**1.91**	76,091,278	1.99
	Current liabilities	**41,550,530**		38,179,959	
Quick ratio	Current assets - inventories	**77,129,680**	**1.86**	73,745,294	1.93
	Current liabilities	**41,550,530**		38,179,959	
ii. Solvency ratios/debt-to-equity ratios					
Solvency ratio	After tax net profit (loss) + Depreciation (Non-cash expenses)	**1,822,120**	**0.04**	2,206,333	0.05
	Total liabilities	**46,241,837**		43,821,340	
Debt-to-equity ratio	Total liabilities	**46,241,837**	**0.57**	43,821,340	0.55
	Total equity	**80,738,822**		80,087,221	
iii. Asset-to-equity ratio					
Asset-to-equity ratio	Total assets	**126,980,659**	**1.57**	123,908,561	1.55
	Total equity	**80,738,822**		80,087,221	
iv. Interest rate coverage ratio					
Interest rate coverage ratio	Earnings before interest and tax	**909,304**	-	(115,039)	-
	Interest expense	-		-	
v. Profitability ratios					
Return on equity	Net profit (loss)	**1,197,719**	**0.01**	635,098	0.01
	Total equity	**80,738,822**		80,087,221	
Gross margin	Gross profit	**2,866,510**	**0.30**	1,739,149	0.22
	Revenue	**9,412,539**		7,772,685	
Net margin	Net profit (loss)	**1,197,719**	**0.13**	635,098	0.08
	Revenue	**9,412,539**		7,772,685	
Return on assets	Net profit (loss)	**1,197,719**	**0.01**	635,098	0.01
	Average total assets	**125,444,610**		121,473,889	

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

	Current Year	Prior Year
Total Audit Fees	P180,000	P175,000
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	P180,000	P175,000