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Company Information

SEC Registration No.: 0000149071
Company Name: M.D.R. SECURITIES INC.
Industry Classification: K74140
Company Type: Stock Corporation

Document Information

Document ID: OST10429202583222654
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

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	4	9	0	7	1					

C O M P A N Y   N A M E

MDR SECURITIES, INC.

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

1608 PSE TOWER
5TH AVE. COR. 28TH ST.
BONIFACIO GLOBAL CITY
TAGUIG CITY

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

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
mdrsecurities@yahoo.com	(02) 79406091	09178155385

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
7	Last Wednesday of October	December 31

CONTACT PERSON INFORMATION

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

Name of the Contact Person	Email Address	Telephone Number	Mobile Number
MA. RAQUEL GARCIA	mdrsecurities@yahoo.com	(02) 79406091	09178155385

CONTACT PERSON'S ADDRESS

1608 PSE TOWER, 5TH AVE. COR. 28TH ST. , BONIFACIO GLOBAL CITY, TAGUIG CITY

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

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

Gmail

MDR Sec Inc. <mdrsec.inc@gmail.com>

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MDR SECURITIES, INC.
ANNUAL AUDITED FINANCIAL REPORT

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December 31, 2024

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

COVER PAGE

Information Required of Brokers and Dealers Pursuant to Rule 37(a) – 6 to the Revised Securities Act (RSA).

Report for the Period Beginning January 1, 2024 and Ending December 31, 2024.

IDENTIFICATION OF BROKER OR DEALER

Name of Broker/ Dealer: MDR SECURITIES, INC.

Address of Principal/ Place of Business: 1608 PSE TOWER, 5TH AVE. COR. 28TH ST. , BONIFACIO GLOBAL CITY, TAGUIG CITY

Name and Phone Number of Person to Contact in Regard to this Report

Name: Ms. Ma. Raquel R. Garcia
Tel. No. 7940-6091
Fax No. 7940-6091

IDENTIFICATION OF ACCOUNTANT

Name of Independent Certified Public Accountant whose opinion is contained in this report

Name: **Ramon F. Garcia and Company, CPAs**
Josefino F. Garcia
Partner – in – charge
Tel. No. 8821-0563
Fax No. 8884 – 2789

Address: 30th Floor Burgundy Corporate Tower, 252 Sen. Gil Puyat Ave, Makati City

Certificate Number: 0049932
PTR No. 10490128
Date Issued: January 21, 2025

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **MDR SECURITIES, INC.** 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 controls 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 shareholders.

RAMON F. GARCIA AND COMPANY, CPAs, the independent auditor appointed by the shareholders, has audited the financial statements of the Company in accordance with the Philippine Standards on Auditing and in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

DR. CESAR S. RECTO II
Chairman of the Board

MANUEL S. RECTO, JR.
President

MA. LOURDES S. RECTO
Treasurer

Signed on this 14th day of April, 2025

Ramon F. Garcia & Company CPAs
30F Burgundy Corporate Tower,
252 Sen. Gil Puyat Ave., Makati City
Telephone No. +632 8821 05 63
www.crowe.com/ph

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors
MDR SECURITIES, INC.
Unit 1608 Philippine Stock Exchange Tower
5th Ave. cor. 28th St., Bonifacio Global City
Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MDR SECURITIES**, **INC.** 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 a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **MDR SECURITIES**, **INC.** (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) Accounting Standards.

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 opinion.

Emphasis of Matter

Valuation of Trading Securities

Note 2 indicates that the Company adopted the valuation procedures for trading securities in accordance with the provision of Securities Regulation Code (SRC) No. 50 mandating the use of last trade price. PFRSs requires the use of current bid price for the valuation of securities. The adoption of the SRC valuation resulted in the increase in profit and consequently the equity in the amount of ₱356,155 for the year ended December 31, 2024 (2023 – decrease of ₱111,134).

Deferral of PAS 19 (Revised)

As stated in Note 2.2c, the Company deferred the implementation of certain provision of PAS 19 (Revised). The Management believes that it has no material impact to the Company's financial statement except for certain required disclosure of actuarial assumption on defined benefit obligation. The Company's retirement benefit obligation amounting to ₱124,130 as at December 31, 2024 and 2023 is based on RA 7641. As stated in Note 1, the Company has 4 employees as at December 31, 2024. Management believes that RA 7641, as the statutory basis, is a reliable and most practical base in computing the employees' retirement benefit.

Our opinion is not modified in respect of the above matters.

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 Accounting Standards, 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 for 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 Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, 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 risk 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 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 disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses and other information in the notes 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 supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

RAMON F. GARCIA & COMPANY, CPAs
TIN 000-666-059
By:

JOSEFINO F. GARCIA
Partner
CPA Certificate No. 0049932
PTR No. 10490128, January 21, 2025, Makati City
TIN 105-540-561
BOA/PRC Accreditation No. 0207 (April 9, 2023 to October 5, 2025)
Partner's BIR Accreditation No. 08-001759-002-2023 (April 14, 2023 to April 13, 2026)
Partner's SEC Accreditation No. 49932-SEC Category A, Valid for audit of 2021 to 2025 financial statements
Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)
Firm's SEC Accreditation No. 0207-SEC Group A, Valid for audit of 2021 to 2025 financial statements

April 14, 2025

MDR SECURITIES, INC.
Statements of Financial Position
As of December 31, 2024 and 2023
(In Philippine Peso)

			Security Valuation			
			2024		2023	
	2024	2023	**Long**	**Short**	Long	Short
ASSETS						
Current Assets						
Cash on hand and in banks (notes 4, 24, 26 and 27)	**3,568,179**	3,380,476				
Financial assets through profit or loss (notes 5 and 26)	**6,530,600**	7,520,812	**6,530,600**		7,520,812	
Receivables						
Clearing house (notes 16, 24 and 26)	**896,620**	1,194,704				
Customers (notes 6, 24 and 26)	**9,148,183**	8,123,642	**20,284,338**		39,942,766	
Non-customers (notes 14, 22, 24 and 26)	**323,063**	779	**2,922,828**		14,500	
Others (notes 7, 24 and 26)	**-**	1,304,079				
Prepayments (note 8)	**-**	70,297				
Prepaid income tax (note 21)	**1,858,896**	1,904,048				
Other current assets (note 9)	**1,316,973**	1,757,107				
Total	**23,642,514**	25,255,944				
Non-Current Assets						
Property and equipment-net (note 10)	**20,781,535**	21,595,819				
Investment properties (notes 11 and 26)	**17,340,000**	17,340,000				
Intangibles (note 12)	**792,000**	792,000				
Deferred tax assets (note 21)	**9,296,510**	8,682,524				
Total	**48,210,045**	48,410,343				
TOTAL ASSETS	**71,852,559**	73,666,287				

MDR SECURITIES, INC.
Statements of Financial Position
As of December 31, 2024 and 2023
(In Philippine Peso)

			Security Valuation			
			2024		2023	
	2024	2023	**Long**	**Short**	Long	Short
Securities in Box, Transfer Offices and with Philippine Central Depository, Inc.				**744,404,267**		967,737,994
LIABILITIES AND EQUITY						
LIABILITIES						
Current Liabilities						
Borrowings (notes 15, 24 and 26)	**5,491,678**	6,470,078				
Payables						
Customers (notes 13 and 26)	**11,120,336**	7,778,085	**709,086,657**		904,500,211	
Non-customers (notes 14, 22, and 26)	**1,773,764**	6,066,904	**5,579,844**		15,759,705	
Others (notes 17 and 26)	**254,356**	316,159				
Total	**18,640,134**	20,631,226				
Non-Current Liabilities						
Borrowings (notes 15, 24 and 26)	**6,484,326**	8,092,009				
Accrued retirement benefits (note 18)	**124,130**	124,130				
Deferred tax liabilities (note 21)	**1,749,760**	2,155,975				
Total	**8,358,216**	10,372,114				
TOTAL LIABILITIES	**26,998,350**	31,003,340				
EQUITY						
Share Capital (notes 23 and 25)						
Authorized - 10,000,000 shares at P10.00 par value (note 23)	**100,000,000**	-				
Authorized - 5,000,000 shares at P10.00 par value (note 23)	**-**	50,000,000				
Issued shares (notes 23 and 25)	**59,000,000**	50,000,000				
Additional paid in capital (note 23)	**11,505,750**	7,005,750				
Deposit for future subscription (note 23)	**-**	9,000,000				
Revaluation reserves (note 23)	**6,843,446**	7,099,618				
Accumulated losses (notes 23 and 25)	**(32,494,987)**	(30,442,421)				
TOTAL EQUITY	**44,854,209**	42,662,947				
TOTAL LIABILITIES AND EQUITY	**71,852,559**	73,666,287	**744,404,267**	**744,404,267**	967,737,994	967,737,994

(see notes to financial statements)

MDR SECURITIES, INC.
Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(In Philippine Peso)

	2024	2023
REVENUES (note 19)		
Broker's commission	**5,374,645**	2,331,732
Others:		
Dividend income (note 5)	**17,159**	88,612
Interest income	**11,668**	3,689
Trading losses - net (note 5)	**(2,042,147)**	(3,891,858)
Other income	**44,763**	1,087,699
	3,406,088	(380,126)
COST OF SERVICES		
Personnel costs (note 20)	**1,037,035**	1,074,002
Professional fees (note 22)	**1,064,760**	1,165,000
Stock exchange fees and dues	**605,817**	612,844
Commission expense	**137,565**	191,553
	2,845,177	3,043,399
GROSS INCOME (LOSS)	**560,911**	(3,423,525)
OPERATING EXPENSES		
Administrative expenses:		
Professional and notarial fees	**245,930**	360,062
Travel and transportation	**236,945**	260,556
Taxes, fees and licenses (note 28)	**203,516**	137,815
Power, light, and water	**179,347**	47,372
Office supplies, stationery and printing	**168,318**	173,620
Insurance	**134,658**	218,636
Repairs and maintenance	**124,358**	108,764
Personnel costs (note 20)	**115,226**	119,334
Postage, telephone and telegrams	**106,905**	76,357
Association dues	**41,800**	92,750
Membership dues	**29,370**	38,000
Training expense	**20,510**	26,210
Miscellaneous	**55,626**	18,481
Total	**1,662,509**	1,677,957
Interest and other financing charges (note 15)	**1,064,860**	1,368,156
Depreciation (note 10)	**822,380**	828,250
Provision for expected credit losses (note 6)	**288,617**	177,484
	3,838,366	4,051,847
LOSS BEFORE TAX	**(3,277,455)**	(7,475,372)
Income tax (expense) benefit (note 21)	**904,674**	(1,035,862)
LOSS FOR THE YEAR	**(2,372,781)**	(8,511,234)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Revaluation of properties, net of tax (note 10)	**-**	459,738
Income tax effect of realization of revaluation increment	**64,043**	64,043
Total other comprehensive income - net of tax	**64,043**	523,781
TOTAL COMPREHENSIVE LOSS	**(2,308,738)**	(7,987,453)

(see notes to financial statements)

MDR SECURITIES, INC.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(In Philippine Peso)

	Share capital	Additional paid-in capital	Deposit for future subscription	Accumulated Profits (Losses) Appropriated	Accumulated Profits (Losses) Unappropriated	Revaluation reserves	Total
Balances as of December 31, 2022	49,771,500	2,500,000	-	2,700,388	(24,951,790)	6,896,052	36,916,150
Issuance of additional shares	228,500						228,500
Additional paid-in capital (note 23)		4,505,750					4,505,750
Deposit for future subscription (note 23)			9,000,000				9,000,000
Total comprehensive loss during the year							
Net loss					(8,511,234)		(8,511,234)
Adjustment on revaluation increment - net (note 10)						459,738	459,738
Realization of revaluation increment - net of tax					320,215	(256,172)	64,043
Balances as of December 31, 2023	50,000,000	7,005,750	9,000,000	2,700,388	(33,142,809)	7,099,618	42,662,947
Issuance of additional shares (note 23)	9,000,000		(9,000,000)				-
Additional paid-in capital (note 23)		4,500,000					4,500,000
Total comprehensive loss during the year							
Net loss					(2,372,781)		(2,372,781)
Realization of revaluation increment - net of tax					320,215	(256,172)	64,043
Balances as of December 31, 2024	**59,000,000**	**11,505,750**	**-**	**2,700,388**	**(35,195,375)**	**6,843,446**	**44,854,209**

(see notes to financial statements)

MDR SECURITIES, INC.
Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(In Philippine Peso)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(3,277,455)**	(7,475,372)
Adjustments for:		
Trading losses - net	**2,042,147**	3,891,858
Interest and other financing charges	**1,064,860**	1,368,156
Depreciation	**822,380**	828,250
Provision for expected credit losses	**288,617**	177,484
Provision (Reversal) for accrued retirement	**-**	(983,608)
Interest income	**(11,668)**	(3,689)
Dividend income	**(17,159)**	(88,612)
OPERATING INCOME (LOSS) BEFORE WORKING CAPITAL CHANGES	**911,722**	(2,285,533)
(Increase) Decrease in operating assets		
Financial assets through profit or loss	**(1,051,935)**	(800,502)
Receivable from clearing house	**298,084**	4,953,646
Receivables from customers	**(1,313,158)**	(4,997,386)
Receivables from non-customers	**(322,284)**	-
Other receivables	**1,304,079**	5,155
Prepayments	**70,297**	19,269
Other current assets	**440,135**	(144,156)
Increase (Decrease) in operating liabilities		
Payables to customers	**3,342,251**	(8,068,991)
Payables to non-customers	**(4,293,140)**	328,880
Other payables	**(61,803)**	19,400
CASH USED IN OPERATIONS	**(675,752)**	(10,970,218)
Payment of retirement	**-**	(342,098)
Interest received	**11,668**	3,689
Dividend received	**17,159**	88,612
Income tax paid	**(6,333)**	(15,742)
NET CASH USED IN OPERATING ACTIVITIES	**(653,258)**	(11,235,757)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	**(8,096)**	(28,570)
NET CASH USED IN INVESTING ACTIVITIES	**(8,096)**	(28,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional paid-in capital (note 23)	**4,500,000**	4,505,750
Payments of borrowings	**(2,586,083)**	(1,478,687)
Interest paid	**(1,064,860)**	(1,368,156)
Payment of subordinated loan	**-**	(9,000,000)
Proceeds from issuance of shares	**-**	228,500
Deposit for future subscription (note 23)	**-**	9,000,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	**849,057**	1,887,407
NET INCREASE (DECREASE) IN CASH	**187,703**	(9,376,920)
CASH ON HAND AND IN BANKS AT THE BEGINNING OF YEAR	**3,380,476**	12,757,396
CASH ON HAND AND IN BANKS AT THE END OF YEAR (note 27)	**3,568,179**	3,380,476

(see notes to financial statements)

Note 1 – Corporate information

MDR Securities, Inc. ("the Company") was registered with the Securities and Exchange Commission (SEC) on March 4, 1988. Its primary purpose is to open, operate and maintain a stock brokerage that distributes securities, bonds, debentures, products, commodities, gold bullions, monetary exchanges and any other kind of properties, either in the Philippines or in any foreign country, to engage or carry on a general consultancy business in the field of management and in any other matters affecting stock, bonds and debenture transactions such as investigation, investment, administration, management, acquisition, transfer or disposition and to provide such other services or assistance related thereto.

The Company's principal place of business is at Unit 1608 Philippine Stock Exchange Tower, 5th Ave. cor. 28th St., Bonifacio Global City, Taguig City and employs 4 employees as of December 31, 2024.

The accompanying financial statements of the Company were reviewed and authorized for issue by the Board of Directors (BOD) on April 14, 2025.

Note 2 – Summary of Material Accounting Policies

The material accounting policies that have been used in the preparation of these financial statements are summarized below. Accounting policies are considered as material if it can reasonably influence the decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the financial statements. The policies have been consistently applied to all 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) Accounting Standards except for certain provision of PAS 19 (Amended and Revised) and the adoption of the valuation procedures for trading securities in accordance with the provision of the Securities Regulation Code (SRC) No. 50 mandating the use of last trade prices instead of PFRS Accounting Standards which require the use of current bid prices for the valuation of securities. The adoption of the SRC valuation resulted in the increase in profit and consequently the equity in the amount of ₱356,155 for the year ended December 31, 2024 (2023 – decrease of ₱111,134).

PFRSs Accounting Standards are adopted by the Financial Reporting Standards Council (FRSC), formerly the Accounting Standards Council, from the pronouncements issued by the International Accounting Standards Board (IASB). PFRSs Accounting Standards consist of:

(i) PFRSs Accounting Standards – corresponding to International Financial Reporting Standards;

(ii) Philippine Accounting Standards (PASs) – corresponding to International Accounting Standards; and,

(iii) Interpretations to existing standards – representing interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the FRSC and Board of Accountancy (BOA) and adopted by the SEC.

The preparation of financial statements in conformity with PFRSs Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Basis of preparation

Presentation of Financial Statements

The Company is required to present a third Statement of Financial Position as at the beginning of the preceding period (hereinafter referred to as third Statement of Financial Position) when an entity:

i. Applies an accounting policy retrospectively; or
ii. Makes a retrospective restatement of items in its financial statements; or
iii. Reclassifies items in its financial statements, and

iv. The retrospective application, retrospective restatement or reclassification has a material effect on such third Statement of Financial Position.

Accordingly, no notes are required for this third Statement of Financial Position, except for information required under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Since the Company did not make any of the four items above, no third Statement of Financial Position was presented during the year.

The financial statements are presented in accordance with PAS 1 (Amended 2011), Presentation of Financial Statements. The Company presents all items of income and expenses in a single statement of profit or loss and comprehensive income.

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the Company's functional and presentation currency, and all values represent absolute amounts, except when otherwise indicated.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (functional currency).

Deferral of certain provision of PAS 19

The Company deferred the implementation of certain provisions of PAS 19 (Amended and Revised) particularly on the actuarial valuation of the retirement liability. The management believes that it has no material impact to the Company except for certain required disclosures of actuarial assumption on defined benefit obligation. The Company has already provided accrual of retirement benefits based on the provisions of Republic Act No. 7641 (known as the Retirement Law). As stated in Note 1, the Company has 4 employees as of December 31, 2024. The Management believes that RA 7641, as the statutory basis, is a reliable and most practical base in computing employees' retirement benefit. The Company has no plan asset and fully recognized retirement obligation based on RA 7641.

Basis of measurement

The financial statements have been prepared using the measurement bases specified by PFRSs Accounting Standards for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost basis except for:

- Financial assets through profit or loss measured at fair value;
- Properties measured at revalued amount;
- Investment properties measured at fair value;
- Accrued retirement benefits measured at present value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The measurement bases are more fully described in the subsequent section of this notes.

Current vs. Noncurrent classification

The Company presents assets and liabilities in the statements of financial position based on current/noncurrent classification. An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities, if any, are classified as noncurrent asset and liability, respectively.

New and Amended Standards

The accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following amended standards as at January 1, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

1. Adoption of New and Revised Accounting Standards Effective in 2024

i. Amendments to PAS 1, Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The amendments are effective for reporting periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with PAS 8 and earlier application is permitted.

The adoption of these amendments has no significant impact on the Company's financial statements.

ii. Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements*

The amendments introduced new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements, as follows:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

The adoption of these amendments has no significant impact on the Company's financial statements.

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

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines lease payments and revised lease payments in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

A seller-lessee applies the amendments retrospectively in accordance with PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to sale and leaseback transactions entered into after the date of initial application.

The adoption of these amendments has no significant impact on the Company's financial statements.

2. New Accounting Standards Effective after the Reporting Period 2024

Effective beginning on or after January 1, 2025

i. 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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The adoption of these amendments is expected to have no significant impact on the Company's financial statements.

ii. Amendments to PAS 21*,* Lack of Exchangeability

The amendments set out to clarify when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. These amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted.

The adoption of these amendments is expected to have no significant impact on the Company's financial statements.

Effective beginning on or after January 1, 2026

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

These amendments aim to address inconsistencies in the classification, measurement and disclosure of financial assets and liabilities. 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 (SPPI) 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 designated at fair value through other comprehensive income (FVOCI).

This will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

The Company is currently assessing the impact these amendments will have on current practice.

Effective beginning on or after January 1, 2027

i. PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 will replace PAS 1, *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

PFRS 18 sets out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss; and
- for the first annual period of application, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

This Standard is not expected to impact the recognition or measurement of items in the financial statements and the information disclosed in the notes to financial statements, however it is expected that presentation and disclosure to be pervasive as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Retrospective application of the standard is mandatory for annual reporting periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed.

The Management will assess the impact of these amendments upon effectivity.

ii. PFRS 19, *Subsidiaries without Public Accountability*

PFRS 19 specifies the disclosure requirements that an eligible subsidiaries of parent entities can apply instead of the disclosure requirements in other PFRS accounting standards. This can be applied in consolidated, separate or individual financial statements if, and only if, at the end of the reporting period:

- it is a subsidiary;
- 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.

PFRS 19 was issued in May 2024 and will be effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted.

The adoption of these amendments is expected to have no significant impact on the Company's financial statements.

Deferred

i. Amendments to PFRS 10, Consolidated Financial Statements, 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.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes 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 amendments will apply in future transactions of the Company.

The adoption of these amendments is expected to have no significant impact on the Company's financial statements.

3. Other PIC Q&As Issued in 2024

i. Q&A No. 2024-01, *Accounting for Experience Refund or No-claim Bonus*

Experience refund or no-claims bonus refers to the return of premium or membership fees for the share of the member or policyholder from the favorable experience (i.e., loss experience is better than expected) from each account/contract and paid to the member or policyholder.

The amount of experience refund or no-claims bonus shall be treated as a reduction from premium income or membership fee income of the current year's contract which will be then subjected to amortization (using 24th/365th method calculation), the earned portion of which will be reflected and presented in the statement of comprehensive income and a corresponding liability representing the unearned portion of the premium or membership fee shall be presented as 'unearned premium reserve' or 'membership fee reserve' in the statement of financial position.

The refund amount due to the policyholder/member is separately presented either as a reduction from the related receivables or payable depending on the option selected by the policy holder/member (i.e., cash payment vs. apply against receivable balance).

The above Q &A was issued by PIC and approved by FSRSC in February 14, 2024 and effective upon approval for annual periods beginning on or after January 1, 2024.

The above Q&A is expected to have no significant impact on the Company's financial statements.

ii. Q&A No. 2024-02, *Conforming Changes to PIC Q&As – Cycle 2024*

This Q&A No. 2024-02 sets out the changes (i.e., amendments or withdrawal) to certain PIC Q&As. These changes are made as a consequence of the issuance of new Philippine Financial Reporting Standards (PFRSs) Accounting Standards that become effective starting January 1, 2024 and other relevant developments. The consequential amendments are set out in the same section as the amended PIC Q&As attached to this Q&A No. 2024-02. In addition, a marked-up copy of the amended PIC Q&A showing the changes made (i.e., new text is underlined and deleted text is struck through) is attached as an appendix to the amended PIC Q&A.

The effective date of the amendments is included in the affected Q&As.

(In Philippine Peso)

PIC Q& A Amended	Amendment
Q&A No. 2010 - 03: Current/non-current classification of a callable term loan Q&A No. 2019 – 11: Determining the current portion of an amortizing loan/lease liability	Updated to reflect amendment in PAS 1, paragraph 69(d.) which remove the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period.

This Q&A was issued by PIC in June 26, 2024 and was approved by FSRSC in June 12, 2024.

The above Q&A is expected to have no significant impact on the Company's financial statements.

iii. Q&A No. 2024-03, *Allocation of Transaction Price for Bundled Contracts under PFRS 15*

An entity shall determine the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocate the transaction price in proportion to those stand-alone selling prices.

The best evidence of a stand-alone selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers. When the stand-alone selling price is not observable, the entity estimates the amount using a suitable method, as illustrated in paragraph 79 of PFRS 15:

- Adjusted market assessment approach,
- Expected cost plus a margin approach, and;
- Residual approach (in limited circumstances)

The entity shall maximize its use of observable inputs and apply the estimation approaches consistently.

This Q&A was issued by PIC and approved by FSRSC in July 31, 2024.

The above Q&A is expected to have no significant impact on the Company's financial statements.

Securities transactions

Securities transactions (and the related commission income and expenses) are recorded on a transaction date basis.

Securities valuation

Securities are valued using the latest closing price at the end of the year for securities with trading transactions at the stock exchanges or in the absence thereof, the latest bid or ask price. When current bid and ask price are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been significant change in economic circumstances since the time of the transaction.

Financial instruments

Initial Recognition and Measurement

Financial assets are classified at fair value at initial recognition and subsequently measured at amortized cost, fair value through OCI, and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) 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 cash on hand and in banks and receivables are included in this category as of December 31, 2024 and 2023.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, 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. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income.

This category includes derivative instruments and listed equity investments.

The Company's financial assets at fair value through profit or loss as of December 31, 2024 and 2023 consists of listed equity securities.

However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

a. the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3 applies, in OCI; and

b. financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI).

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Impairment of financial assets

The Company recognizes an ECL for all debt instruments not held at fair value through profit or loss. 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. 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. 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 12-months (a 12-month ECL). 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).

For cash in banks, the Company applies a general approach in calculating ECLs. The Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash since initial recognition.

For due from customers and non-customers, the Company calculates ECL (Specific and General Provisions) for overdue accounts on all non-performing customer accounts in accordance with the mandatory guidelines provided under SEC Memorandum Circular 16-2004 for which the Company assessed adequately considers ECL. Specific provisions for expected credit loss are made for contra losses, overdue purchase contracts and margin accounts classified as “Doubtful” or “Loss” depending on the default period each respectively has. Specific provision is computed by getting, for each “Doubtful” account, an amount equivalent to 50% of the amount outstanding, net of collateral and 100% of the amount outstanding, net of collateral, for each “Loss” account. The basis of the computation would be the individual accounts. Also, a general provision is established equivalent to 2% of the Company’s total receivables net of the balance of the specific reserve for overdue accounts. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

For trade receivables, non-trade receivables, advances to officers and employees, refundable deposits and other receivables recognizing ECL applying simplified approach, the Company does not track changes in credit risk, but instead recognizes loss allowance based on lifetime ECL at each reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking information.

Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

a. when there is a breach of financial covenants by the debtor; or
b. information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 30 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal and external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow.

Write-off

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset either in its entirety or a portion of it. This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company’s statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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 repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, borrowings, due to related parties and other non-current liabilities (excluding local and other taxes and payable to government agencies).

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below.

- *Financial liabilities at FVPL.* Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVPL. Financial liabilities are held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of income. Financial liabilities designated upon initial recognition at FVPL are designated at the initial recognition date, and only if the criteria in PFRS 9 are satisfied.

  The Company has not designated any financial liability at FVPL.

- *Other financial liabilities.* This is the category most relevant to the Company. This category pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. These include liabilities arising from operations and borrowings.

  After initial measurement, other financial liabilities are measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when other financial liabilities are derecognized, as well as through the EIR amortization process.

  This category applies to the Company's borrowings, payables to customers and non-customers, accrued expenses and other payables (excluding advances from customers/unearned revenues, statutory and taxes payables).

"Day 1" difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique which variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability. In cases where data used are not observable, the difference between the transaction price and model value is only recognized in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, we determine the appropriate method of recognizing the "Day 1" difference amount.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where 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. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Reclassification of financial instruments

The Company reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Company and any previously recognized gains, losses or interest shall not be restated. The Company does not reclassify its financial liabilities.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount 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. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Property and equipment

Property and equipment are initially measured at cost. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Expenditures for repairs and maintenance are charged to expense as incurred, significant renewals and improvements are capitalized. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

At the end of each reporting period, item of property and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation and impairment losses.

Following initial recognition at cost, office unit is carried at revalued amounts which are the fair values at the date of the revaluation, as determined by independent appraisers, less subsequent accumulated depreciation and any accumulated impairment losses. Revalued amounts are fair market values determined in appraisals by external professional valuers unless market-based factors indicate impairment risk. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. The appraisal report is made by the appraisers every 3 years. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

When an item of property such as building is revalued, the gross carrying amount is restated proportionately to the change in the carrying amount and the accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Any revaluation increase arising on the revaluation of condominium units is credited to revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such condominium units is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation and amortization are computed on the straight – line basis over the estimated useful lives of the properties, as follows:

Asset Category	Estimated Useful Lives
At cost	
Transportation equipment	5 years
Furniture and fixtures	5 years
Office equipment	5 years
At revaluation	
Office unit	40 years
Office unit improvements	8 years

Depreciating an item begins when property and equipment is available for use and continues until it is derecognized, even if in that period that item is idle.

The depreciation method and useful lives are reviewed periodically to ensure that the method and periods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Leasehold improvements, if any, are recorded at cost and are being amortized over the term of the lease or the estimated useful lives of the assets, whichever is shorter.

Depreciation on revalued properties is recognized in profit or loss. The revaluation surplus is transferred by the Company to retained earnings as the assets are used by the entity. The amount of the surplus transferred is the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount of the assets. The cost and related accumulated depreciation of assets sold/disposed of or retired are removed from the property and equipment accounts and any resulting gain or loss is credited or charged to other operating income.

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

Investment properties

Investment property is initially recognized at cost including transaction costs. For measurement after initial recognition, an entity shall choose as its accounting policy either the fair value model or the cost model in valuing investment property. Under the fair value model, the investment property is measured at fair value with gains or losses arising from changes in fair value recognized in profit or loss on the period on which they arise. Under the cost model, the investment property is measured at depreciated cost (less any accumulated losses).

The Company adopts the fair value model in accounting for its investment property. Fair values are determined by the Company every three to four years based on an appraisal performed by an independent firm of appraisers, an industry specialist in valuing these types of investment properties as accredited by Philippine SEC.

Expenditures incurred after the investment property has been put into operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Transfers to, or from, investment property shall be made only when there is a change in use. Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the statement of comprehensive income in the year of retirement or disposal.

Impairment of property and equipment

At each reporting date, the Company assesses whether there is any indication that its investment property may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset or, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the recoverable amount is assessed as part of the cash-generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is charged against operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset, if any.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Intangible assets

An intangible asset shall be recognized if the following conditions are present:

a) It is probable that future economic benefits attributable to the assets will flow to the entity.

b) The cost of the intangible asset can be measured reliably.

The Company's intangible assets include acquired PSE trading rights and software which are accounted for under the cost model. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire an asset at the time of its acquisition.

Intangibles are carried at cost less impairment loss. Intangibles are reviewed for impairment annually or more frequently if events or changes in circumstances that the carrying values maybe impaired. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The Company does not intend to sell the exchange trading right in the near future.

Intangible assets with indefinite useful life will not be amortized but shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for the assets.

Provisions and contingencies

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

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

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

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

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

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Fair value measurement

Financial instruments, such as, financial assets through profit or loss and non-financial assets such as investment properties, are measured at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 26.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (i) in the principal market for the asset or liability, or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities; (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company determines the policies and procedures for both recurring fair value measurement, such as investment properties. External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. At each reporting date, the movements in values of assets and liabilities which are required to be re-measured or re-assessed are analyzed.

Revenue and cost recognition

Revenue recognition

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has concluded that it is the principal in all of its revenue arrangements because it typically controls the goods or services before transferring them to customers except for its brokerage transactions.

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

Broker's Commissions

The Company engages in stock brokerage where revenue is recognized on a commission basis. Commission revenue are generally recognized when control of the goods/services transferred to the customer. In the case of the Company, the control typically transfers at the trade date upon confirmation of trade deals. Trade date is the time that the Company, as a broker, was able to buy (in a buying transaction) or sell (in a selling transaction) the shares in behalf of the Company's clients. Commissions are computed for every trade transaction based on a flat rate or a percentage of the amount of trading transaction, whichever is higher.

Gain (loss) on:

- Trading gains or losses – represents gain or loss arising from trading activities including all gain and losses from changes in fair values of financial assets at FVPL and gains and losses from disposal of investment securities at FVPL.

    - ➢ Sale of securities – represents results arising from trading activities.
    - ➢ Fair value of financial assets – includes gains or losses from changes in fair value of financial assets at fair value through profit or loss.

- Fair value of investment property – includes gains or losses from changes in fair value which is included in profit or loss.

Interest income – is recognized as the interest accrues taking into account the effective yield on the asset. For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as investment securities at FVOCI (if any), interest income is recognized at the EIR, which is the rate that effectively discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument, including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as "interest income".

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. Once the recorded value of a financial asset or group of similar financial assets carried at amortized cost has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

Dividend income is recognized when the right to receive the payment is established, which is the date of declaration.

Rental income is recognized on the period it was earned.

Other income is income generated outside the normal course of business and is recognized as earned and when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Cost and expense recognition

Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in liability has arisen that can be measured reliably. Expenses are recognized in profit or loss; on the basis of a direct association between the costs incurred and the earning of specific terms of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with the income can only be broadly or indirectly determined; or 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 statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the function of expense method. Cost of services such as commissions, direct personnel costs, stock exchange dues, central depository fees and other directly related costs are recognized when the related revenue is earned or when the service is rendered. The majority of the operating expenses incurred by the Company such as indirect personnel costs, professional fees, and other operating expenses are overhead in nature and are recognized with regularity as the Company continues its operations.

Impairment of assets

Impairment of non-financial assets

The Company's intangible assets, property and equipment and investment properties are subject to impairment testing. Intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value. Reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior period, that are uncollected or unpaid at the reporting period. They are calculated using the tax rates and tax laws applicable to the periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

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

Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset to be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

Most changes in deferred tax assets or liabilities are recognized as component of tax expense in the statements of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Management reviewed the Company's investment property portfolios and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Management had determined that the 'sale' presumption set out in the amendments to PAS 12 is not rebutted. As a result, the Company had recognized deferred taxes on changes in fair value of the investment properties based on the applicable tax rates on the sale of properties classified as capital assets.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issued costs.

Share capital is determined using the nominal value of shares that have been issued. Ordinary shares carry one vote per share and carry a right to dividends.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Accumulated profits (losses) include all current and prior period results as disclosed in the statements of comprehensive income.

Unappropriated retained earnings represent the free portion of the accumulated profits of the Company. Appropriation of retained earnings is made in accordance with SRC Rule 49.1 (B) Reserve Fund, of SEC Memorandum Circular No. 16-2004.

Employee benefits

<u>Short-term benefits</u>

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. 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, if any.

<u>Post-employment benefits</u>

The Company has yet to adopt a formal retirement plan for the benefit of its qualified employees.

The Company, however, is subject to the provisions of Republic Act (RA) No. 7641 (known as the Retirement Law). This law requires that in the absence of a retirement plan or agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least 5 years in a private company, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least 6 months being considered as 1 whole year. The current service cost is the present value of benefits, which accrue during the year.

Events after reporting date

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

Note 3 – Significant accounting judgments and estimates

The preparation of financial statements in conformity with PFRSs Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes to financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Critical Management Judgments in Applying Accounting Policies

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

a. Fair value of financial instruments

   Where the fair values of financial assets and financial liabilities recorded in the statements 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 inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of liquidity and model inputs such as correlation and volatility.

b. Financial assets not quoted in an active market

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

c. Functional currency

   The Company has determined that its functional currency is the Philippine Peso, which is the currency of the primary environment in which the Company operates. It is the currency that mainly influences the sale of goods and services and the Company's operations.

d. Distinction Between Investment Properties and Owner-Managed Properties

   The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generated cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in providing the services.

e. Determination of significant influence

   Management exercises its judgment in determining whether the Company has control over another entity by evaluating the substance of relationship that indicates the significant influence over its associates. The recognition and measurement of the Company's investment over these entities will depend on the result of the judgment made.

   Based on the assessment made by the Management, the Company has no associate where it has significant influence.

f. Provisions and contingencies

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

g. Revenue from contracts with customers

Determination of timing of revenue recognition

Revenue from contracts with customers include commission income. Significant judgment is required to determine whether performance obligation is satisfied at point in time or over time. The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer. On the trade date, the customer has obtained control of the service because it can direct the use of, and obtain substantially all of the remaining benefits from, the asset that comes from the trade execution service.

h. Significant increase in credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. 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.

i. Determining ability to continue as going concern

The management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Company is not aware of any material uncertainties that may cast significant doubts upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

j. Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

k. Recognition of deferred tax asset

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

l. Presentation of third statement of financial position

It will often be necessary for the management to exercise judgment in determining whether an additional statement of financial position at the beginning of the earliest comparative period is required to be presented. When applying judgment, it is necessary to consider whether the information set out on an additional statement of financial position would be material to users of the financial statements.

Key Sources of Estimation Uncertainty

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

a. Estimating useful lives of property and equipment

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

   Property and equipment, net of accumulated depreciation amounted to ₱20,781,535 and ₱21,595,819, as of December 31, 2024 and 2023 respectively (see note 10).

b. Investment properties

   The Company has adopted the fair value approach in determining the carrying value of its investment properties. While the Company has opted to rely on independent appraisers to determine the fair value of its investment properties, such fair values were determined based on recent prices of similar properties, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair values for any period would differ if the Company made different judgments and estimates or utilized different basis for determining fair value. Also, it is the Company's policy that fair values be determined every three to four years based on an appraisal performed by an independent firm of appraisers.

   The carrying amounts of investment properties carried at fair value amounted to ₱17,340,000 in both years (see note 11).

c. Impairment of property and equipment and investment properties

   The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

   - 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 all business; and
   - significant negative industry or economic trends.

   The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use approach. Recoverable amounts are estimated for individual assets.

d. Determining the fair value of financial instruments

   The Company carries some of its financial assets at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, i.e., foreign exchange rates, interest rates, volatility rates, the amount of changes in fair value would differ if the Company utilized different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect profit or loss and equity.

   In determining the fair value of the Company's financial assets through profit or loss, the valuation procedures for trading securities in accordance with the provision of the Securities Regulation Code (SRC) No. 50 was adopted which mandates the use of last trade prices instead of PFRSs Accounting Standards which require the use of current bid prices for the valuation of securities. The last trade prices were determined from the Quotation Reports as issued by the Philippine Stock Exchange.

As of December 31, 2024 and 2023, the carrying amounts of financial assets carried at fair value subsequent to initial recognition amounted to ₱6,530,600 and ₱7,520,812, respectively (see note 5).

e. Allowance for expected credit losses on receivables

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

The Company reviews its receivables to assess impairment at least on an annual basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the receivables.

Allowance for expected credit losses on receivables amounted to ₱1,002,215 and ₱785,404 as of December 31, 2024 and 2023, respectively (see notes 6 and 7).

f. Realizable amount of deferred tax asset

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

Deferred tax asset amounted to ₱9,296,510 and ₱8,682,524, as of December 31, 2024 and, 2023, respectively (see note 21).

g. Impairment of non-financial assets

PFRSs Accounting Standards requires 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. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

h. Impairment of intangibles

Intangibles include exchange trading rights which are carried at cost less any allowance for impairment loss. Exchange trading rights are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading rights are deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

Intangibles of the Company amounted to ₱792,000 in both years presented.

i. Retirement benefits

PAS 19 requires the recognition of retirements benefits for the Company's employees. Also enterprises are to provide retirement benefits as mandated by law.

The Company is subject to the provisions of Republic Act No. 7641 (known as the Retirement Law). This law requires that in the absence of a retirement plan of agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least 5 years in a private company, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, fraction of at least 6 months being considered as 1 whole year. The current service cost is the present value of benefits, which accrue during the year.

(In Philippine Peso)

Under the present Internal Revenue laws, only contribution to retirement funds or accrual of retirement expense under duly approved Retirement Plan can be deductible for tax purposes. In the absence of an approved plan, accrual of retirement expenses can only be deducted for tax purpose upon actual retirement of employees in accordance with the provision of RA No. 7641.

Note 4 – Cash on hand and in banks

The account at December 31 consists of:

	2024	2023
Cash in banks	**3,564,179**	3,376,476
Petty cash fund	**4,000**	4,000
	3,568,179	3,380,476

In compliance with SRC Rule 49.2 covering customer protection and custody of securities, the Company maintains special reserve bank accounts (included in “cash in banks”) for its customers amounting to ₱3,112,924 and ₱2,878,353 as of December 31, 2024 and, 2023, respectively. The Company’s reserve requirement is determined based on the SEC’s prescribed computations. As of December 31, 2024 and 2023, the Company’s cash reserve accounts are adequate to cover its reserve requirements.

Note 5 – Financial assets through profit or loss

This account is broken down as follows:

	2024	2023
Various equity instruments	**6,530,600**	7,520,812

This account consists of financial assets which are listed equity securities in the Philippines.

All amounts presented have been determined directly by reference to published prices quoted in an active market using last trade price.

The Company’s net trading losses follows:

	2024	2023
Gain (Loss) on sale of securities	**(910,846)**	41,198
Fair value loss on financial assets through profit or loss	**(1,131,301)**	(3,933,056)
	(2,042,147)	(3,891,858)

Dividend income of the Company from financial assets through profit or loss amounted to ₱17,159 and ₱88,612 in 2024 and 2023, respectively.

(In Philippine Peso)

Note 6 – Due from customers

The security values of the debit balances of customers' accounts are presented below:

	2024			2023		
	Debit	Security valuation Long	Security valuation Short	Debit	Security valuation Long	Security valuation Short
Cash fully secured accounts:						
More than 250%	**1,977,883**	**8,897,486**	**-**	4,745,287	35,182,656	-
Between 200% and 250%	**3,133,898**	**6,683,203**	**-**	806,491	1,724,732	-
Between 150% and 200%	**31,317**	**49,230**	**-**	563,522	945,353	-
Between 100% and 150%	**2,529,635**	**2,839,365**	**-**	656,115	750,894	-
Total	**7,672,733**	**18,469,284**	**-**	6,771,415	38,603,635	-
Partially secured accounts:						
Less than 100%	**2,316,886**	**1,815,054**	**-**	1,804,682	1,339,131	-
Unsecured accounts	**160,779**	**-**	**-**	261,143	-	-
Total	**2,477,665**	**1,815,054**	**-**	2,065,825	1,339,131	-
Grand total	**10,150,398**	**20,284,338**	**-**	8,837,240	39,942,766	-
Allowance for expected credit losses	**(1,002,215)**	**-**	**-**	(713,598)	-	-
Net	**9,148,183**	**20,284,338**	**-**	8,123,642	39,942,766	-

A reconciliation of the allowance for expected credit losses at the beginning and end of 2024 and 2023 is shown below.

	2024	2023
Beginning of the year	**713,598**	536,114
Provision for expected credit losses during the year	**288,617**	177,484
Balance at the end of the year	**1,002,215**	713,598

The Amended Implementing Rules and Regulations of the SRC effective August 24, 2023

Amendments on the 2015 implementing rules and regulations of the securities regulation code (The"2015 SRC Rules) and SEC memorandum circular no. 16 series of 2004 relative to the settlement cycle from T-3 to T-2.

In 2023, Section 3 of SRC 52 was amended in Rule 52.1.11.2 wherein the aging schedule shall indicate the monetary and securities collateral values of the customers' receivable as of end of month, broken down as follows:

Classification
T+0 to T+1
T+2 to T+12
T+13 to T+30
T+31 up

52.1.11.3 Allowance for doubtful accounts (ADA) shall appropriate in every broker dealer using and in accordance with the following schedule:

Classification	Provision	Base
T+0 to T+1	0	Total receivables (TR)
T+2 to T+12	2%	TR
T+13 to T+30	50%	TR less collateral (net of haircut)
T+31 up	100%	TR less collateral (net of haircut)

Specific provisions for ECL shall be made for customer accounts qualifying as non-performing accounts (contra losses, overdue purchase accounts, and margin accounts).

(In Philippine Peso)

These accounts are classified as Doubtful or Loss depending on the default period each respectively has as follows:

Type of account	Criteria for classification of account as non-performing	Date for classification	Period when account is overdue	Classification
1. Contra losses	When the account remains unpaid starting from T+3 or more from the date of contra-transaction	T+3	a) T+3 to 30 calendar days	Doubtful
			b) over 30 calendar days	Loss
2. Overdue purchase accounts	When the account remains unpaid starting from T+13	T+13 or when the broker exercises its right of mandatory close out over the securities serving as collateral	a) T+13 to 30 calendar days	Doubtful
			b) over 30 calendar days	Loss
3. Margin accounts	When, upon making a margin call, the period to put up equity to meet the margin deficiency has expired.	Upon expiration of period	When the equity has fallen below the required minimum margin maintenance, and the margin deficiency is more than ₱10,000	Loss

Allowance for expected credit losses on due from customers is being computed on a per customer or individual accounts.

The collateral for the secured accounts represents the equivalent market value of shares pledged to secure the amount of securities and other property purchased or held by the Company for its customers. The Company is authorized to pledge, re-pledge or loan, either to itself or to others, from time to time and without need of notice to its customers for any liability which may exist in favor of it. It is further authorized at its own discretion and at any time to sell all or part of such securities and property without prior notice to the customers whenever in its judgment the liabilities are adequately secured.

Consideration is also given if the shares are inside or outside PSE index. PSE index is composed of top largest 30 corporations that are most active in trading. This is to give a snap shot of the result of PSE activity. When a share of stock is within PSE index, the allowable collateral is equivalent to 75% of the total market value of a share of stock. However, if the stock is outside PSE index, the allowable collateral is only 65% of the market value of the stock. Providing haircut for the market value of shares is for the protection for the exposure of the brokers.

Note 7 – Other current receivables

This consist of the following:

	2024	2023
Due from related parties (note 22)	**-**	1,184,886
Others	**-**	190,999
Allowance for expected credit losses	**-**	(71,806)
	-	1,304,079

A reconciliation of the allowance for expected credit losses at the beginning and end of 2024 and 2023 is shown below.

	2024	2023
Beginning of the year	**71,806**	71,806
Provision (Reversal)	**(71,806)**	-
Balance at the end of the year	**-**	71,806

(In Philippine Peso)

Note 8 – Prepayments

This account consists of prepaid insurance amounting to nil and ₱70,297 as of December 31, 2024 and 2023 respectively. This will amortize over the remaining covered period of the following year.

Note 9 – Other assets

This account consists of:

	2024	2023
Input tax	**1,316,885**	1,757,019
Creditable withholding tax	**88**	88
	1,316,973	1,757,107

Note 10 – Property and equipment-net

The Company's property and equipment as of December 31, 2024 and 2023 consists of:

Cost or valuation

	Transportation Equipment	**Office Unit and Improvements**	**Office Equipment**	**Furniture and Fixtures**	**Total**
As of January 1, 2023	1,879,464	25,978,024	1,045,450	832,216	29,735,154
Additions	-	-	28,570	-	28,570
Increase in fair value upon revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
As of December 31, 2023	1,879,464	25,978,024	1,074,020	832,216	29,763,724
Additions	-	-	8,096	-	8,096
Increase in fair value	-	-	-	-	-
Disposals	-	-	-	-	-
As of December 31, 2024	**1,879,464**	**25,978,024**	**1,082,116**	**832,216**	**29,771,820**

Comprising:

	Transportation Equipment	**Office Unit and Improvements**	**Office Equipment**	**Furniture and Fixtures**	**Total**
December 31, 2024					
At cost	1,879,464	-	1,082,116	832,216	3,793,796
At valuation	-	25,978,024	-	-	25,978,024
	1,879,464	**25,978,024**	**1,082,116**	**832,216**	**29,771,820**
December 31, 2023					
At cost	1,879,464	-	1,074,020	832,216	3,785,700
At valuation	-	25,978,024	-	-	25,978,024
	1,879,464	25,978,024	1,074,020	832,216	29,763,724

(In Philippine Peso)

Accumulated depreciation and impairment

	Transportation Equipment	Office Unit and Improvements	Office Equipment	Furniture and Fixtures	Total
As of January 1, 2023	1,879,464	3,672,310	969,632	818,249	7,339,655
Depreciation charge for the year	-	468,730	25,338	13,967	508,035
Proportionate increase upon revaluation	-	320,215	-	-	320,215
Disposal/retirement	-	-	-	-	-
As of December 31, 2023	1,879,464	4,461,255	994,970	832,216	8,167,905
Depreciation charge for the year	-	468,729	33,436	-	502,165
Proportionate increase upon revaluation	-	320,215	-	-	320,215
Disposal/retirement	-	-	-	-	-
As of December 31, 2024	**1,879,464**	**5,250,199**	**1,028,406**	**832,216**	**8,990,285**
Carrying amounts					
As of December 31, 2024	**-**	**20,727,825**	**53,710**	**-**	**20,781,535**
Carrying amounts					
As of December 31, 2023	-	21,516,769	79,050	-	21,595,819

Revaluation

In 2022, the Company's condominium units are restated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The revaluation of the Company's condominium unit was made on July 20, 2023 by Royal Asia Appraisal Corporation that is duly accredited with the SEC. The fair value of the condominium units was arrived at using the Market Approach based on sales and listings of comparable properties registered within the vicinity. This was done by establishing the differences between the subject property and those actual sales and listings regarded as comparable. Comparison was premised on the factors of floor level location, size of the unit, parking space allocation, facilities offered, and the time element involved. Fair market value of the condominium units was estimated at ₱22,305,714 as of December 31, 2022. As a result of the revaluation, the Company recognized an increase in fair value in 2022 amounting to ₱2,469,746 with corresponding increases in revaluation increment net of tax amounting to ₱1,852,309. In 2024, adjustment on revaluation increment amounting to nil (2023 - ₱459,738) due to tax rate adjustment.

The carrying amount that would have been recognized had the office and improvements been carried under the cost model amounts to ₱12,173,518 and ₱12,642,247 as of December 31, 2024 and 2023 respectively and shown as follows:

	2024	2023
Cost		
At January 1	**15,253,953**	15,253,953
Additions / Reclassification	**-**	-
At December 31	**15,253,953**	15,253,953
Accumulated Depreciation		
At January 1	**2,611,706**	2,142,976
Depreciation for the year	**468,729**	468,730
At December 31	**3,080,435**	2,611,706
Carrying amount	**12,173,518**	12,642,247

The depreciation expense charged to operations amounts to ₱822,380 (2023 – ₱828,250).

The office unit is used as collateral for the Company's loans with BDO (see note 15). No other item of the Company's property and equipment has restricted title. Also, the Company has no transaction involving contractual commitments for the acquisition of property and equipment.

(In Philippine Peso)

Management believes that there is no indication that an impairment loss has occurred in both years.

Note 11 – Investment properties

The fair values of the Company's investment property as shown in the statements of financial position are as follow:

	2024	2023
Baguio house and lot	**9,640,000**	9,640,000
Tagaytay land	**7,700,000**	7,700,000
	17,340,000	17,340,000

The reconciliation of the carrying amounts of the Company's investment properties are as follows:

	2024	2023
Balance at January 1	**17,340,000**	17,340,000
Additions	**-**	-
Disposals	**-**	-
Fair value gain recognized in profit or loss	**-**	-
Reclassified to asset held for sale	**-**	-
	17,340,000	17,340,000

The details of fair value amounts of the Company's investment properties are as follows:

	Condominium unit	**Baguio house and lot**	**Tagaytay land**	**Total**
Fair value, January 1, 2023	-	9,640,000	7,700,000	17,340,000
Fair value gain during the year	-	-	-	-
Reclassified to asset held for sale	-	-	-	-
Fair value, December 31, 2023	-	9,640,000	7,700,000	17,340,000
Fair value gain (loss) during the year	-	-	-	-
Fair value, December 31, 2024	-	**9,640,000**	**7,700,000**	**17,340,000**

The fair values of the Company's investment properties as at 2024 were determined based on the valuation reports carried out by Royal Asia Appraisal Corporation dated July 2020. The valuation, which conforms to Philippine Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

Fair values are determined by the Company every three to four years based on an appraisal performed by an independent firm of appraisers. The management believes that the balances of fair values of investment properties represent its recoverable current fair value.

Direct operating expense pertaining to real property tax and association dues on investment properties amounted to ₱31,026 in both years.

The Company has no income-generating investment properties as of December 31, 2024 and 2023.

As of December 31, 2024 and 2023, there were no restrictions on the realizability of investment properties or on the remittance of income and proceeds of disposal.

All of the Company's investment property is pledged as collateral for the loan with the Bank of the Philippine Islands (see note 15).

There are no contractual obligations entered with to purchase, construct or develop investment property in both years.

(In Philippine Peso)

Note 12 – Intangibles

The Company's intangible asset represents its Exchange Trading Rights with carrying value of ₱792,000 as of December 31, 2024 and 2023. The market value of the trading right amounting to ₱8,000,000 in both years mentioned. The market value is based on the certification issued by PSE dated January 24, 2025 (2023 - January 29, 2024) subject of the most recent sale approved by the PSE Board of Directors on November 16, 2022.

In its meeting in May 28, 2010, the Commission approved PSE's rules governing trading rights and trading participants amending Section 7 Article 2 which states that unless a trading participant has arranged a form of guarantee acceptable to the Exchange, the trading participant shall pledge its trading rights to the extent of its full value to secure the payment of all debts and claims due to the clients of the trading participant, the government, Exchange, and to other trading participants of the Exchange and to the Securities Clearing Corporation of the Philippines.

On February 12, 2010, PSE received the pledge agreement executed between the Company ("Pledgor") and The Philippine Stock Exchange, Inc. ("Pledgee") which states that in accordance to the Amended By – Laws of the Pledgee, the Company as a trading participant pledged its trading rights, evidenced by Certificate No. 105, to secure all its debts and obligations to the Pledgee.

Effect of the Philippine Stock Exchange (PSE) Demutualization on the Accounting Treatment of the Investment in PSE Shares of Stocks and the PSE Trading Right

Under the Philippine Stock Exchange (PSE) rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts due to the other members of the exchange arising out of or in connection with the present or future members' contracts. Accordingly, the PSE maintains a Trade Guarantee Fund to ensure the performance of its members.

The demutualization of the PSE, which was approved by the Securities and Exchange Commission (SEC) in August 2001, has resulted to the conversion of the Company's PSE membership seat into 50,000 shares of PSE common stock (with ₱1 par value), as well as a PSE trading right. The Company's ownership of the PSE shares of stock is deemed legally separate from its ownership of the PSE trading right. Accordingly, the PSE shares of stock can be transferred independently of the PSE trading rights without any restriction.

On April 1, 2004, the Philippine Stock Exchange, Inc. prepared guidelines for consistency and uniformity on the values to use for the purpose of cost allocation of carried over investment in the Exchange from Membership Seat to Trading Rights and PSE shares by Trading Participants after the demutualization of the PSE.

Note 13 – Due to customers

The security values of the credit balances of customers' accounts are presented below:

	2024			2023		
	Credit	**Security valuation**		Credit	Security valuation	
		Long	**Short**		Long	Short
With money balance	**11,120,336**	**482,283,648**		7,778,085	210,942,802	-
Without money balance	**-**	**226,803,009**		-	693,557,409	-
Total	**11,120,336**	**709,086,657**		7,778,085	904,500,211	-

	2024	2023
Due to customers	**11,120,336**	7,778,085

(In Philippine Peso)

Note 14 – Due from and to non-customers

This account pertains to debit and credit balances in the accounts of non-customers such as general partners and principal officers of the Company. As of December 31, 2024 and 2023, the balance of due from and to non-customers and the corresponding security valuation are as follow:

	2024		2023	
	Balance	**Security valuation**	Balance	Security valuation
Due from non-customers	**323,063**	**2,922,828**	779	14,500
Due to non-customers	**(1,773,764)**	**5,579,844**	(6,066,904)	15,759,705
	(1,450,701)	**8,502,672**	(6,066,125)	15,774,205

Note 15 – Borrowings

The short term interest-bearing loans and borrowings are as follows:

	2024	2023
Current		
Bank Loans		
Bank of the Philippine Islands (BPI)	**3,800,000**	4,900,000
BDO- current portion	**1,691,678**	1,570,078
Total	**5,491,678**	6,470,078
Noncurrent		
Bank Loans		
BDO	**6,484,326**	8,092,009
Total borrowings	**11,976,004**	14,562,087

The bank loans under BPI represent short-term secured loans and bear annual interest rates ranging 8.50% - 8.5943% and will mature in 2025. These are secured by the continuing suretyship of a Company's nominee director amounting to ₱20,000,000 and real estate mortgage with the following as collateral:

- Parcel of land with Transfer Certificate of Title No. 91395 under the name of MDR Securities, Inc. located in Baguio City.
- Parcels of land with Transfer Certificate of Title No. T – 138171 and T – 138172 under the name of MDR Securities, Inc. located in Batangas City.

The bank loan under BDO as of December 31, 2024 and 2023 bears an annual interest rate of 5.880% and is due and payable on March 16, 2029. This is secured by a real estate mortgage located at B4 Philippine Stock Exchange at One Bonifacio High Street, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City (see note 10).

Total interest expense and other bank charges in 2024 and 2023 amounted to ₱1,064,860 and ₱1,368,156, respectively, and is included under "Interest and other financing charges" in the statements of comprehensive income.

Note 16 – Receivable from/payable to clearing house

A clearing house is an institution who acts as intermediary in making deliveries upon payment to effect the settlement in securities transactions. Philippine Stock Exchange owns the Securities Clearing Corporation of the Philippines (SCCP), a private institution organized primarily as a clearance and settlement agency for depository eligible trades executed at PSE. It is responsible for the settlement of funds and transfer of securities.

In a buying transaction, the broker owes the clearing house for the stocks he will buy in behalf of his customers. In a selling transaction, the clearing house owes the broker for the proceeds of the stocks sold by the broker, again, in behalf of his customers. Every transaction date, all transactions of a broker will be summarized, if the buying transactions exceeds the selling transactions this means that the buyer has larger obligations to SCCP than the amount he will get resulting to a 'due clearing'. If selling transactions exceeds the buying transactions, the clearing house has a larger obligation resulting to a 'due broker'.

(In Philippine Peso)

The balances of receivable from/payable to clearing house as of December 31, 2024 and 2023 are as follow:

	2024	2023
Receivable from clearing house	**896,620**	1,194,704

Receivable from clearing house represents the cash settlement entitlement of the Company to be received from clearing house, Securities Clearing Corporation of the Philippines, during or after the settlement of the "clearing house-eligible trades". These receivables arise from selling transactions for the account of customers and the Company's own account on settlement date. Payable to clearing house represents cash settlement obligations of the Company to clearing house to facilitate the settlement of "clearing house-eligible trades".

In 2024 and 2023, selling transactions have exceeded buying transactions resulting to receivable from clearing house. Receivables from clearing house as of December 31, 2024, were fully collected during the first two trading days on January 2025. All equity transactions have a settlement period of T+2 (trading day + 2 working days) following the settlement convention of the Philippines' clearing house.

In 2023, revision of settlement dates from T+3 to T+2 effective on August 24, 2023. Receivables from clearing house as of December 31, 2023 were fully collected during the first two trading days on January 2024. All equity transactions have a settlement period of T+2 (trading day + 2 working days) following the settlement convention of the Philippines' clearing house.

Note 17 – Other payables

This account consists of the following:

	2024	2023
Payable to government agencies	**165,256**	155,871
Accrued expenses	**7,730**	49,054
Accounts payable	**-**	29,001
Others	**81,370**	82,233
	254,356	316,159

Others pertain to contractual obligations of the Company to its creditors that are payable on demand. These also include subscriptions payable and payable to transfer offices and clearing houses.

Note 18 – Accrued retirement benefits

Accrued retirement obligation amounted to ₱124,130 as of December 31, 2024 and 2023. Based on management evaluation of the factors considered including the determination of present value of the accrued retirement benefits, the amount of accrued retirement obligation is deemed sufficient.

In 2023, two employees resigned resulting to reversal of accrued retirement amounting to ₱984 thousand. Also, payment was made to retired employee during the year.

Note 19 – Revenues

Revenues consist of:

	2024	2023
Broker's commission	**5,374,645**	2,331,732
Others:		
Dividend income	**17,159**	88,612
Interest income	**11,668**	3,689
Trading losses – net (Note 5)	**(2,042,147)**	(3,891,858)
Other income (loss)	**44,763**	1,087,699
	3,406,088	(380,126)

(In Philippine Peso)

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenues from contracts with customers and revenues not covered under PFRS 15 for the year ended December 31, 2024:

	Services satisfied at a point in time	**Revenues outside the scope of PFRS 15**	**Total**
Broker's commission	**5,374,645**	-	**5,374,645**
Trading losses – net	-	**(2,042,147)**	**(2,042,147)**
Dividend income	-	**17,159**	**17,159**
Interest income	-	**11,668**	**11,668**
Other income	-	**44,763**	**44,763**
	5,374,645	**(1,968,557)**	**3,406,088**

Set out below is the disaggregation of the Company's revenues from contracts with customers and revenues not covered under PFRS 15 for the year ended December 31, 2023:

	Services satisfied at a point in time	Revenues outside the scope of PFRS 15	Total
Broker's commission	2,331,732	-	2,331,732
Trading losses – net	-	(3,891,858)	(3,891,858)
Dividend income	-	88,612	88,612
Interest income	-	3,689	3,689
Other income	-	1,087,699	1,087,699
	2,331,732	(2,711,858)	(380,126)

Note 20 – Personnel costs

The account consists of:

	2024	2023
Salaries and wages	**960,058**	1,021,320
SSS, Philhealth and Pag-ibig contributions	**192,203**	172,016
	1,152,261	1,193,336

The above accounts were distributed as follows:

	2024	2023
Cost of services	**1,037,035**	1,074,002
Operating expenses	**115,226**	119,334
	1,152,261	1,193,336

Note 21 – Income tax

The components of income tax benefit as reported in the statements of comprehensive income are as follow:

	2024	2023
Current tax	**-**	-
Deferred tax	**904,674**	(1,035,862)
Income tax benefit (expense)	**904,674**	(1,035,862)

(In Philippine Peso)

The reconciliation of tax on pretax income computed at the applicable statutory rates to income tax benefit (expense) attributable to continuing operations is as follows:

	2024	2023
Loss before tax	**(3,277,455)**	(7,475,372)
At statutory rate	**655,491**	1,495,074
Tax effect of the following:		
Non-taxable income and income subject to final tax	**5,765**	18,460
Non-deductible expenses	**(64,626)**	(184)
Expired MCIT	**(34,129)**	(694,833)
Effect of change in tax rate	**342,173**	(1,854,379)
Income tax benefit (expense)	**904,674**	(1,035,862)

The Company is subject to Minimum Corporate Income Tax (MCIT) which is computed at 1.5% of gross income in 2023. MCIT in 2024 amounted to ₱51,485, as MCIT is higher than the Regular Corporate Income Tax (RCIT). The Company incurred gross loss in 2023 thus no MCIT was recognized. The CREATE Act reduced the MCIT rate to one percent (1%) for the period July 1, 2020 to June 30, 2023 (2023 – 1.5%).

Effective July 2008, Republic Act 9504 was approved giving the corporate taxpayers an option to claim itemized deduction or Optional Standard Deduction (OSD) equivalent to 40% of gross income. Once the option to use OSD is made, it shall be irrevocable for the taxable year for which the option was made. In 2024 and 2023, the Company opted to claim itemized deductions.

After considering all income tax credit, the Company's prepaid income tax amounted to ₱1,858,896 and ₱1,904,048, as of the December 31, 2024 and 2023, respectively.

The Company's deferred tax assets are broken down as follow:

	2024	2023
Unrealized loss on financial assets	**7,185,750**	6,959,490
NOLCO	**1,795,195**	1,482,548
MCIT	**84,527**	67,171
Retirement benefits	**24,826**	24,826
Doubtful accounts	**206,212**	148,489
	9,296,510	8,682,524

The deferred tax assets are the effects of expected future income tax benefits relating to:

- Retirement benefits – which will not be deducted until the benefits are actually paid but has already been recognized as an expense in measuring the Company's performance for the year.

- NOLCO – this will be deductible only from taxable income for the next three (3) years following the incurrence of loss except NOLCO incurred in 2021 and 2020 which can be deducted from taxable income for the next five (5) years following the incurrence of loss in accordance with CREATE Act.

- Doubtful accounts – which will be deducted upon reversal of the amount of receivable and compliance with the documentary requirements of the tax regulations.

- MCIT – this will be used as tax credit against tax due for the next three (3) years following the incurrence of MCIT.

- Unrealized gain or loss on financial assets – this will be taxable or deductible upon disposal of financial assets.

Realization of the future tax benefits related to the deferred tax asset is dependent on many factors, including the Company's ability to generate taxable income. Management has considered these factors in reaching a conclusion as to the amount of deferred tax assets recognized as of December 31, 2024 and 2023.

(In Philippine Peso)

The carry forward benefits of MCIT and NOLCO that can be offset against regular corporate income tax due and taxable income, respectively, are as follow:

Year Incurred	Year of Expiration	2023 MCIT	2023 NOLCO	Additions (deductions) during the year MCIT	Additions (deductions) during the year NOLCO	2024 MCIT	2024 NOLCO
2021	2024/2026	34,129	1,781,366	(34,129)	-	-	1,781,366
2022	2025	33,042	1,503,074	-	-	33,042	1,503,074
2023	2026	-	4,128,302	-	-	-	4,128,302
2024	2027	-	-	51,485	1,563,232	51,485	1,563,232
Total		**67,171**	**7,412,742**	**17,356**	**1,563,232**	**84,527**	**8,975,974**
Deferred tax asset		**67,171**	**1,482,548**	**17,356**	**312,646**	**84,527**	**1,795,195**

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. As of December 31, 2023, the Company incurred NOLCO which can be claimed as deduction from the regular taxable income for the next 5 or 3 consecutive taxable years pursuant to the Bayanihan to Recover As One Act.

The Company’s deferred tax liability is as follows:

	2024	2023
Revaluation surplus	**1,368,689**	1,774,904
Unrealized gain on investment properties	**381,071**	381,071
	1,749,760	2,155,975

Revaluation surplus - This will be taxable upon the sale of office unit.

Unrealized gain on investment properties - This will be taxable upon the sale of investment properties.

A reconciliation of the deferred tax liability at the beginning and end of 2024 and 2023 is shown below.

	2024	2023
Beginning of the year	**2,155,975**	2,775,023
Adjustments on deferred tax liability on revaluation surplus	**(406,215)**	(619,048)
Balance at the end of the year	**1,749,760**	2,155,975

Note 22 – Related party transactions

The Company in the normal course of business, pays for taxes and licenses of affiliate. The summary and nature of accounts with related parties as of December 31, 2024 and 2023 and for the years then ended are the following:

1. Entities with significant influence over the entity

2024	Nature of Transactions	Amount of Transactions	Outstanding Balance	Impairment	Allowance for Impairment	Settlement	Remarks
Officers / Directors	Professional fee	1,064,760	-			Cash	Consultancy agreement
	Due from non-customers	322,284	323,063			Cash	Debit balances in the accounts of officers; secured, receivable within one year
	Advances to officers	(1,000,000)	-			Cash	Advances to officers; unsecured, payable on demand
	Due to non-customers	(4,293,140)	1,773,764			Cash	Credit balances in the accounts of officers; secured, payable within one year

(In Philippine Peso)

2023	Nature of Transactions	Amount of Transactions	Outstanding Balance	Impairment	Allowance for Impairment	Settlement	Remarks
Officers / Directors	Professional fee	1,165,000	-	-	-	Cash	Consultancy agreement
	Due from non-customers	-	779	-	-	Cash	Debit balances in the accounts of officers; secured, receivable within one year
	Advances to officers	-	1,000,000	-	-	Cash	Advances to officers; unsecured, payable on demand
	Due to non-customers	328,880	6,066,904	-	-	Cash	Credit balances in the accounts of officers; secured, payable within one year

2. Other related parties

2024	Nature of Transactions	Amount of Transactions	Outstanding Balance	Impairment	Allowance for Impairment	Settlement	Remarks
Common Control	Payment of taxes and licenses	(1,184,866)	-	-	-	-	Due from affiliate; unsecured, payable on demand

2023	Nature of Transactions	Amount of Transactions	Outstanding Balance	Impairment	Allowance for Impairment	Settlement	Remarks
Common Control	Payment of taxes and licenses	-	1,184,866	-	-	-	Due from affiliate; unsecured, payable on demand

Transactions with related parties include payments made by the Company on behalf of affiliated company and officers, charges on various activities and others. The advances to affiliate and officers are non-interest bearing and have no fixed repayment terms.

The Company in the normal course of business, pays for taxes and licenses of affiliate.

No provision for uncollectible receivables related to the amount of outstanding balances were set up and in effect, no expense was recognized during the period in respect of doubtful accounts due from related parties. Further, no reversal of allowance for uncollectible receivables was made.

The Company has no considered key management personnel. Rather, former officers are now working as consultant of the Company.

(In Philippine Peso)

Note 23 – Equity

Share capital

This is broken down as follows:

	2024	2023
Authorized share capital	**₱100,000,000**	₱50,000,000
Number of shares	**10,000,000**	5,000,000
Par value	**₱10**	₱10
Subscribed share capital	**₱65,000,000**	₱50,000,000
Paid up capital	**₱59,000,000**	₱50,000,000

	2024	2023
Issued shares		
Balance at the beginning of the year	**5,000,000**	4,977,150
Issued during the year	**900,000**	22,850
Balance at the end of the year	**5,900,000**	5,000,000

As of December 31, 2024 and 2023, the Company has five (5) shareholders owning 100 or more shares each of the Company's share capital.

The Company is subject to the Revised Securities Act (RSA) Rule 24(a)-1, which requires the maintenance of a minimum net capital of ₱5 million and requires that the percentage of aggregate indebtedness to net capital, as defined shall not exceed 2,000 percent of its net capital. Net capital and related percentage of aggregate indebtedness to net capital, as defined may fluctuate on a daily basis.

Memorandum 2010-0316 of the Philippine Stock Exchange dated June 18, 2010 requires all Trading Participants to have a minimum unimpaired paid up capital, as defined by SEC, of ₱20,000,000 effective December 31, 2010. Further, effective December 31, 2010 onwards, the minimum unimpaired capital shall be ₱30,000,000 (Article III, Sec. 8 of Rules Governing Trading Rights and Trading Participants).

To cope up with the required minimum unimpaired capital during 2010, the Company's shareholders decided to contribute an asset in Tagaytay with an appraisal amount of ₱4,786,000 and by paying additional ₱69,000 in cash. However, in its Memorandum No. 2011-0494 dated October 22, 2011, PSE granted the deferment of the ₱30 million unimpaired paid up capital requirement for the trading participants effective January 1, 2011 – December 31, 2011 subject to the following conditions:

- Trading participants with unimpaired paid up capital falling below ₱30 million shall post surety bond amounting to ₱10 million for the period covering January 1 – December 31, 2011 until the 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. This is to cover the risk of investors for the securities held and controlled by the trading participants (TP) and is on top of the surety bond requirement of ₱12 million in compliance with Securities Regulation Code Rule 28.1 of the SRC. Thus, it shall not apply to trading participants with unimpaired paid up capital of ₱30 million and above.

- Implementation of the Margin Requirement of Securities Clearing Corporation of the Philippines.

The deferral granted by the Commission is effective only for the period January 2011 until December 31, 2011. Hence, all TPs must have complied with the ₱30 million UPC requirements by the year 2012.

In 2024, the Company has unimpaired capital of ₱38,010,763. (In 2023, the Company had unimpaired capital of ₱35,563,329. This is after considering the deposit for future subscription amounting ₱9,000,000 treated as equity, see note 23).

Deposits for future subscription

On October 13, 2023, the BOD and the stockholders approved the increase of authorized capital of the Company from ₱50 million divided into 5,000,000 shares at ₱10 par value to ₱100 million divided into 10,000,000 shares at ₱10 par value.

Of the ₱50 million increase, ₱ 9million were already paid by the subscribers and recorded as Deposit for Future Subscription (DFFS) in the Company's financial statements.

(In Philippine Peso)

The application for increase in authorized capital was submitted to SEC on October 31, 2023 and was assigned to Securities Financial Specialist on November 3, 2023. Further on January 25, 2024, the Markets and Securities Regulated Department issued a Memorandum stating that the Department does not interpose any objection to the application. The Company recognized the DFFS as part of equity as following elements are present at the end of the reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the Company);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with Commission.

As the increase in authorized capital shares was approved by the SEC during the year, the deposit for future subscription was converted as part of the paid-up capital of the Company.

In a special meeting held at its principal office on October 13, 2023, the Board of Directors and of stockholders representing at least 2/3 of the outstanding capital stock approved that the Company increase its authorized capital stock from Fifty Million Pesos (₱50,000,000) to One Hundred Million Pesos (₱100,000,000) and that out of the Fifty Million Pesos increase, Twelve Million Five Hundred Thousand Pesos (₱12,500,000) will be subscribed, and of said subscription, the amount of Nine Million Pesos (₱9,000,000) will be paid in cash. This is part of the Company's capital build-up plan in order to comply with the SEC requirements for unimpaired capital.

On December 9, 2024, the SEC approved the increase of the Company's authorized capital shares amounting to ₱100,000,000.

Additional paid-in capital

The Company's additional paid-in capital from the issued shares amounted to ₱11,505,750 as of December 31, 2024 (2023 – ₱7,005,750).

Reserves

Analysis of reserves in the statements of changes in equity is presented as follows:

	Property Revaluation Reserve
As of January 1, 2024	**7,099,618**
Other comprehensive income for the year – net of tax	
Realization of revaluation increment – net of tax	**(256,172)**
As of December 31, 2024	**6,843,446**

	Property Revaluation Reserve
As of January 1, 2023	6,896,052
Other comprehensive income for the year – net of tax	
Adjustment on revaluation increment (note 10)	459,738
Realization of revaluation increment – net of tax	(256,172)
As of December 31, 2023	7,099,618

The property revaluation reserve is not available for distribution to the Company's shareholders.

Accumulated Losses

The movements in the Company's accumulated losses are as follow:

	2024	2023
Balance at the beginning of the year	**(30,442,421)**	(22,251,402)
Realization of revaluation increment – net of tax	**320,215**	320,215
Total comprehensive loss during the year	**(2,372,781)**	(8,511,234)
Balance at the end of the year	**(32,494,987)**	(30,442,421)

(In Philippine Peso)

Accumulated losses is broken down as follows:

	2024	2023
Appropriated	**2,700,388**	2,700,388
Unappropriated	**(35,195,375)**	(33,142,809)
	(32,494,987)	(30,442,421)

SRC Rule 49.1 Reserve Fund under SEC Memo 16 - 2004 states that 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 following schedule:

Unimpaired Paid Up Capital	**Minimum percentage or profit after tax to be placed in the Appropriated Retained Earnings**
Between 10 million to 30 million	30%
Between 30 million to 50 million	20%
More than 50 million	10%

The rule further states that:

- 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 to the capital account an amount equivalent to the impairment. Such amount so transferred out shall not be available for payment of dividend.
- Consistent with the general usage under SRC Rule 28.1 (E) (v), the term "Unimpaired Paid Up Capital" shall refer to the firm's Total Paid Up Capital less any deficiency in the Retained Earnings account.
- A Broker Dealer may submit to the Commission for approval its own capital build-up plan in lieu of the requirements of this provision.
- Notwithstanding the requirements of this section, the Commission may prescribe a different capital build-up plan for all Broker Dealers, specifically those incurring net losses during the period, which may include the programmed infusion of fresh capital.

In 2024 and 2023, the Company's operation resulted to a total comprehensive loss of ₱2,308,738 and ₱7,987,453 respectively, hence no appropriation was made.

Note 24 – Financial risk management objectives and policies

The Company is exposed to a variety of financial risks which results from both operating and investing activities. The Company's risks management is handled by the CEO with the Board of Directors, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

a. Market risk analysis

<u>Interest rate sensitivity</u>

Interest rate risk refers to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest.

The Company's policy is to minimize interest rate cash flow risk exposures by usually availing of fixed interest rate loans. At December 31, 2024 and 2023, the Company is exposed to changes in market interest rates through its bank borrowings.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/5% (2023: +/-5%), with all other variables held constant, on the Company's income before tax as of and for the years ended December 31, 2024 and 2023.

	Loss for the year	
	+ 5%	**- 5%**
31 December 2024	**(134,041)**	**134,041**
31 December 2023	(68,408)	68,400

The Company's income is not dependent on the interest income invested in financial instruments.

Equity price risk

The Company is exposed to equity price risk in relation to its securities held for trading.

The Company's trading strategies with respect to its security positions are periodically reviewed by the Company's senior management together with BOD. Senior management is responsible for reviewing trade positions, exposures, profit and losses and trading strategies. Said positions are marked-to-market every month (or more often in a volatile market environment) in order that the mandate of the senior management as to the points at which to liquidate the securities could be carried out.

The following table demonstrates the sensitivity to a reasonably possible change in share price, with all other variables held constant:

	Change in equity price	Effect on equity (in thousands)
Financial assets through profit or loss		
2024	**±38%**	**±1,385**
2023	±17%	±8,756

b. Credit risk analysis

Credit risk refers to the risk that the borrower or issuer or counterparty may fail to perform its obligation to pay in a timely manner, or that its ability to perform such obligation may get impaired before delivery date. Credit risk is not limited to lending activities only but arises whenever funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether on or off books.

In order to mitigate credit risk, it is the policy of the Company that it deals only with: (a) reputable and creditworthy obligors and counterparties; (b) establishes prudent credit limits for each obligor and counterparty; (c) monitors usage of credit limits to ensure that those limits are complied with. The Company has significant concentration of credit risk relating to the loans and receivables from individuals and institutional counterparties arising from the normal business of the Company.

In the Company's normal course of business, the activities include trade execution for its clients which may expose the Company to risk arising from price volatility which can reduce the clients' ability to meet their obligations. The Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations to the extent clients are unable to meet their commitments to the Company.

In accordance with industry practice, client trades are settled generally three (3) business days after trade date. Should either the client or the counterparty fail to settle its obligation on the settlement date, the Company may be required to complete the transaction at prevailing market prices.

The Company monitors concentration of credit risk on both individual and institutional counterparties by considering its credit worthiness, financial strength, and the size of its positions or commitments. Where considered necessary, the Company requires a deposit of additional collateral or a reduction of securities position from the counterparty.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial position (or in the detailed analysis provided in the notes to the financial statements) as summarized below:

	2024	2023
Cash in banks*	**3,564,179**	3,376,476
Receivables	**10,367,866**	10,623,204
	13,932,045	13,999,680

**Excluding cash on hand*

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

(In Philippine Peso)

The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments, net of the value of collaterals, if any. Below is the summary of aging of the Company's due from customers and non-customers:

	2024	2023
Not more than 1 day	**647,422**	489,895
More than 1 day but not more than 12 days	**2,103,576**	951,830
More than 12 days but not more than 30 days	**4,111,114**	205,987
More than 30 days but not more than 1 year	**2,877,454**	5,841,146
More than 1 year	**733,895**	1,349,162
	10,473,461	8,838,020

Allowance for expected credit losses as of December 31, 2024 amounted to ₱1,002,215 (2023 – ₱713,598). Management believes that the quality of its unimpaired receivables is high.

The allowance for expected credit loss for the Company's due from customers and non-customers are as follows:

	2024	2023
Due from customers (note 6)	**1,002,215**	713,598
Due from non-customers	**-**	-
	1,002,215	713,598

Section 3. SRC Rule 52 is hereby amended wherein the aging schedule shall indicate the monetary and securities collateral values of the customers' receivables as of end of the month, broken down as follows:

As at December 31, 2024

	T to T+1	T+2 to T+12	T+13 to T+30	Beyond T+31	**2024**
Expected credit loss rate	0%	2%	50%	100%	
Basis for expected credit loss*	6,474,212	2,103,576	50,730	934,779	**9,563,297**
Lifetime expected credit loss	-	42,071	25,365	934,779	**1,002,215**

**The basis for expected credit loss for T to T+12 is based on total due from customers and non-customers; while T+13 to beyond 30 days are the unsecured accounts (net of collateral).*

As at December 31, 2023

	T to T+1	T+2 to T+12	T+13 to T+30	Beyond T+31	2023
Expected credit loss rate	0%	2%	50%	100%	
Basis for expected credit loss*	667,949	773,776	49,360	673,444	2,164,529
Lifetime expected credit loss	-	15,475	24,679	673,444	713,598

**The basis for expected credit loss for T to T+13 is based on total due from customers and non-customers; while T+14 to beyond 30 days are the unsecured accounts (net of collateral).*

c. Liquidity risk analysis

Liquidity risk is the risk of being unable to meet payment obligations as they become due without incurring unacceptable losses due to disruption in funding sources and/or inability to liquidate assets quickly due to changes in market conditions, and/or unplanned utilization of cash resources.

Management of liquidity is the responsibility of the top management of the Company. Given the nature of the Company's business, mitigation of liquidity risk involves in the first instance forecasting liquidity requirements and ensuring sufficient balance of cash on hand and in banks maintained to meet immediate needs.

The maturity dates of financial assets and liabilities are matched. The liability to customers, brokers and/or clearing house are matched by a corresponding receivable from customers/clearing house. Liquidity risk would arise if all loans and receivables are not settled in the usual T+2 settlement period.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls.

(In Philippine Peso)

The Company's current ratios are 1.27 and 1.22 in 2024 and 2023, respectively.

As of December 31, 2024, the Company's financial liabilities have contractual maturities which are presented below:

		Current		**Non – Current**
	Within 6 months	**6 to 12 months**	**2 to 5 years**	**Later 5 years**
Borrowings	2,729,318	2,762,360	6,484,326	-
Payables*	11,120,336	1,862,864	-	-
	13,849,654	4,625,224	6,484,326	-

**The amount of payables is net of deferred revenue and government payables which are not considered as financial liabilities*

As of December 31, 2023, the Company's financial liabilities have contractual maturities which are presented below:

		Current		Non – Current
	Within 6 months	6 to 12 months	2 to 5 years	Later 5 years
Borrowings	5,666,251	803,827	-	8,092,009
Payables*	11,955,350	2,049,932	-	-
	17,621,601	2,853,759	-	8,092,009

**The amount of payables is net of deferred revenue and government payables which are not considered as financial liabilities*

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the reporting dates.

The Company did not have any significant concentration of liquidity risk.

Note 25 – Capital management objectives, policies and procedures

The primary objective of the Company's capital management is to ensure compliance with the externally imposed capital requirements and maintain sufficient cash in banks to meet its daily settlement requirements.

The adequacy of the Company's capital is monitored using among other measures the rules and ratios established by the SEC for stockbrokers and dealers. The Company's compliance with regulatory capital requirement is monitored through the RBCA report which mandates the minimum capital level after considering the risk requirements associated with its business operations.

Regulatory Qualifying Capital

The Amended Implementing Rules and Regulations of the SRC effective February 28, 2004 include, among others, revisions in the terms and conditions for the 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 ₱2.5 million or 2.5% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities, (b) to allow the SEC to set a different net capital requirement for those authorized to use the RBCA model, and (c) to require unimpaired paid – up capital of ₱100 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; ₱10 million plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

Based on SEC Memorandum Circular No. 16 dated November 11, 2004, starting December 31, 2005, every broker dealer is expected to comply with all the requirements of the RBCA rules. As of December 31, 2005, the RBCA report is prepared based on the guidelines which cover the following risks: (a) position or market risk, (b) credit risks such as counterparty, settlement, large exposure (LER), 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 SRC. NLC consists of total equity less allowance for credit losses, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the Aggregate Indebtedness (AI) of every stockholder should not exceed two thousand percent (2,000%) of its NLC and at all times shall have and maintain NLC of at least ₱5 million of five percent of the AI, whichever is higher. If the minimum RBCA ratio of 110% or the minimum NLC is breached, such broker dealer shall immediately cease doing cease as broker dealer.

(In Philippine Peso)

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 other 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:

c. The broker dealer's NLC would be less than 120% or the minimum amount which is at least ₱5 million or 5% of its AI whichever is higher; or

d. The AI of the broker dealer exceeds one thousand five hundred percent (1500%) if its net capital.

Any transaction between a broker dealer 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 of the Company as reported to SEC as of December 31, 2024 and 2023 are shown in the table below:

	2024	2023
Equity eligible for NLC	**35,557,700**	26,880,805
Less: Ineligible Assets	**30,113,399**	21,333,241
Net Liquid Capital (NLC)	**5,444,301**	5,547,564
Operational risk	**1,036,080**	2,204,961
Position risk	**2,285,710**	2,099,813
Counterparty risk	**132,020**	69,812
Large Exposure Risk (LERR) 3 to a single issuer and group of companies	**-**	-
Total Risk Capital Requirement (TRCR)	**3,453,810**	4,374,586
Aggregate Indebtedness (AI)	**13,272,589**	12,129,302

	2024	2023
5% of AI	**663,629**	606,465
Required NLC	**5,000,000**	5,000,000
Net Risk-based Capital Excess	**444,301**	547,564
Ratio of AI to NLC	**244%**	219%
RBCA ratio	**158%**	127%

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

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

Ineligible Assets. These pertain to fixed assets and assets which cannot be readily converted into cash.

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

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

Counterparty Risk Requirement. This amount is necessary to accommodate a given level of counterparty risk. Counterparty risk is the risk of a counterparty defaulting on its financial obligation to a broker dealer.

(In Philippine Peso)

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

The Company's capital management objectives are:

- To ensure the Company's ability to continue as going concern; and
- To provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the financial position.

Capital for the periods under review is summarized as follows:

	2024	2023
Total liabilities	**26,998,350**	31,003,340
Total equity	**44,854,209**	42,662,947
Debt to equity ratio	**0:60:1**	0.73:1

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

Also, the Company's cash reserve requirement as of December 31, 2024 based on SEC's prescribed computation amounted to ₱1,741,634 (2023 – ₱28,418). As of report date, the Company is compliant with its balance of Special Reserve Bank Accounts amounting to ₱3,112,924 (2023 – ₱2,878,353).

Note 26 – Fair value information

Assets and liabilities measured at fair value

The following table gives information about how the fair values of the Company's assets and liabilities, which are measured at fair value at the end of each reporting period, are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at December 31		**Fair value hierarchy**	**Valuation techniques**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
	2024	2023				
Investment properties	**17,340,000**	17,340,000	Level 2	Market comparable approach (See b)	Prices per square meter, Premium (discount) on the quality of property	The estimated fair value increases the higher are premiums for higher quality properties
Financial assets through profit or loss	**6,530,600**	7,520,812	Level 1	Quoted last traded prices in an active market (See a)	Not applicable	Not applicable
Office unit, under property and equipment	**20,781,535**	21,595,819	Level 2	Market comparable approach (See c)	Prices per square meter, Premium (discount) on the quality of property	The estimated fair value increases the higher are premiums for higher quality properties

a) The fair value of the Company's financial assets through profit or loss was measured based on the last traded price provided by the Philippine Stock Exchange as of reporting date.

b) The fair values of the investment properties were determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

(In Philippine Peso)

c) The fair value of the office unit under property and equipment were determined based on Level 2 using appraisal methods performed by SEC accredited appraisers. The fair values were determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Details of each fair value level are discussed below:

- Level 1: Fair value measurements under this level are those that are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements under this level are those that are derived from valuation techniques that include 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).
- Level 3: Fair value measurements under this level are those that are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers to other levels during the period.

Financial assets and liabilities

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

	2024		2023	
	Carrying values	**Fair values**	Carrying values	Fair values
Financial Assets				
Cash on hand and in banks	**3,568,179**	**3,568,179**	3,380,476	3,380,476
Receivables	**10,367,866**	**10,367,866**	10,623,204	10,623,204
Financial assets at fair value through profit or loss	**6,530,600**	**6,530,600**	7,520,812	7,520,812
	20,466,645	**20,466,645**	21,524,492	21,524,492
Financial Liabilities				
Borrowings	**11,976,004**	**11,976,004**	14,562,087	14,562,087
Payables*	**12,983,200**	**12,983,200**	14,005,277	14,005,277
	24,959,204	**24,959,204**	28,567,364	28,567,364

**The amount of payables is net of deferred revenue and government payables which are not considered as financial liabilities.*

The fair value of loans receivable and loans payable is determined based on the discounted cash flow analysis using interest rates for similar type of instruments.

Due to the short-term maturities of cash on hand and in banks, trade and other receivables, borrowings - current, and payables, their carrying amounts approximate their fair values.

Note 27 – Notes to cash flows statements

a. Property and equipment

Acquisitions of property and equipment during the year amounted to ₱8,096 (2023 – ₱28,570).

b. Reconciliation of liabilities arising from financing activities

The tables below detail changes in the Company’s liabilities arising from financing activities, including both cash and non-cash changes in 2023 and 2024. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company’s statements of cash flows as cash flows from financing activities. This mainly includes the Company’s bank borrowings.

(In Philippine Peso)

2024	**January 1, 2024**	**Financing cash flows (i)**	**Non-cash changes**	**December 31, 2024**
Borrowings (Note 15)	14,562,087	(2,586,083)	-	11,976,004
Total	14,562,087	(2,586,083)	-	11,976,004

2023	January 1, 2023	Financing cash flows (i)	Non-cash changes	December 31, 2023
Borrowings (Note 15)	16,040,773	(1,478,686)	-	14,562,087
Subordinated loan	9,000,000	(9,000,000)	-	-
Total	25,040,773	(10,478,686)	-	14,562,087

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statements of cash flows.

c. Cash on hand and in banks

	2024	2023
Petty cash fund	**4,000**	4,000
Cash in banks	**3,564,179**	3,376,476
	3,568,179	3,380,476

Cash accounts with the banks generally earn interest at rates based on daily bank deposit rates. Interest income for the year amounted to ₱11,668 (2023 – ₱3,689).

Note 28 – Supplementary information required by the Bureau of Internal Revenue under Revenue Regulation Nos. 15 – 2010 and 34 – 2020

The following supplementary information are presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Revenue Regulation 15 - 2010

I. Output VAT declared in the Company's VAT returns

	Net Sales	Output VAT
Vatable sales:	5,374,645	644,957

II. Input VAT

Balance at January 1	1,757,019
Deferred input VAT, beginning	-
Current year's domestic purchases/payments for Goods	204,823
Total available input tax	1,961,842
Deferred input VAT, ending	-
Output tax	(644,957)
VAT paid	-
Balance at December 31	1,316,885

III. Information on the Company's importations

The Company does not engage in transactions involving importations of goods.

(In Philippine Peso)

IV. <u>Other taxes and licenses</u>

License and permit fees:	
SEC license renewal	140,500
Real property tax	34,829
Business permit renewal	16,141
Documentary stamp tax	9,439
Others	2,607
	203,516

V. <u>Withholding taxes</u>

Expanded withholding taxes	11,722
Withholding taxes on compensation	62,292
	74,014

Revenue Regulation 34-2020

Revenue Regulation 34-2020 prescribes guidelines and procedures for the submission of BIR 1709, Transfer Pricing Documentation (TPD) and other supporting documents, amending for this purpose the pertinent provisions of Revenue Regulations (RR) Nos. 19-2020 and 21-2002 as amended by RR No. 15-2010.

In compliance with RR 34-2020, the Corporation is not covered under Section 2 of the said RR and is therefore not covered by the requirements and procedures for related party transactions as stated thereof.

Ramon F. Garcia & Company CPAs
30F Burgundy Corporate Tower,
252 Sen. Gil Puyat Ave., Makati City
Telephone No. +632 8821 05 63
www.crowe.com/ph

SUPPLEMENTAL WRITTEN STATEMENT OF AUDITOR

The Shareholders and Board of Directors
MDR SECURITIES, INC.
Unit 1608 Philippine Stock Exchange Tower
5th Ave. cor. 28th St., Bonifacio Global City
Taguig City

We have examined the financial statements of **MDR SECURITIES, INC.** for the year ended December 31, 2024, on which we have rendered the attached report dated April 14, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of five (5) shareholders owning one hundred (100) or more shares each.

RAMON F. GARCIA & COMPANY, CPAs
By:

JOSEFINO F. GARCIA
Partner
CPA Certificate No. 0049932
PTR No. 10490128, January 21, 2025, Makati City
TIN 105-540-561
BOA/PRC Accreditation No. 0207 (April 9, 2023 to October 5, 2025)
Partner's BIR Accreditation No. 08-001759-002-2023 (April 14, 2023 to April 13, 2026)
Partner's SEC Accreditation No. 49932-SEC Category A, Valid for audit of 2021 to 2025 financial statements
Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)
Firm's SEC Accreditation No. 0207-SEC Group A, Valid for audit of 2021 to 2025 financial statements

April 14, 2025

Ramon F. Garcia & Company CPAs
30F Burgundy Corporate Tower,
252 Sen. Gil Puyat Ave., Makati City
Telephone No. +632 8821 05 63
www.crowe.com/ph

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Shareholders and Board of Directors
MDR SECURITIES, INC.
Unit 1608 Philippine Stock Exchange Tower
5th Ave. cor. 28th St., Bonifacio Global City
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **MDR SECURITIES, INC.** as at and for the year ended December 31, 2024, and issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Supplementary schedule presented as Index to the Financial Statements is the responsibility of the Company's management. The schedules are presented for purposes of complying with the Securities Regulation Code and are not part of the basic financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

RAMON F. GARCIA & COMPANY, CPAs
By:

JOSEFINO F. GARCIA
Partner
CPA Certificate No. 0049932
PTR No. 10490128, January 21, 2025, Makati City
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April 14, 2025

MDR SECURITIES, INC.
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2024

SUPPLEMENTARY SCHEDULES

Schedule I

MDR SECURITIES, INC.
STATEMENTS OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2024

	2024	2023
Balance, January 1	-	-
Additions	-	-
Disposals	-	-
Balance, December 31	-	-

MDR SECURITIES, INC.
RISK-BASED CAPITAL ADEQUACY WORKSHEET
December 31, 2024

Assets	**71,852,562**
Liabilities	**26,998,353**
Equity as per books	**44,854,209**
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(9,296,510)
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	**(9,296,510)**
Equity Eligible For Net Liquid Capital	**35,557,700**
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	792,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	26,145,532
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	1,858,896
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	1,316,970
Total ineligible assets	**30,113,399**

Net Liquid Capital (NLC)	**5,444,301**
Less:	
Operational Risk Reqt (Schedule ORR-1)	**1,035,137**
Position Risk Reqt (Schedule PRR-1)	**2,285,710**
Counterparty Risk (Schedule CRR-1 and detailed schedules)	**132,021**
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	**3,452,868**
Net RBCA Margin (NLC-TRCR)	**1,991,432**
Liabilities	**26,998,353**
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilites	
Loans secured by securities	
Loans secured by fixed assets	11,976,004
Others	1,749,760
Total adjustments to AI	**(13,725,764)**
Aggregate Indebtedness	**13,272,589**
5% of Aggregate Indebtedness	**663,629**
Required Net Liquid Capital (> of 5% of AI or P5M)	**5,000,000**
Net Risk-based Capital Excess / (Deficiency)	**444,301**
Ratio of AI to Net Liquid Capital	**244%**
RBCA Ratio (NLC / TRCR)	**158%**

April 27, 2025

Schedule III

MDR SECURITIES, INC.
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER SRC RULE 49.2-1
DECEMBER 31, 2024

Customers fully paid securities and excess margin securities not in the broker's or dealer's possession or control as of the report date (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 49.2-1):

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 49.2-1:

Market Valuation	NIL
Number of Items	NIL

MDR SECURITIES, INC.
RESERVE FORMULA WORKSHEET
December 31, 2024

1 . Free Credit balances and Other Credit Balances in Customer Securities Accounts	
Unadjusted trial balance amount	12,894,994.17
A . Additions:	
1. Bank Account Overdrafts/1	
2. Credit balances in customer omnibus accounts	
3. Any other customer credit balance not accounted for elsewhere (explain nature) Dividends Payable Others	
Subtotal	-
B . Deductions:	
1. Credit Balances in the accounts of non customers such as general partners and principal officers	1,773,764.00
2. Credit balances in customers' cash accounts arising from the sale of a security not delivered if the securities are purchased by the broker-dealer for its own account and have not been resold	
Subtotal	1,773,764.00
Adjusted total line item #1	11,121,230.17
2 . Monies Borrowed Collateralized by Securities carried for the Accounts of Customers	
Unadjusted trial balance amount customer loan	
Unadjusted trial balance amount commingled loan/2	
Adjusted total line item #2	-
3 . Monies Payable Against Securities Loaned	
Unadjusted trial balance amount	
A . Additions:	
1. The amount by which the market value of customers securities loaned exceed the collateral value received from lending os such securities	
Adjusted total line item #3	-
4 . Customer Securities Failed to Receive (as Determined by Allocation or Specific Identification)	
Unadjusted Balance:	
A . Additions:	
1. The amount by which the market value by which fails to receive outstanding for more than 34 calendar days exceed their contract value/3	
2. Clearing Accounts with net credit balances attributable to customers transactions. (Clearing Corporations)	-
3. Unsecured customer short positions which allocate to customer long positions/4	
4. Any other credit not accounted for elsewhere in the formula	
Subtotal	-
Adjusted total line item #4	-

5 . Credit balances in Firm Accounts which are Attributable to Principal Sales to Customers/5	
6 . Market Value of Stock Dividends and Splits Outstanding Over 30 Calendar days / 5 / 6	
7 . Market Value of Short Security Count Differences over 30 calendar days old (not to be offset by long count differences)	
8 . Market Value of Short Securities and Credits (not to be offset by loans or debits) in all Suspense Accounts over 30 calendar days old	
1. Credit Balances Only	
2. Security Positions Only / 5	
3. Security Positions with Related Balances / 5 / 7	
Adjusted total line item #8	-
9 . Market Value of Securities in Transfer in Excess of 40 Calendar Days which have not been confirmed to be in transfer by the Transfer Agent of the issuer during 40 days	
Aggregate Credit Items	11,121,230.17
10 . Debit Balances in customers' cash and margin accounts excluding Unsecured Accounts and Accounts Doubtful of Collection	
Unadjusted trial balance	10,473,461.05
A . Additions:	
1. Debit balance in customer omnnibus accounts	
2. Any other customer debit balance not accounted for elsewhere (explain nature)	
Others	
Subtotal	-
B . Deductions:	
1. Unsecured balances and accounts doubtful of collection	1,002,215.49
2. Debit balances in the accounts of non-customers such as general partners and principal officers	323,062.54
3. Reduction of margin debits for undue concentration of collateral/8	
4. Deficits in customer-related omnibus accounts/9	
5. Debit Balances in accounts of household members and affiliated members/10	
6. Reduction if unduly concentrated margin account balances/11	
7. Reduction of debit balances of accounts jointly owned by customers and non-customers/12	
8. Reduction for partly secured cash accounts	579,520.53
Subtotal	1,904,798.56
Subtotal of Adjusted Total Debits	8,568,662.49
Reduce Subtotal by 1%	1%
Adjusted total line item #10	8,482,975.87
11 . Prepayment from Client for Early Settlement of Account	
12 . Securities Borrowed to Effectuate Short Sales by Customers and Securities Borrowed to make delivery on Customers' Securities Failed to Deliver	
13 . Fails to Deliver oc Customer Securities not older than 30 calendar days (as determined by Allocation or Specific Identification)	
Unadjusted Balance	
A . Additions	
1. Clearing Accounts with net debit balances attributable to customer transactions (Clearing Corporations)	896,620.03
2. Drafts receivable outstanding less than 30 calendar days related to customer transaction / 13	
Subtotal	896,620.03
B . Deductions	
1. Securities which are in the firm's physical possession and control and in excess of the broker-dealer's possession and	

control requirements for three business days past settlement.	
2. Others (explain nature)	
Subtotal	-
Adjusted line item # 13	896,620.03
Aggregate Debit items	9,379,595.90

B . Determination of Requirements

Aggregate Credit Items	11,121,230.17
Aggregate Debit Items	9,379,595.90
Net Credit/(Debit)	1,741,634.27
Required Reserve (100% of Net Credit if making a weekly computation or 105% if monthly)	1,741,634.27

C . Frequency of Computation ☑ Weekly ☐ Monthly

Monthly, if:

☑ Aggregate Indebtedness: Net Capital Ratio < 800% 244%

AND

☐ Aggregate Customer Funds < P25 million 11,121,230.17

D . Special Reserve Bank Account Balance

Special Reserve Account balance Prior to Computation	3,112,924.06
Less: Deposit Required	1,741,634.27
Additional Deposit Required	-
Note: Deposit should be made no later than 10 a.m. on the second banking day following computation date.	

Schedule V

MDR 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

We noted no matters involving the company’s internal control structure and its operations that we consider to be material weaknesses.

MDR SECURITIES, INC. SCHEDULE VI
INVENTORY REPORT BY LOCATION - SUMMARIZED
As of December 31, 2024
Customer : JOY TAN (168) - SUSPENSE (SUSPENSE)

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
AAA	ASIA AMALGAMATED HOLDINGS	0	0	0	12,500	12,500	1.61	20,125.00
AB	ATOK-BIG WEDGE CO., INC.	0	0	0	25,600	25,600	5.44	139,264.00
ABA	ABACORE CAPITAL HOLDINGS, INC.	0	0	0	2,027,600	2,027,600	0.53	1,074,628.00
ABG	ASIABEST GROUP INT. INC.	0	0	0	14,200	14,200	26.20	372,040.00
ABS	ABS-CBN	20	0	0	19,825	19,845	4.20	83,349.00
ABSP	ABS-CBN HOLDINGS CORP. (PDR)	0	0	0	58,500	58,500	3.80	222,300.00
AC	AYALA CORPORATION	60	0	0	8,480	8,540	599.00	5,115,460.00
ACEN	ACEN CORPORATION	3,299	0	0	3,036,930	3,040,229	4.00	12,160,916.00
ACENA	ACEN SERIES A PREFERRED	0	0	0	6,000	6,000	1,050.00	6,300,000.00
ACENB	ACEN SERIES B PREFERRED	0	0	0	5,000	5,000	1,056.00	5,280,000.00
ACPAR	AYALA CORPORATION PREFERRED "A"	0	0	0	800	800	2,550.00	2,040,000.00
ACPB3	AYALA CORP. PREF. B SERIES 3	0	0	0	2,700	2,700	2,052.00	5,540,400.00
ACR	ALSONS CONSOLIDATED RES. INC.	0	0	0	355,000	355,000	0.46	163,300.00
AEV	ABOITIZ EQUITY VENTURES, INC.	600	0	0	77,580	78,180	34.35	2,685,483.00
AGI	ALLIANCE GLOBAL, INC.	0	0	0	1,590,700	1,590,700	9.00	14,316,300.00
ALCO	ARTHALAND CORPORATION	0	0	0	501,350	501,350	0.37	182,992.75
ALCPF	ARTHALAND CORP. PREFERRED SERIES F	0	0	0	6,000	6,000	490.00	2,940,000.00
ALI	AYALA LAND INC.	1,180	0	0	421,799	422,979	26.20	11,082,049.80
ALLDY	ALLDAY MARTS, INC.	0	0	0	2,071,000	2,071,000	0.13	275,443.00
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	0	0	0	538,000	538,000	1.70	914,600.00
ALTER	ALTERNERGY HOLDINGS CORPORATION	0	0	0	253,000	253,000	1.20	303,600.00
AMC	ALASKA MILK CORPORATION	1,000	0	0	0	1,000	17.20	17,200.00
ANI	AGRINURTURE, INC.	0	0	0	118,000	118,000	0.51	60,180.00
ANS	A. SORIANO CORPORATION "A"	2,825	0	0	22,513	25,338	13.68	346,623.84
AP	ABOITIZ POWER CORPORATION	0	0	0	274,220	274,220	37.70	10,338,094.00
APC	APC GROUP, INC.	0	0	0	4,741,000	4,741,000	0.19	877,085.00
APCS	ASIAN PETROLEUM CORP. SUBS'N	40,000	0	0	0	40,000	0.10	4,000.00
APL	APOLLO GLOBAL CAPITAL, INC.	0	0	0	90,806,700	90,806,700	0.00	363,226.80
APO	ANGLO-PHIL OIL	180	0	0	6,284,210	6,284,390	0.45	2,827,975.50
APVI	ALTUS PROPERTY VENTURES INC.	0	0	0	65	65	8.32	540.80
APX	APEX MINING CO., INC. "A"	0	0	0	7,348,916	7,348,916	3.45	25,353,760.20
AR	ABRA MINING	0	0	0	76,000,000	76,000,000	0.00	349,600.00
ARA	ARANETA PROPERTY, INC.	150	0	0	4,627	4,777	0.51	2,436.27
AREIT	AREIT,INC.	0	0	11,200	137,900	149,100	37.95	5,658,345.00
ASLAG	RASLAG CORP.	0	0	0	100,000	100,000	1.03	103,000.00
AT	ATLAS CONS. MINING & DEV.	85	0	1,109	1,321,243	1,322,437	4.38	5,792,274.06
ATI	ASIAN TERMINALS, INC.	0	0	0	18,033	18,033	17.00	306,561.00

MDR SECURITIES, INC.
INVENTORY REPORT BY LOCATION - SUMMARIZED
As of December 31, 2024
Customer : JOY TAN (168) - SUSPENSE (SUSPENSE)

SCHEDULE VI

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
ATN	ATN HOLDINGS, INC.	0	0	0	10,000	10,000	0.52	5,200.00
AUB	ASIA UNITED BANK CORP	0	0	0	119,250	119,250	61.50	7,333,875.00
AXLM	AXELUM RESOURCES CORP.	0	0	0	330,000	330,000	2.59	854,700.00
BALAI	BALAI NI FRUITAS, INC.	0	0	0	576,000	576,000	0.36	207,360.00
BC	BENGUET CORPORATION "A"	900	0	0	429,897	430,797	3.97	1,710,264.09
BCB	BENGUET CORP "B"	0	0	0	20,571	20,571	3.94	81,049.74
BDO	BANCO DE ORO UNIVERSAL BANK	0	0	0	202,191	202,191	144.00	29,115,504.00
BEL	BELLE RESOURCES CORP "A"	0	0	0	250,628	250,628	1.66	416,042.48
BF	BANCO FILIPINO SAVINGS & MORT.	0	0	0	1,000	1,000	0.00	0.00
BHI	BHI HOLDINGS, INC.	0	0	0	850,000	850,000	0.07	62,900.00
BKR	BRIGHT KINDLE RESOURCES & INV. INC.	0	0	0	98,000	98,000	0.99	97,020.00
BLOOM	BLOOMBERRY RESORTS CORP.	0	0	0	430,400	430,400	4.58	1,971,232.00
BNCOM	BANK OF COMMERCE	0	0	0	47,100	47,100	6.75	317,925.00
BPI	BANK OF THE PHIL. ISLANDS	5,562	0	0	31,137	36,699	122.00	4,477,278.00
BRN	A. BROWN COMPANY, INC.	4	0	0	12,927	12,931	0.56	7,241.36
BRNP	A BROWN COM. INC. SERIES A PREFF	0	0	0	16,000	16,000	96.50	1,544,000.00
BSC	BASIC ENERGY CORPORATION	924	0	0	3,812,829	3,813,753	0.14	533,925.42
C	CHELSEA LOGS. & INFRAS. HOLD. CORP.	0	0	0	653,300	653,300	1.31	855,823.00
CA	CONCRETE AGGREGATES CORP.	0	0	0	1,000	1,000	40.15	40,150.00
CBC	CHINA BANKING CORPORATION	0	0	0	148,090	148,090	63.50	9,403,715.00
CEB	CEBU AIR, INC.	0	0	0	56,000	56,000	28.25	1,582,000.00
CEBCP	CEBU AIR,INC. PREFF	0	0	0	219	219	34.50	7,555.50
CEI	CROWN EQUITIES, INC.	0	0	0	61,600	61,600	0.06	3,449.60
CEU	CENTRO ESCOLAR UNIVERSITY	0	0	0	14,551	14,551	13.80	200,803.80
CHP	CEMEX HOLDINGS PHILIPPINES, INC.	0	0	0	17,180	17,180	1.78	30,580.40
CLI	CEBU LANDMASTERS	0	0	0	253,000	253,000	2.65	670,450.00
CNPF	CENTURY PACIFIC FOOD, INC.	0	0	0	42,000	42,000	41.95	1,761,900.00
CNVRG	CONVERGE INFO & COMM TECH SOL, INC.	0	0	0	382,000	382,000	16.14	6,165,480.00
COAL	COAL ASIA HOLDING INCORPORATED	0	0	0	60,000	60,000	0.15	9,240.00
COL	CITISEC ONLINE	0	0	0	15,000	15,000	1.65	24,750.00
COSCO	COSCO CAPITAL, INC.	60,000	0	0	402,800	462,800	5.38	2,489,864.00
CPG	CENTURY PROPERTIES GROUP INC.	0	0	0	192,062	192,062	0.42	80,666.04
CPGPB	CENTURY PROP. GROUP, INC. SERIES B	0	0	0	20,000	20,000	101.00	2,020,000.00
CPM	CENTURY PEAK HOLDINGS CORPORATION	0	0	0	100,000	100,000	2.50	250,000.00
CREC	CITOCORE RENEWABLE ENERGY CORP.	0	0	0	120,000	120,000	3.21	385,200.00
CREIT	CITICORE ENERGY REIT CORP.	0	0	0	1,375,000	1,375,000	3.05	4,193,750.00
CSB	CITYSTATE SAVINGS BANK, INC.	0	0	0	9,800	9,800	12.52	122,696.00

MDR SECURITIES, INC. SCHEDULE VI
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Customer : JOY TAN (168) - SUSPENSE (SUSPENSE)

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
CTS	CTS GLOBAL EQUITY GROUP, INC.	0	0	0	3,020,000	3,020,000	0.65	1,963,000.00
CYBR	CYBER BAY CORPORATION	0	0	1,100	13,973,430	13,974,530	0.33	4,611,594.90
DD	DOUBLE DRAGON CORPORATION	0	0	0	29,400	29,400	10.20	299,880.00
DDMPR	DDMP REIT, INC.	0	0	0	1,048,000	1,048,000	1.03	1,079,440.00
DELM	DEL MONTE PACIFIC LIMITED	0	0	0	2,500	2,500	3.90	9,750.00
DFNN	DIVERSIFIED FIN. NETWORK, INC.	0	0	0	324,200	324,200	2.85	923,970.00
DGTL	DIGITAL TELECOMMUNICATIONS	0	0	0	15,000	15,000	1.45	21,750.00
DHI	DOMINION HOLDINGS, INC.	0	0	0	98,900	98,900	1.60	158,240.00
DITO	DITO CME HOLDINGS CORP.	0	0	0	1,418,200	1,418,200	1.64	2,325,848.00
DIZ	DIZON COPPER SILVER MINES, INC	0	0	0	6,764	6,764	2.03	13,730.92
DMC	DMCI HOLDINGS, INC.	0	0	0	523,500	523,500	10.82	5,664,270.00
DMW	D.M. WENCESLAO & ASSOCIATES, INC.	0	0	0	25,000	25,000	5.52	138,000.00
DNA	PHILAB HOLDINGS CORP.	0	0	0	97,380	97,380	0.00	0.00
DNL	D&L INDUSTRIES, INC.	0	0	0	1,392,700	1,392,700	6.09	8,481,543.00
ECP	EASYCALL COMM. PHILS., INC.	0	0	0	18,260	18,260	2.21	40,354.60
ECVC	EAST COAST VULCAN MINING CORP.	835	0	0	133,026	133,861	0.31	41,496.91
EEI	ENGINEERING EQUIPMENT INC.	147	0	0	708,776	708,923	3.60	2,552,122.80
EEIPA	EEI CORP. SERIES A PREF. SHARES	0	0	0	2,500	2,500	99.00	247,500.00
EEIPB	EEI CORP. SERIES B PREF. SHARES	0	0	0	20,920	20,920	98.45	2,059,574.00
EG	IP E-GAME VENTURES, INC.	0	0	0	11,400,000	11,400,000	0.00	0.00
EIBA	EXPORT AND INDUSTRY BANK, INC.	5	0	0	5,910,309	5,910,314	0.00	0.00
ELI	EMPIRE EAST LAND HOLDINGS INC.	12,900	0	0	3,938,912	3,951,812	0.12	474,217.44
ENEX	ENEX ENERGY CORP.	0	0	0	24,876	24,876	5.00	124,380.00
EPCI	EQUITABLE BANKING CORPORATION	100	0	0	0	100	95.00	9,500.00
EURO	EURO-MED LAB. PHILS., INC.	0	0	0	244,000	244,000	0.82	200,080.00
EVER	EVER GOTESCO RES. & HOLDINGS	0	0	0	220,000	220,000	0.26	56,100.00
EW	EASTWEST BANKING CORP.	0	0	0	296,767	296,767	9.85	2,923,154.95
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	0	0	0	34,230	34,230	52.75	1,805,632.50
FDC	FILINVEST DEVELOPMENT CORP.	0	0	0	37,843	37,843	4.94	186,944.42
FEB	FAR EAST BANK AND TRUST CO.	1	0	0	0	1	60.00	60.00
FFI	FILIPINO FUND, INC.	0	0	0	12,433	12,433	5.87	72,981.71
FGEN	FIRST GEN CORPORATION	0	0	0	109,900	109,900	16.12	1,771,588.00
FILRT	FILINVEST REIT, CORP.	0	0	0	600,710	600,710	2.95	1,772,094.50
FJP	F&J PRINCE HOLDINGS CORP. "A"	0	0	0	49,000	49,000	2.50	122,500.00
FLI	FILINVEST LAND, INC.	5,950	0	0	1,656,037	1,661,987	0.73	1,213,250.51
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	0	0	0	138,486	138,486	1.04	144,025.44
FOOD	ALLIANCE SELECT FOODS INT' INC.	0	0	0	25,000	25,000	0.38	9,500.00

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FPH	FIRST PHIL. HOLDINGS CORP.	292	0	13,494	39,173	52,959	59.00	3,124,581.00
FPI	FORUM PACIFIC, INC.	0	0	0	20,000	20,000	0.25	4,920.00
FRUIT	FRUITAS HOLDINGS, INC.	0	0	0	2,300,000	2,300,000	0.64	1,472,000.00
FSTEP	FIRST E-BANK CORP. PREFERRED	1,221	0	0	0	1,221	0.00	0.00
GEO	GEOGRACE RESOURCES PHILIPPINES,INC	0	0	0	1,146,428	1,146,428	0.09	100,885.66
GERI	GLOBAL-ESTATE RESOURCES, INC.	0	0	0	145,740	145,740	0.64	93,273.60
GLO	GLOBE TELECOM, INC.	0	0	0	1,869	1,869	2,184.00	4,081,896.00
GMA7	GMA NETWORK, INC.	0	0	0	395,600	395,600	6.11	2,417,116.00
GMAP	GMA HOLDINGS, INC.	0	0	0	95,000	95,000	6.26	594,700.00
GO	GOTESCO LAND, INC.	320	0	0	16,139	16,459	0.14	2,304.26
GOB	GOTESCO LAND, INC. B	0	0	0	1,573	1,573	0.00	0.00
GREEN	GREENERGY HOLDINGS INCORPORATED	0	0	0	65,700	65,700	0.19	12,483.00
GSMI	GINEBRA SAN MIGUEL , INC.	0	0	0	40,350	40,350	275.00	11,096,250.00
GTCAP	GT CAPITAL HOLDINGS INC	0	0	0	32,064	32,064	658.00	21,098,112.00
GTPPB	GTCAP PERPETUAL PREF B	0	0	0	2,200	2,200	990.00	2,178,000.00
HLCM	HOLCIM PHILIPPINES, INC.	0	0	0	7,630	7,630	3.87	29,528.10
HMO	HERCULES MINERALS & OILS INC.	100,000	0	0	0	100,000	0.01	1,000.00
HOME	ALLHOME CORP.	0	0	0	1,076,300	1,076,300	0.64	688,832.00
I	I-REMIT, INC.	0	0	0	328	328	0.23	76.42
ICT	INTERNTL CONTAINER TERMINAL	10,401	0	0	33,383	43,784	386.00	16,900,624.00
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	0	0	0	38,000	38,000	1.49	56,620.00
IMP	IMPERIAL RES. INC. "A"	0	0	0	97,000	97,000	0.63	61,110.00
INFRA	PHILIPPINE INFRADEV HOLDINGS INC.	64,800	0	0	5,111,000	5,175,800	0.30	1,552,740.00
ION	IONICS CIRCUIT INC.	0	0	0	31,100	31,100	0.84	26,124.00
IPM	IPM HOLDINDS, INC.	0	0	0	2,200	2,200	3.00	6,600.00
IPO	IPEOPLE, INC. "A"	4,250	0	0	66,916	71,166	6.79	483,217.14
IS	ISLAND INFORMATION & TECH. INC	46,168	0	0	800,000	846,168	0.14	121,848.19
JAS	JACKSTONES, INC.	0	0	0	4,207,843	4,207,843	1.10	4,628,627.30
JFC	JOLLIBEE FOODS CORPORATION	0	0	0	26,021	26,021	269.00	6,999,649.00
JFCPB	JOLLIBEE FOODS CORP. SERIES B PREF	0	0	0	500	500	984.00	492,000.00
JGS	JG SUMMIT HOLDINGS, INC.	0	0	0	46,535	46,535	20.55	956,294.25
JOH	JOLLIVILLE HOLDINGS CORP.	0	0	0	4,000	4,000	6.79	27,160.00
KEEPR	THE KEEPERS HOLDINGS, INC.	0	0	0	383,000	383,000	2.23	854,090.00
KEP	KEPPEL PHILS. PROPERTIES, INC.	0	0	0	15,226	15,226	2.79	42,480.54
KPH	KEPPEL HOLDINGS "A'	0	0	0	665	665	16.46	10,945.90
KPM	KEPPEL PHILIPPINES MARINE, INC	5,250	0	0	2	5,252	3.00	15,756.00
LC	LEPANTO CONS. MNG. "A"	27,764	0	0	45,147,113	45,174,877	0.07	3,026,716.76

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LCB	LEPANTO CONS. MNG. "B"	1,811	0	0	21,507,737	21,509,548	0.07	1,441,139.72
LFM	LIBERTY FLOUR MILLS	0	0	0	3,500	3,500	17.92	62,720.00
LIB	LIBERTY TELECOMS HOLDINGS INC.	10,000	0	0	0	10,000	1.56	15,600.00
LPC	LFM PROPERTIES CORPORATION	0	0	0	103,500	103,500	0.05	4,761.00
LPZ	LOPEZ HOLDINGS CORPORATION	1,700	0	0	75,975	77,675	2.70	209,722.50
LRC	LANDOIL RESOURCES CORP. "A"	80,000	0	0	0	80,000	0.00	320.00
LTG	LT GROUP INC.	0	0	0	123,000	123,000	10.50	1,291,500.00
MA	MANILA MINING CORP. "A"	0	0	0	455,671,038	455,671,038	0.00	1,367,013.11
MAB	MANILA MINING CORP. "B"	0	0	0	316,800,867	316,800,867	0.00	950,402.60
MAC	MACROASIA CORPORATION	0	0	0	87,560	87,560	5.44	476,326.40
MACAY	MACAY HOLDINGS, INC.	0	0	0	1,733	1,733	7.52	13,032.16
MAH	METRO ALLIANCE HLDGS& EQUITIES	1,500	0	0	4,000	5,500	0.83	4,565.00
MAHB	METRO ALLIANCE HLDGS& EQTY."B"	0	0	0	13,000	13,000	0.68	8,840.00
MARC	MARCVENTURES HOLDINGS, INC.	4	0	0	101,410	101,414	0.75	76,060.50
MAXS	MAXS GROUP INC.	0	0	0	142,500	142,500	2.67	380,475.00
MB	MANILA BULLETIN PUBLISHING "A"	5,204	0	0	42,845	48,049	0.19	9,033.21
MBT	METROPOLITAN BANK	0	0	0	225,276	225,276	72.00	16,219,872.00
MED	MEDCO HOLDINGS, INC.	0	0	0	63,000	63,000	0.12	7,560.00
MEDIC	MEDILINES DISTRIBUTOR INC.	0	0	0	370,000	370,000	0.31	114,700.00
MEG	MEGAWORLD CORPORATION	3,555	0	0	1,456,732	1,460,287	2.05	2,993,588.35
MER	MANILA ELECTRIC COMPANY	738	0	0	24,714	25,452	488.00	12,420,576.00
MER-PRE	MERALCO PREF. SERIES "A"	14	0	0	0	14	82.50	1,155.00
MFC	MANULIFE FINANCIAL CORPORATION	0	0	0	1,215	1,215	1,760.00	2,138,400.00
MG	MILLENIUM GLOBAL HOLDINGS	0	0	0	76,000	76,000	0.09	7,144.00
MGH	METRO GLOBAL HOLDINGS CORP	0	0	0	72,200	72,200	1.00	72,200.00
MHC	MABUHAY HOLDINGS	2,000	0	0	103,000	105,000	0.16	16,905.00
MI	MARINDUQUE MINING	50	0	0	0	50	0.00	0.00
MJC	MANILA JOCKEY CLUB	5	0	0	165	170	1.27	215.90
MJIC	MJC INVESTMENTS CORP.	0	0	0	26,000	26,000	1.00	26,000.00
MM	MERRYMART CONSUMER CORP.	0	0	0	393,000	393,000	0.60	235,800.00
MMC	MARCOPPER MINING CORPORATION	0	0	0	1,496	1,496	1.00	1,496.00
MON	MONDRAGON INTERNATIONAL PHIL.	0	0	0	52,910	52,910	0.00	0.00
MONDE	MONDE NISSIN CORPORATION	0	0	0	159,000	159,000	8.60	1,367,400.00
MRC	MRC ALLIED INC.	0	0	0	5,457,200	5,457,200	0.84	4,584,048.00
MREIT	MREIT, INC.	0	0	0	259,000	259,000	13.34	3,455,060.00
MRSGI	METRO RETAIL STORES GROUP, INC	0	0	0	120,000	120,000	1.20	144,000.00
MVC	MABUHAY VINYL CORPORATION	0	0	0	32,800	32,800	5.39	176,792.00

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MWC	MANILA WATER COMPANY, INC.	0	0	0	305,300	305,300	27.00	8,243,100.00
MWIDE	MEGAWIDE CONSTRUCTION CORPORATION	0	0	0	81,000	81,000	2.43	196,830.00
MWP4	MEGAWIDE CONS. CORP. SERIES 4 PREF	0	0	0	1,000	1,000	97.95	97,950.00
NI	NIHAO MINERAL RESOURCES INTL. INC.	0	0	0	12,001	12,001	0.39	4,620.39
NIKL	NICKEL ASIA CORPORATION	0	0	0	847,923	847,923	3.49	2,959,251.27
NN	NEGROS NAVIGATION, COMP. INC.	0	0	0	642	642	0.37	237.54
NOW	NOW CORPORATION	0	0	0	441,000	441,000	0.59	260,190.00
NRCP	NATL REINSURANCE CORP. OF THE PHIL	0	0	0	2,013,000	2,013,000	0.69	1,388,970.00
NXGEN	ASIA TRUST DEVELOPMENT BANK	0	0	0	177,850	177,850	7.00	1,244,950.00
OGP	OCEANAGOLD (PHILIPPINES), INC.	0	0	0	53,700	53,700	14.02	752,874.00
OM	OMICO MINING & INDUSTRIAL CORP	10,300	0	0	2,256,000	2,266,300	0.13	301,417.90
OPM	ORIENTAL PETROLEUM "A"	3,604,422	0	0	69,427,024	73,031,446	0.01	540,432.70
OPMB	ORIENTAL PETROLEUM "B"	183,064	0	0	12,769,371	12,952,435	0.01	97,143.26
ORE	ORIENTAL PENINSULA RES. GROUP, INC.	0	0	0	7,725,300	7,725,300	0.44	3,399,132.00
OV	THE PHILODRILL CORPORATION	435,947	0	0	100,938,586	101,374,533	0.01	760,309.00
PA	PACIFICA HOLDINGS, INC.	0	0	0	16,300	16,300	1.60	26,080.00
PAL	PAL HOLDINGS, INC.	157	0	0	27,036	27,193	4.95	134,605.35
PAX	PAXYS, INC.	0	0	0	6,000	6,000	1.70	10,200.00
PBB	PHILIPPINE BUSINESS BANK	0	0	0	361,426	361,426	9.70	3,505,832.20
PBC	PHILIPPINE BANK OF COMM.	0	0	0	56	56	15.58	872.48
PCOR	PETRON CORPORATION	104,252	0	0	806,401	910,653	2.43	2,212,886.79
PCP	PICOP RESOURCES INC.	355	0	0	204,900	205,255	0.21	42,077.28
PERC	PETROENERGY RESOURCES CORP.	1,093	0	0	913,720	914,813	3.45	3,156,104.85
PGOLD	PUREGOLD PRICE CLUB, INC.	0	0	0	148,700	148,700	30.85	4,587,395.00
PHA	PREMIERE HORIZON ALLIANCE CORP.	0	0	0	245,000	245,000	0.17	42,630.00
PHC	PHILCOMSAT HOLDINGS CORP.	1,998	0	0	407,000	408,998	0.00	0.00
PHN	PHINMA CORPORATION	13	0	0	3,884	3,897	19.00	74,043.00
PHR	PH RESORTS GROUP HOLDINGS, INC.	0	0	0	100,000	100,000	0.54	54,000.00
PIZZA	SHAKEY'S PIZZA ASIA VENTURES, INC.	0	0	0	15,800	15,800	7.99	126,242.00
PLUS	DIGIPLUS INTERACTIVE CORP.	1,417	0	0	25,353	26,770	27.15	726,805.50
PMPC	PANASONIC MFG. PHILS.CORP	0	0	0	74,200	74,200	5.48	406,616.00
PMT	PRIMETOWN PROPERTY GROUP INC.	0	0	0	2,159,111	2,159,111	0.00	0.00
PNB	PHILIPPINE NATIONAL BANK "A"	51	0	0	1,830,366	1,830,417	27.70	50,702,550.90
PNC	PHIL. NATIONAL CONSTRUCTION	0	0	0	20,000	20,000	0.00	0.00
PNX	PHOENIX PETROLEUM PHILIPPINES INC.	0	0	0	20,814	20,814	4.17	86,794.38
PNX4	PHOENIX PETROLEUM PHIL. SERIES4PREF	0	0	0	1,000	1,000	177.90	177,900.00
PPC	PRYCE CORPORATION	0	0	0	20,200	20,200	10.68	215,736.00

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PRC	PHIL.RACING CLUB	0	0	0	444	444	7.00	3,108.00
PRF4C	PETRON CORP. PREFERRED SERIES 4C	0	0	0	2,000	2,000	1,043.00	2,086,000.00
PRF4D	PETRON CORP. PREFERRED SERIES 4D	0	0	0	1,000	1,000	1,050.00	1,050,000.00
PRF4E	PETRON CORP. PREFERRED SERIES 4E	0	0	0	5,000	5,000	1,050.00	5,250,000.00
PRIM	PRIME MEDIA HOLDINGS, INC.	0	0	0	17,456	17,456	2.13	37,181.28
PSB	PHIL. SAVINGS BANK	0	0	0	51	51	58.20	2,968.20
PSE	THE PHILIPPINE STOCK EXCHANGE	0	0	0	3,344	3,344	164.00	548,416.00
PTT	PT&T CORP.	1,000	0	0	317,600	318,600	0.00	0.00
PX	PHILEX MNG CORP "A"	3,027	0	0	10,716,736	10,719,763	2.79	29,908,138.77
PXP	PXP ENERGY CORP.	0	0	0	2,599,801	2,599,801	2.87	7,461,428.87
RCB	RIZAL COMMERCIAL BANKING CORP.	0	0	0	30,050	30,050	23.85	716,692.50
RCI	ROXAS & COMPANY, INC.	0	0	0	10,358	10,358	2.72	28,173.76
RCR	RL COMMERCIAL REIT, INC.	0	0	0	671,000	671,000	5.85	3,925,350.00
REDC	REPOWER ENERGY DEVELOPMENT CORP.	0	0	0	248,000	248,000	5.10	1,264,800.00
REG	REP. GLASS HOLDINGS CORP.	0	0	0	463,968	463,968	2.75	1,275,912.00
RFM	RFM CORPORATION	2,666	0	0	166,834	169,500	3.87	655,965.00
RLC	ROBINSONS LAND CORPORATION	0	0	0	8,000	8,000	13.30	106,400.00
RLT	PHIL. REALTY & HOLDINGS	0	0	0	2,400,714	2,400,714	0.12	288,085.68
ROCK	ROCKWELL LAND	5,323	0	0	257,880	263,203	1.51	397,436.53
ROX	ROXAS HOLDINGS, INC.	0	0	0	338	338	1.45	490.10
RPC	REYNOLDS PHILIPPINE CORP.	0	0	0	496,396	496,396	0.15	74,459.40
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	0	0	0	27,760	27,760	36.00	999,360.00
SCC	SEMIRARA MINING CORPORATION	0	0	0	418,600	418,600	34.90	14,609,140.00
SDP	SIME DARBY PILIPINAS, INC.	46	0	0	0	46	30.00	1,380.00
SECB	SECURITY BANK CORPORATION	0	0	0	67,814	67,814	87.00	5,899,818.00
SFI	SWIFT FOOD, INC.	0	0	0	1,156,703	1,156,703	0.06	67,088.77
SFIP	SWIFT FOODS, INC. PREF	0	0	0	2,166	2,166	1.68	3,638.88
SGI	SOLID GROUP, INC.	0	0	0	2,050,000	2,050,000	1.03	2,111,500.00
SGP	SYNERGY GRID & DEV. PHILS. INC.	0	0	0	3,681,140	3,681,140	9.80	36,075,172.00
SHLPH	SHELL PILIPINAS CORPORATION	0	0	0	177,000	177,000	7.50	1,327,500.00
SHNG	SHANG PROPERTIES, INC.	509,888	0	0	73,899	583,787	3.94	2,300,120.78
SLF	SUN LIFE FINANCIAL INC.	0	0	0	811	811	3,028.00	2,455,708.00
SLI	STA. LUCIA LAND, INC.	0	0	0	10,000	10,000	2.90	29,000.00
SM	SM INVESTMENTS CORPORATION	0	0	0	2,648	2,648	899.00	2,380,552.00
SMC	SAN MIGUEL CORP. "A"	2,421	0	0	164,632	167,053	86.00	14,366,558.00
SMC2F	SAN MIGUEL PREF. SERIES 2F	0	0	0	117,000	117,000	73.30	8,576,100.00
SMC2L	SAN MIGUELCORP. SERIES 2-L PREF.	0	0	0	108,000	108,000	77.65	8,386,200.00
SMC2N	SAN MGUEL CORP. SERIES 2-N PREF.	0	0	0	27,500	27,500	79.70	2,191,750.00
SMC2O	SAN MIGUEL CORP. SERIES 2-O PREF.	0	0	0	111,400	111,400	82.30	9,168,220.00
SMPH	SM PRIME HOLDINGS,INC.	900	0	0	89,286	90,186	25.15	2,268,177.90
SPC	SALCON POWER CORPORATION	0	0	0	2,200	2,200	9.01	19,822.00
SPM	SEAFRONT RESOURCES CORPORATION	260	0	0	13,423	13,683	1.51	20,661.33
SPNEC	SP NEW ENERGY CORPORATION	0	0	0	1,388,125	1,388,125	1.02	1,415,887.50
SSI	SSI GROUP, INC.,	0	0	0	172,000	172,000	3.18	546,960.00
STI	STI EDUCATION SYSTEM HOLDINGS, INC.	0	0	0	600,308	600,308	1.34	804,412.72
STN	STENIEL MFG. CORP.	3,750	0	0	152,187	155,937	1.57	244,821.09
STR	VISTAMALLS, INC.	0	0	0	50,000	50,000	1.47	73,500.00
SUN	SUNTRUST RESORT HOLDINGS, INC.	0	0	0	14,100	14,100	0.90	12,690.00
SWM	SANITARY WARES	10,000	0	0	3,800	13,800	0.00	0.00

MDR SECURITIES, INC. SCHEDULE VI

INVENTORY REPORT BY LOCATION - SUMMARIZED

As of December 31, 2024

Customer : JOY TAN (168) - SUSPENSE (SUSPENSE)

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
T	TKC METAL CORPORATION	0	0	0	122,000	122,000	0.29	35,380.00
TBGI	TRANSPACIFIC BROADCAST GRP.INT	0	0	0	2,150,000	2,150,000	0.14	290,250.00
TECH	CIRTEK HOLDINGS PHIL. CORP	0	0	0	45,000	45,000	1.32	59,400.00
TEL	PHIL. LONG DISTANCE TEL. CO.	5	0	0	43,983	43,988	1,295.00	56,964,460.00
TELA	PLDT (10% PREF) SERIES A	15	0	0	0	15	11.12	166.80
TELB	PLDT (10% PREF) SERIES B	15	0	0	0	15	11.12	166.80
TELF	PLDT (10% PREF) SERIES F	50	0	0	0	50	11.14	557.00
TELI	PLDT (10% PREF) SERIES I	80	0	0	0	80	10.68	854.40
TELL	PLDT (10% PREF) SERIES L	130	0	0	0	130	11.14	1,448.20
TFHI	TOP FRONTIER INVESTMENT HOLDINGS,IN	0	0	0	14,795	14,795	63.10	933,564.50
UBP	UNION BANK OF THE PHILIPPINES	0	0	0	902,710	902,710	36.00	32,497,560.00
UNI	UNIOIL RES. & HOLDINGS CO. INC	0	0	0	890,000	890,000	0.00	0.00
UP	UNIVERSAL RIGHTFIELD PROP. HOL	0	0	0	2,510,000	2,510,000	0.00	0.00
UPM	UNITED PARAGON MINING CORP.	5,262,500	0	0	201,637,500	206,900,000	0.00	579,320.00
URC	UNIVERSAL ROBINA CORPORATION	0	0	0	67,980	67,980	79.00	5,370,420.00
V	IVANTAGE CORPORATION	0	0	0	503,374	503,374	0.70	352,361.80
VITA	VITARICH CORPORATION	0	0	0	156,000	156,000	0.54	84,240.00
VLL	VISTA LAND & LIFESCAPE, INC	0	0	0	99,240	99,240	1.48	146,875.20
VLL2A	VISTALAND & LIFESCAPES,INC.PREF. 2A	0	0	0	10,000	10,000	102.00	1,020,000.00
VLL2B	VISTALAND & LIFESCAPES,INC. PREF.2B	0	0	0	20,000	20,000	102.50	2,050,000.00
VMC	VICTORIAS MILLING COMPANY	0	0	0	265,209	265,209	2.00	530,418.00
VREIT	VISTA REIT, INC.	0	0	0	2,510,000	2,510,000	1.89	4,743,900.00
WEB	PHILWEB.COM, INC. "A"	0	0	0	448,160	448,160	1.40	627,424.00
WEO	WHITE EAGLE OVERSEAS	130,000	0	0	0	130,000	0.00	0.00
WIN	WELLEX INDUSTRIES, INC.	0	0	0	40,000	40,000	0.21	8,440.00
WLCON	WILCON DEPOT, INC.	0	0	0	8,000	8,000	14.30	114,400.00
WPI	WATERFRONT PHILS. INC.	0	0	0	70,000	70,000	0.38	26,250.00
X	XURPAS, INC.	0	0	0	400,400	400,400	0.18	72,872.80
XG	NEXGEN ENERGY CORPORATION	0	0	0	891,000	891,000	2.47	2,200,770.00
ZHI	ZEUS HOLDINGS, INC.	0	0	0	20,000	20,000	0.07	1,440.00
		10,778,919		26,903	1,569,279,240	1,580,085,062		744,404,266.97

1

Number of Shares in Vault	10,778,919
Number of Shares in Clearing House	0
Number of Shares in Transfer Office	26,903
Number of Shares in PCD	1,569,279,240
Total Number of Shares	1,580,085,062

Certified true and correct:

MS. AMALIA LOURDES R. MANUEL
Associated Person

MDR SECURITIES, INC.

Financial Soundness Indicators (SRC Rule 68, as amended)
December 31, 2024 and 2023

	2024	2023
LIQUIDITY RATIOS		
Total current assets	**23,642,514**	25,255,944
Total current liabilities	**18,640,134**	20,631,226
Current ratios	**1.27**	1.22
SOLVENCY RATIOS		
Total liabilities	**26,998,350**	31,003,340
Total equity	**44,854,209**	42,662,947
Debt-to-equity ratios	**0.60**	0.73
ASSET TO EQUITY RATIOS		
Total assets	**71,852,559**	73,666,287
Total equity	**44,854,209**	42,662,947
Asset-to-equity ratios	**1.60**	1.73
INTEREST RATE COVERAGE RATIO		
Loss after tax	**(2,372,781)**	(8,511,234)
Add: Interest expense	**1,064,860**	1,368,156
Less: Income tax benefit (expense)	**904,674**	(1,035,862)
Earnings (Loss) before interest and taxes (EBIT)	**(403,247)**	(8,178,940)
Add: Depreciation and amortization	**822,380**	828,250
Earnings (Loss) before interest, taxes, depreciation and amortization (EBITDA)	**419,133**	(7,350,690)
Interest expense	**1,064,860**	1,368,156
Interest rate coverage ratios	**0.39**	(5.37)
PROFITABILITY RATIOS		
Loss after tax	**(2,372,781)**	(8,511,234)
Total assets - current year	**71,852,559**	73,666,287
Total assets - prior year	**73,666,287**	88,063,641
Average total assets	**72,759,423**	80,864,964
Return (Negative return) on assets (ROA)	**-3.26%**	-10.53%
Loss after tax	**(2,372,781)**	(8,511,234)
Total equity - current year	**44,854,209**	42,662,947
Total equity - prior year	**42,662,947**	36,916,150
Average total equity	**43,758,578**	39,789,549
Return (Negative return) on equity (ROE)	**-5.42%**	-21.39%

MDR SECURITIES, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2024

Audit And Non-Audit Fees of the Company and its Consolidated Related Entities

	Current Year	Prior Year
Total Audit Fees	₱84,200	₱84,200
Non-audit services fees:		
Other assurance services	150,000	150,000
Tax services	-	-
All other services	35,750	35,750
Total Non-audit Fees	**₱185,750**	**₱185,750**
Total audit and non-audit fees	**₱269,950**	**₱269,950**

Audit and Non-audit Fees of Other Related Entities

	Current Year	Prior Year
Audit fees	₱17,000	₱17,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total audit and non-audit fees of other related entities	₱17,000	₱17,000

C O V E R   S H E E T
for
RISK BASED CAPITAL ADEQUACY RATIO

SEC Registration Number

1	4	9	0	7	1					

C O M P A N Y   N A M E

M D R   S E C U R I T I E S ,   I N C .

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

U N I T   1 6 0 8   P S E   T O W E R
5 T H   A V E .   C O R .   2 8 T H   S T .
B O N I F A C I O   G L O B A L   C I T Y
T A G U I G   C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
R B C A	C R M D	B D

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
mdrsecurities@yahoo.com	(02)7940-6091/(02)7940-6090	0917-8155385

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
7	Last Wednesday of October	December 31

CONTACT PERSON INFORMATION

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

Name of the Contact Person	Email Address	Telephone Number	Mobile Number
MA. RAQUEL GARCIA	mdrsecurities@yahoo.com	(02)7940-6091/(02)7940-6090	0917-8155385

CONTACT PERSON'S ADDRESS

UNIT 1608 PSE TOWER 5TH AVE. COR. 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY

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

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

To: SECURITIES AND EXCHANGE COMMISSION ("Commission")

D E C L A R A T I O N

We, the undersigned, confirm that:

1) This statement has been drawn up in accordance with Rule 28.1 (E) (2) of the SRC – Risk Based Capital Adequacy Requirement/Ratio relevant to the company's calculation of its capital adequacy requirements and SEC Memorandum Circular No. 16 (Adoption of the Risk Based Capital Adequacy Requirement/Ratio (RBCA) for Broker Dealers) Series of 2004. It has been prepared from and is in agreement with the books and records of the company.

2) The company's accounting records, system and controls are maintained in accordance with the Implementing Rules and Regulations of the SRC and other relevant guidelines issued by the Commission.

3) We are not aware of any matters which could have a material effect upon the financial position of the company before due date of the next statement, which are not declared herein, or have not been notified to, and acknowledged by the Commission.

4) Since the date of the last reporting statement, the company has been in compliance with the rules of the SRC except as been notified to the Commission.

5) We have reviewed the attached RBCA Report and attest to the truthfulness and correctness of the same in all aspects and we are aware that a false declaration may result in disciplinary action being taken against the company.

6) For verification and validation purposes of the RBCA computation, we hereby authorize the Commission and the Philippine Stock Exchange to inspect our Books and Records and all other pertinent documents.

7) Copies of the RBCA report and its reconciliation have been submitted to the attention of the company's Board of Directors April 14, 2025.

8) The Accounting Head/Officer/and/or Personnel responsible in the preparation of the RBCA report is/are: <u>JOHN PAUL ROJO.</u>

MR. MANUEL S. RECTO, JR. **President**	**MS. AMALIA LOURDES R. MANUEL** **Associated Person**
April 14, 2025	April 14, 2025
	Date

MDR SECURITIES, INC.
RISK-BASED CAPITAL ADEQUACY WORKSHEET
December 31, 2024

Assets	**71,852,562**
Liabilities	**26,998,353**
Equity as per books	**44,854,209**
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(9,296,510)
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	**(9,296,510)**
Equity Eligible For Net Liquid Capital	**35,557,700**
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	792,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	26,145,532
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	1,858,896
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	1,316,970
Total ineligible assets	**30,113,399**

Net Liquid Capital (NLC)	**5,444,301**
Less:	
Operational Risk Reqt (Schedule ORR-1)	**1,035,137**
Position Risk Reqt (Schedule PRR-1)	**2,285,710**
Counterparty Risk (Schedule CRR-1 and detailed schedules)	**132,021**
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	**3,452,868**
Net RBCA Margin (NLC-TRCR)	**1,991,432**
Liabilities	**26,998,353**
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilites	
Loans secured by securities	
Loans secured by fixed assets	11,976,004
Others	1,749,760
Total adjustments to AI	**(13,725,764)**
Aggregate Indebtedness	**13,272,589**
5% of Aggregate Indebtedness	**663,629**
Required Net Liquid Capital (> of 5% of AI or P5M)	**5,000,000**
Net Risk-based Capital Excess / (Deficiency)	**444,301**
Ratio of AI to Net Liquid Capital	**244%**
RBCA Ratio (NLC / TRCR)	**158%**

April 28, 2025

Negative Exposure to SCCP

Cut-off Date	12/31/2024
Amount:	-

Deposit for Future Stock Subscription

	Date of Application (if filed)	Name of Investor	Months Outstanding	Amount
A				
1				
2				
	Subtotal			-
B	No Application Filed Yet			
1				
2				
	Subtotal			-
	Total			**-**

Interest and Dividends Receivables outstanding for more than 30 days

Interest Receivable	
Dividends Receivable	
	-

Ineligible Insurance claims

Nature of Claim		Amount
Total		-

Ineligible Deposits

Description	Amount
Total	-

Short Security Differences

Days Unresolved	Amount

Long Security Differences not resolved prior to sale

Days Unresolved	Amount

Minority Interest

Contingencies

Description	Amount	Opinion/Estimate provided by
Total	-	

Guarantees / Indemnities

Description	Amount	Opinion/Estimate provided by
Total	-	

Fixed Assets Used as Collateral

	Description	Acquisition Cost	Accumulated Depreciation	Net Book Value	Loan Amount as of 12/31/24	Allowable for RBC	Loan Reference
1	BAGUIO ASSET	9,640,000	-	9,640,000	2,000,000	2,000,000	
2	TAGAYTAY ASSET	7,700,000	-	7,700,000	1,800,000	1,800,000	
3	BGC OFFICE	15,253,953	2,611,706	12,642,247	8,176,004	8,176,004	
4						-	
5				-		-	
6				-		-	
7				-		-	
8				-		-	
9				-		-	
10				-		-	
	Total	32,593,953	2,611,706	29,982,247	11,976,004	11,976,004	

Loans

	Lender	Reference	Effective Date	Maturity Date	Original Loan Amount	Balance as of 12/31/2024	Collateral
			Format: mm/dd/yyyy				
1	BPI		04/09/2018	12/31/2020	3,800,000	3,800,000	
2	BDO		03/16/2017	03/16/2029	8,176,004	8,176,004	
3							
4							
5							
6							
7							
8							
9							
10							
11	Loans Secured by Securities (Details below)		Various	Various	-	-	
	Total				11,976,004	11,976,004	

Loans Secured by Securities

	Lender	Reference	Effective Date	Maturity Date	Original Loan Amount	Balance as of 12/31/2024	MV of Securities (Collateral)
			Format: mm/dd/yyyy				
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
	Total				-	-	-

Other Exclusions to Aggregate Indebtedness

	Description	Amount
1	Deferred Tax Liabilities	1,749,760
2	Liabilities subordinated to claims of creditors not subject to a satisfactory subordinated agreement	
3	Credit balances in accounts of general partners	
4	Liabilities against securities failed to receive	
5	80% of liability against securities loaned with receivable of the same class, issue and quantity	
6	Others (Please specify.)	
	Total	1,749,760

Retained Earnings

1	Appropriated-Reserve Fund	-
2	Appropriated-Others	-
3	Unappropriated	(32,494,987)
	Total	(32,494,987)

MDR SECURITIES, INC.

TRIAL BALANCE

December 31, 2024

Warning: Total Debits does not tie up with Total credits. Pls check.

	Debit	Credit
Cash on Hand		
Petty Cash Fund	4,000.00	
Cash in Bank	451,259.72	
Reserve Bank Account	3,112,924.06	
Short Term Placement	-	
Trading Account Securities	6,530,599.74	
Oddlot and Error Transactions		
Allowance for Market Decline		
Receivable From Customers	10,473,461.05	
Allowance for Doubtful Accounts		1,002,215.49
Receivable from Other Brokers	-	
Receivable From Clearing House	896,620.03	
Receivable for Securities Failed to Deliver		
Receivable for Securities Borrowed		
Notes Receivable		
Dividends Receivable		
Interest Receivable		
Other Receivables		
Secured Demand Notes		
Advances to Officers and Employees		
Advances to Suppliers		
Advances - Others		
Prepaid Rent		
Prepaid Insurance		
Prepaid Taxes and Licenses	1,858,896.34	
Prepayment from Client for Early Settlement of Account		
Other Prepayments		
Other Current Assets		
IBODI - *Current Portion*	-	
IBODI - *Long Term Portion*	-	
Due from Affiliates/Subsidiaries/Associated Partnerships		
Investments in Securities with No Ready Market		
Other Long Term Investments		
Equity Investment in PSE		
Trading Rights	792,000.00	
Accumulated Amortization - Trading Right		
Other Intangible Assets (Net of amortization)		
Land		
Land Improvements		
Building/Condominium Unit	32,593,954.34	
Accumulated Depreciation - Bldg/Condominium Unit		3,080,436.39
Leasehold Rights and Improvements		
Accumulated Depreciation - LHI		
Furnitures and Fixtures	832,216.24	
Accumulated Depreciation - F/F		832,215.72
Office Equipment/Computer Software/Hardware	1,082,116.87	
Accumulated Depreciation - O/E/Software/Hardware		1,028,406.87
Transportation/Automotive Equipment	1,879,464.31	
Accumulated Depreciation - TE		1,879,464.34
Other Fixed Assets	10,724,071.00	
Accumulated Depreciation - Others		2,169,763.14
Refundable Deposit		
Input Tax	1,316,882.06	
Creditable Withholding Tax	88.42	
Deferred Charges		
Deferred Tax Assets	9,296,509.85	
Miscellaneous Assets		
Payable to Customers		11,121,230.13
Payable to Clearing House		

	Debit	Credit
Payable to Non-Customers		1,773,764.04
Payable for Securities Failed to Receive		
Payable for Securities Loans		
Bank Overdrafts **(with supporting schedule)**		-
Unclaimed Dividends/Dividends Payable		(894.49)
Due to Affiliates, Officers and Employees		
Due to BIR - GRT/Final Tax/Others		
W/T - Compensation		
W/T - Expanded		
W/T - Final		
W/T - Others		2,267.81
Income Tax Payable		(1.00)
Other Taxes Payable		
SSS Loan Payable		11,285.23
Pag-Ibig Loan Payable		(222.63)
SSS Premium Payable		18,241.09
Medicare/Philhealth Premium Payable		8,007.62
ECC Payable		
Pag-Ibig Fund Payable		2,400.00
VAT Payable		
Documentary Stamp Tax Payable		2,888.37
Stock Transaction Tax Payable		120,388.21
Transfer Fee Payable		
PCD Fees Payable		
SCCP Fee Payable		7,812.92
Transaction Fee Payable		
Loans Payable		11,976,004.22
Accrued Expenses		131,860.78
Notes Payable		
Interest Payable		
Securities Differences		
Mortgage Payable		
Refundable Deposits		
Securities Sold Not Yet Repurchased		
Accrued Management Bonus		
Unearned Income		
Rental Deposit Payable		
Deferred Tax Liability (Unrealized Gain from Equity Inv. in PSE)		
Deferred Tax Liability (Others)		1,749,759.52
Other Liabilities		73,560.79
Subordinated Liability		-
Authorized Capital Stock - Common		
Authorized Capital Stock - Preferred		
Issued and Outstanding Common Stock		
Issued and Outstanding Preferred Stock		
Subscribed Common Stock		59,000,000.00
Subscribed Preferred Stock		
Subscription Receivable - Common Stock		
Subscription Receivable - Preferred Stock		
Additional Paid-In Capital		11,505,750.00
Donated Capital		
Deposit for Future Subscription		
Retained Earnings, beg.	30,122,206.00	
Net Income/(Loss)		
RE, Appropriated (Reserve Fund)		
RE, Appropriated (Others)		
RE, Unappropriated		
Retained Earnings, end.		
Revaluation Increment in Property		6,843,446.28
Treasury Stock		
Commission Income		5,374,645.02
Gain on Sale of Maketable Securities		
Loss on Sale of Marketable Securities	910,846.10	
Gain on Sale of Other Assets		
Loss on Sale of Other Assets		
Rental Income		
Dividend Income		17,158.81
Interest Income		11,667.64
Other Income		44,762.69
Recovery on Market Decline		
Unrealized Loss on Market Decline	1,131,300.69	
Salaries and Wages	923,902.63	

	Debit	Credit
13th Month & Other Employee Benefits		
Employees' Welfare	36,000.00	
Trainings and Seminars	20,510.23	
SSS Contributions	135,465.00	
Medicare/Philhealth Contributions	43,737.75	
EC Contributions		
Pag-ibig Fund Contributions	13,000.00	
Management Bonus	156.00	
Transportation and Travel	61,514.29	
Meetings and Conferences		
Representation and Entertainment		
Management Fee	1,273,790.09	
Retainer's Fee		
Professional Fees		
Stock Exchange Dues and Fees	605,816.54	
Condominium Dues and Fees	41,800.00	
PCD Fees Expenses		
Rent		
Light & Water	179,347.10	
Insurance	134,657.53	
Office Supplies	168,318.30	
Commission	137,564.54	
Amortization		
Depreciation - Bldg/Condominium	468,729.97	
Depreciation - Leasehold Rights and Improvements		
Depreciation - Furnitures & Fixtures		
Depreciation - Office Equipment	33,435.58	
Depreciation - Transportation/Automotive Equipment		
Depreciation - ROPOA		
Depreciation - Others	608,831.04	
Taxes & Licenses	240,415.86	
Postage, Telephone & Communication	106,905.45	
Security, Messengerial and Janitorial		
Gas & Oil	169,481.75	
Repairs & Maintenance	124,357.83	
Advertising & Promotions		
Bank Charges	24,992.22	
Photocopies		
Subscription and Periodicals		
Interest Expense	1,039,867.40	
Miscellaneous	50,296.02	
Provision for Income Tax	(904,674.09)	
Other Expenses	40,649.15	
TOTAL	119,788,285.00	119,788,285.00

MDR SECURITIES, INC.
SUMMARY OF SUBORDINATED LOAN
December 31, 2024

	SSA Number	Effective Date	Maturity Date	Term	Remaining Term*	Name of Lender	Relationship of the Lender to the Broker	Orig. SL Number	Orig. Loan Date	Amount of Loan	Interest Rate	Type of SL* (SDN or SL)	Market Value of Collateral*	MV of Collateral (Net of Haircut)	Excess/(Shortage) of MV of Collateral over SL*	Allowable for RBC
1				-								SDN				-
2				-								SL				-
3				-								SL				-
4				-								SL				-
5				-								SL				-
6				-								SL				-
7				-								SL				-
8				-								SL				-
9				-								SL				-
10				-								SL				-
11				-								SL				-
12				-								SDN				-
13				-								SL				-
14				-								SL				-
15				-								SL				-
	TOTAL									-			-	-		-

Control No. ____________________
Form Type: BDFS

SPECIAL FORM FOR FINANCIAL STATEMENTS OF
BROKER DEALERS IN SECURITIES
MDR SECURITIES, INC.
December 31, 2024

PSIC **OLD:** ____________________ **NEW:**____________________

(0)

Table 1. Balance Sheet

A. ASSETS (A.1+A.2+A.3+A.4+A.5+A.6+A.7+A.8)		**71,852,562**
A.1 Current Assets (A.1.1+.A.1.2+A.1.3+A.1.4+A.1.5+A.1.6+A.1.7)		22,325,545
A.1.1 Cash and Cash Equivalents		3,568,184
A.1.1.1 Cash on hand and in bank	455,260	
A.1.1.2 Reserve Bank Account	3,112,924	
A.1.2 Short-Term Investments		-
A.1.3 Propriety Security Owned (A.1.3.1+A.1.3.2+A.1.3.3)		6,530,600
A.1.3.1 Trading account Securities	6,530,600	
A.1.3.2 Oddlot and Error Transactions	0	
A.1.3.3 Allowance for market decline in values of Proprietary Securities Owned **(negative entry)**	0	
A.1.4 Receivables (A.1.4.1+A.1.4.2+A.1.4.3+A.1.4.4+A.1.4.5 +A.1.4.6+A.1.4.7+A.1.4.8+A.1.4.9)		10,367,866
A.1.4.1 Receivable from Customers	10,473,461	
A.1.4.2 Receivable from other Brokers	0	
A.1.4.3 Receivable from Clearing House	896,620	
A.1.4.4 Receivable for Securities Failed to Deliver	0	
A.1.4.5 Receivable for Securities Borrowed	0	
A.1.4.6 Notes Receivable	0	
A.1.4.7 Dividends Receivable	0	
A.1.4.8 Interest Receivable	0	
A.1.4.9 Other Receivables	0	
A.1.4.10 Allowance for doubtful accounts/ Allowance for bad debts or probable losses **(negative entry)**	(1,002,215)	
A.1.5 Secured Demand Notes		-
A.1.6 Loans and Advances (A.1.6.1+A.1.6.2+A.1.6.3)		-
A.1.6.1 Advances to Officers and Employees	0	
A.1.6.2 Advances to Suppliers	0	
A.1.6.3 Advances-Others	0	
A.1.7 Other current assets (A.1.7.1+A.1.7.2)		1,858,896
A.1.7.1 Prepayments	1,858,896	
A.1.7.2 Prepayment from Client for Early Settlement of Acco	0	
A.1.7.3 Others	0	
A.2 Equity Investment in PSE		-
A.3 Receivable from Affiliates / Subsidiaries / Associated Partnerships		-
A.4 Investments in Securities with No Ready Market		-
A.5 Other Long Term Investments		-
A.6 Property and Equipment (A.6.1+A.6.2+A.6.3+A.6.4+A.6.5+A.6.6+A.6.7)		38,121,536

Control No. ____________________
Form Type: BDFS

SPECIAL FORM FOR FINANCIAL STATEMENTS OF
BROKER DEALERS IN SECURITIES
MDR SECURITIES, INC.
December 31, 2024

PSIC OLD: ____________________ NEW:____________________

(0)

Table 1. Balance Sheet

A.6.1 Land	0	
A.6.2 Land Improvements	0	
A.6.3 Building and improvements including leasehold improvements	32,593,954	
A.6.4 Furniture and fixtures	832,216	
A.6.5 Office equipment/Computer Software/Hardware	1,082,117	
A.6.6 Transportation / Automotive equipment	1,879,464	
A.6.7 Others		
A.6.7.1 Other Fixed Assets	10,724,071	
A.6.8 Accumulated Depreciation **(negative only)**	(8,990,286)	
A.7 Intangible assets (A.7.1+A.7.2)		792,000
A.7.1 Trading Rights	792,000	
A.7.2 Others	0	
A.8 Other Assets (A.8.1+A.8.2+A.8.3)		10,613,480
A.8.1 Deferred Tax Assets	9,296,510	
A.8.2 Others	1,316,970	
A.8.3 Miscellaneous Assets	0	
B. LIABILITIES (B.1+B.2+B.3+B.4+B.5+B.6+B.7+B.8)		**26,998,353**
B.1 Current Liabilities (B.1.1+B.1.2+B.1.3+B.1.4+B.1.5 B.1.6+B.1.7+B.1.8+B.1.9+B.1.10+B.1.11+B.1.12+B.1.13)		13,025,960
B.1.1 Payable to Customers	11,121,230	
B.1.2 Payable to Clearing House	0	
B.1.3 Payable to Non-Customers	1,773,764	
B.1.4 Payable for Securities failed to receive	0	
B.1.5 Payable for Securities loans	0	
B.1.6 Bank Overdrafts	0	
B.1.7 Accrued Expenses	131,861	
B.1.8 Unclaimed dividends/Dividends Payable	(894)	
B.1.9 Interest Payable	0	
B.1.10 Notes Payable	0	
B.1.11 Securities Differences	0	
B.1.12 Due to affiliates, advances from parent company, inter-company payable	0	
B.2 Taxes Payable		125,543
B.3 Refundable Deposits		-
B.4 Mortgage Payable		-
B.5 Bank Loans Payable		11,976,004

Control No. ____________________
Form Type: BDFS

SPECIAL FORM FOR FINANCIAL STATEMENTS OF
BROKER DEALERS IN SECURITIES
MDR SECURITIES, INC.
December 31, 2024

PSIC **OLD:** ____________________ **NEW:**____________________

(0)

Table 1. Balance Sheet

B.6 Securities Sold Not Yet Repurchased		-
B.7 Subordinated Liability		-
B.8 Other Liabilities		1,870,845
B.8.1 Deferred Tax Liabilities	1,749,760	
B.8.2 SSS/Pag-ibig/Medicare/ECC Payables	39,711	
B.8.3 Transfer Fee/PCD/SCCP Payables	7,813	
B.8.4 Other Payables	73,561	
C. STOCKHOLDERS' EQUITY (C.2+C.3+C.4+C.5)		**44,854,209**
C.1 Authorized Capital Stocks - no. shares, par value and total value (show details, memo entry)		
C.2 Paid-in Capital (no. of shares, par value and total value)		70,505,750
C.2.1 Preferred shares	0	
C.2.2 Common shares	59,000,000	
C.2.3 Additional Paid-in Capital	11,505,750	
C.3 Deposit for Future Subscription		-
C.4 Donated Capital		-
C.5 Equity share in the revaluation increment of property / revaluation surplus		6,843,446
C.6 Retained Earnings (C.6.1+C.6.2)		(32,494,987)
C.6.1 Appropriated - Reserve Fund	0	
C.6.2 Appropriated - Others	0	
C.6.3 Unappropriated	(32,494,987)	
C.7 Treasury stock **(negative entry)**		-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (B + C)		**71,852,562**

Control No. ____________________
Form Type: BDFS

SPECIAL FORM FOR FINANCIAL STATEMENTS OF
BROKER DEALERS IN SECURITIES
MDR SECURITIES, INC.
December 31, 2024

PSIC **OLD:** ____________________ **NEW:**____________________

(0)

Table 2a: Income Statement/(Profit and Loss Statement) and Retained Earnings Statement

A. INCOME / REVENUE (A.1+A.2)		**5,448,234**
A.1 Commission Income		5,374,645
A.2 Other Income		73,589
Rental Income	0	
Dividend Income	17,159	
Interest Income	11,668	
Gain on Sale of Marketable Securities	0	
Gain on Sale of Other Assets	0	
Recovery on Market Decline	0	
Other Income	44,763	
B. EXPENSES (B.1+B.2+B.3+B.4+B.5)		**8,725,689**
B.1 Commission Expenses	137,565	
B.2 General/Administrative and Operating Expenses	4,063,753	
B.3 Taxes and Licenses	240,416	
B.4 Depreciation and Amortization	1,110,997	
B.5 Other Expenses	3,172,959	
Interest Expense	1,039,867	
Unrealized Loss on Market Decline	1,131,301	
Loss on Sale of Marketable Securities	910,846	
Loss on Sale of Other Assets	0	
Miscellaneous Expenses	50,296	
Other Expenses	40,649	
C. INCOME / (LOSS) BEFORE TAXES (A - B)		**(3,277,455)**
D. PROVISION FOR (BENEFIT FROM - negative entry) INCOME TAX		(904,674)
E. NET INCOME / LOSS AFTER TAX (C - D)		**(2,372,781)**
F. RETAINED EARNINGS (beginning of the year)		**(30,122,206)**
G. DIVIDENDS DECLARED (G.1+G.2)		
G.1 Cash **(negative entry)**		
G.2 Stock **(negative entry)**		
I. RETAINED EARNINGS (end of year)		**(32,494,987)**

MDR SECURITIES, INC.
MARKETABLE SECURITIES AND INVESTMENTS
December 31, 2024

	Cost	Market Value	Unrealized Loss / (Gain)
Equities in the PHISIX	-	-	-
Equities outside the PHISIX	6,530,599.74	6,530,599.74	-
Total Marketable Securities	6,530,599.74	6,530,599.74	-
Equities not traded in Exchange	-	-	-
	6,530,599.74	6,530,599.74	-

	Stocks	No. of Shares	Unit Cost	Total Cost	Market Value Per Share	Total Market Value
	Equities in the PHISIX					
1				-		-
2				-		-
3				-		-
4				-		-
5				-		-
6				-		-
7				-		-
8				-		-
9				-		-
10				-		-
11				-		-
12				-		-
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14				-		-
15				-		-
16				-		-
17				-		-
18				-		-
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29				-		-
30				-		-
31				-		-
32				-		-
33				-		-
34				-		-
35				-		-
36				-		-
37				-		-
38				-		-
39				-		-
40				-		-
	Subtotal			**-**		**-**

MDR SECURITIES, INC.
SECURITIES OUTSIDE PHISIX AND OTHER INVESTMENTS
December 31, 2024

	Stocks	No. of Shares	Unit Cost	Total Cost	Market Value Per Share	Total Market Value
	Other Equities outside the PHISIX					
1	APOLLO GLOBAL CAPITAL, I	47,500,000	0.00	190,000.00	0.00	190,000.00
2	ANGLO-PHIL OIL	1,350,000	0.45	607,500.00	0.45	607,500.00
3	BALAI NI FRUITAS, INC.	576,000	0.36	207,360.00	0.36	207,360.00
4	BASIC ENERGY CORPORAT	2,860,000	0.14	400,400.00	0.14	400,400.00
5	DITO CME HOLDINGS CORP	910,000	1.64	1,492,400.00	1.64	1,492,400.00
6	EASYCALL COMM. PHILS., IN	12,260	2.21	27,094.60	2.21	27,094.60
7	GOTESCO LAND, INC.	1		-		-
8	LEPANTO CONS. MNG. "A"	5,159,525	0.07	345,688.18	0.07	345,688.18
9	LEPANTO CONS. MNG. "B"	2,830,000	0.07	189,610.00	0.07	189,610.00
10	MANILA MINING CORP. "A"	19,908,988	0.00	59,726.96	0.00	59,726.96
11	MEDILINES DISTRIBUTOR IN	210,000	0.31	65,100.00	0.31	65,100.00
12	MRC ALLIED INC.	1,708,000	0.84	1,434,720.00	0.84	1,434,720.00
13	NOW CORPORATION	295,000	0.59	174,050.00	0.59	174,050.00
14	PREMIERE HORIZON ALLIAN	200,000	0.17	34,800.00	0.17	34,800.00
15	PHILEX MNG CORP "A"	175,000	2.79	488,250.00	2.79	488,250.00
16	VISTAMALLS, INC.	50,000	1.47	73,500.00	1.47	73,500.00
17	TRANSPACIFIC BROADCAST	2,000,000	0.14	270,000.00	0.14	270,000.00
18	UNITED PARAGON MINING C	142,000,000	0.00	397,600.00	0.00	397,600.00
19	XURPAS, INC.	400,000	0.18	72,800.00	0.18	72,800.00
20				-		-
21				-		-
22				-		-
23				-		-
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58				-		-
59				-		-
60				-		-
61				-		-

	Stocks	No. of Shares	Unit Cost	Total Cost	Market Value Per Share	Total Market Value
62				-		-
63				-		-
64				-		-
65				-		-
66				-		-
67				-		-
68				-		-
69				-		-
70				-		-
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73				-		-
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	Stocks	No. of Shares	Unit Cost	Total Cost	Market Value Per Share	Total Market Value
##				-		-
##				-		-
##				-		-
##				-		-
##				-		-
##				-		-
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##				-		-
##				-		-
##				-		-
##				-		-
##				-		-
##	Various (Please provide separate schedule)					
	Subtotal			6,530,599.74		6,530,599.74

Equities not traded in Exchange but proven to be marketable

1	PHILAB HOLDINGS CORP.	21,380	-	-	-	-
2	IP E-GAME VENTURES, INC.	10,000,000	-	-	-	-
3	MONDRAGON INTERNATION	30,000	-	-	-	-
4	UNIOIL RES. & HOLDINGS C	850,000	-	-	-	-
5				-		-
6				-		-
7				-		-
8				-		-
9				-		-
10				-		-
11	Various (Please provide separate schedule)					
	Subtotal			-		-

MDR SECURITIES, INC.
SCHEDULE CE-1
MANUAL COMPUTATION OF CORE EQUITY
December 31, 2024

Capital Account	Account Balance
Paid-up common stock;	59,000,000
Paid-up perpetual and non-cumulative preferred stock	-
Common stock dividends distributable	
Perpetual and non-cumulative preferred stock dividends distributable;	
Additional Paid In Capital	11,505,750
Surplus reserves excluding revaluation reserves or appraisal capital;	
Opening retained earnings adjusted for all current year movements	(30,122,206)
Total Core Equity	**40,383,544**

Note: Exclusions in the computation of Core Equity

(1) Common stock treasury shares
(2) Perpetual and non-cumulative preferred stock treasury shares;
(3) Unbooked valuation reserves and other capital adjustments (such as unrealized gain in value of noncurrent investments)

MDR SECURITIES, INC.
SCHEDULE OF CASH IN BANK (net debit and net credit)
December 31, 2024

Reminder: Offsetting of bank balances where offsetting is allowed should have already been effected.

I. Schedule of Banks with Net Debit Amount:

	Bank Account Details (Bank, (SA or CA), Acct. No.)	Account #	Currency	Net Debit Amount
1	B.P.I. - BGC	61-0000-93		43,429.80
2	BDO-BGC CASH COLLATERAL	011860000248		112,153.26
3	RIZAL COMML. BANKING CORP. SA	1216022617		295,676.66
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16	Various (Provide details below Row 60 and link to Cell E25)			
				451,259.72

II. Schedule of Banks with Net Credit Amount (Bank Overdraft)

	Bank Account Details	Account #	Currency	Net Credit Amount
1				
2				
3				
4				
5				
6				
7				
				-

III. Reserve Bank Account

	Bank Account Details	Account #	Currency	Amount	If for DDS, kindly indicate "DDS"
1	BDO-BGC C/A OPTG	011868000282		2,761,693.61	
2	BDO-BGC RESERVE ACCOUNT	011860003328		12,210.31	
3	EQUITABLE PCI BANK S/A	3430004149		108,635.44	
4	UNION BANK OF THE PHILS.			230,384.70	
5					
				3,112,924.06	

TIP:
Cells below these are not protected. If in case, you need additional space, just encode below and link totals to the unprotected cells above.

Various:

Bank Account Details	Account #	Currency	Amount	If for DDS, kindly indicate "DDS"

MDR SECURITIES, INC.

MONEY MARKET PLACEMENTS/INVESTMENTS IN BONDS AND OTHER DEBT INSTRUMENTS (IBODI)

December 31, 2024

	T-Bills/Placements*	Principal Amount	Maturity Date	Rate (%)	Maturity Value
	I. Money Market Placements		Format: mm/dd/yyyy		
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	Various (Provide details below Row 85)		Various	Various	
	Subtotal	-			-
	II. A IBODI - Private (<=30 days)				
1					
2					
3					
4					
5					
6	Various (Provide details below Row 85)		Various	Various	
	Subtotal	-			-
	II. B IBODI - Private (> 30 days but <= 1 year)				
1					
2					
3					
4					
5					
6	Various (Provide details below Row 85)		Various	Various	
	Subtotal	-			-
	II.C IBODI - Private (> 1 year)				
1					
2					
3					
4					
5					
6	Various (Provide details below Row 85)		Various	Various	
	Subtotal	-			-
	III.A IBODI - Government (<= 1 year)				
1					
2					
3					
4					
5					
6	Various (Provide details below Row 85)		Various	Various	
	Subtotal	-			-
	III.B IBODI - Government (> 1 year)				
1					
2					
3					
4					
5					
6	Various (Provide details below Row 85)		Various	Various	
	Subtotal	-			-
	TOTAL	-			-

***Should be properly enumerated with supports attached.**

MDR SECURITIES, INC.
Schedule of Receivables
December 31, 2024

Aging	Balance	Collateral (net of haircut)	Counterparty Exposure after Collateral	Allowance for Bad Debts	Net Exposure	Counterparty Weight (%)	Credit Risk Factor (CRF%)	Credit Risk Requirement
T to T + 1 of counterparty	647,422	1,899,838	(1,252,416)	-	-			
T + 2 to T + 12 of counterparty	2,103,576	3,323,024	(1,219,448)	42,072	587,333			
T +13 to T + 30 of counterparty	4,111,114	5,545,978	(1,434,864)	25,365	25,365			
Beyond T + 30 of counterparty	3,611,349	4,722,892	(1,111,543)	934,779	-			
Total	10,473,461	15,491,732	(5,018,271)	1,002,215	612,698			

T to T + 1 of counterparty

T to T + 1 of counterparty	647,422	1,899,838	(1,252,416)	-	-	0	0	-

T + 2 to T + 12 of counterparty

Others	804,230	2,636,998	(1,832,768)	16,085	-	100%	0%	-
Others (*with computed CRR*)	1,299,346	686,026	613,320	25,987	587,333	100%	8%	46,987
Exchange/Non-exchange TP with Restrictions	-	-	-	-	-	100%	0%	-
Counterparties subj. to 20% Weight	-	-	-	-	-	20%	0%	-
Counterparties subj. to 50% Weight	-	-	-	-	-	50%	0%	-
Government - Natl. govt./BSP	-	-	-	-	-	0%	0%	-
Total	2,103,576	3,323,024	(1,219,448)	42,072	587,333			46,987

T +13 to T + 30 of counterparty

Others	3,831,001	5,316,596	(1,485,595)	-	-	100%	0%	-
Others (*with computed CRR*)	280,113	229,383	50,730	25,365	25,365	100%	50%	12,683
Exchange/Non-exchange TP with Restrictions	-	-	-	-	-	100%	0%	-
Counterparties subj. to 20% Weight	-	-	-	-	-	20%	0%	-
Counterparties subj. to 50% Weight	-	-	-	-	-	50%	0%	-
Government - Natl. govt./BSP	-	-	-	-	-	0%	0%	-
	4,111,114	5,545,978	(1,434,864)	25,365	25,365			12,683

Beyond T + 30 of counterparty

Others	3,611,349	4,722,892	(1,111,543)	934,779	-	100%	0%	-
Exchange/Non-exchange TP with Restrictions	-	-	-	-	-	100%	0%	-
Counterparties subj. to 20% Weight	-	-	-	-	-	20%	0%	-
Counterparties subj. to 50% Weight	-	-	-	-	-	50%	0%	-
Government - Natl. govt./BSP	-	-	-	-	-	0%	0%	-
	3,611,349	4,722,892	(1,111,543)	934,779	-			-

Unsettled Principal Trades

T + 2 to T + 12 of Counterparty			-		-	50%	0%	-
Beyond T + 13 of Counterparty			-		-	50%	0%	-
	-	-	-	-	-			-

MDR SECURITIES, INC.
SCHEDULE ORR-1
MANUAL COMPUTATION OF OPERATIONAL RISK REQUIREMENT (ORR)
December 31, 2024

Type of Revenue/Income	CURRENT YR	YEAR -1	YEAR-2	AVE (sum/ 3)
	2024	2023	2022	
Commission Income	5,374,645	2,331,732	2,885,950	3,530,776
Interest Income	11,668	3,689	5,491	6,949
Net Recovery from market decline of Marketable Securities Owned				-
Rental Income				-
Dividend Income	17,159	88,612	129,172	78,314
Gain on Sale of Marketable Securities		41,198	961,206	334,135
Gain on Sale of other Assets				-
Other Income/Revenues	44,763	1,087,699	2,544,079	1,225,513
				-
				-
Total Revenue/Income	5,448,234	3,552,930	6,525,898	5,175,687
Average of Last 3 Years' Gross Income				**5,175,687**
Operational Risk Factor				**20%**

Total Operational Risk Requirement	**1,035,137.46**

(3-year average x Operational risk factor)

MDR SECURITIES, INC.

SCHEDULE CRR-1

MANUAL COMPUTATION OF COUNTERPARTY RISK REQUIREMENT (CRR) FOR ALL TYPES OF SECURITIES (IN AGGREGATE)

December 31, 2024

No.	Counterparty Name	Debt Aging Period (no. of market days overdue)	Counterparty Exposure (Php)	Discounted Collaterals and/or value of provisions made (Php)	Net Counterparty Exposure (Php)	Counterparty Weight (%)	Credit Risk Factor (CRF%)	CRR (Php)
			(a)	(b)	(c) [c=a-b]	(d)	(e)	(f) (f=cxdxe)
1	**Unsettled Customer trades**	Various	9,826,039	14,594,109	(4,768,070)	Various	Various	59,669
2	**Unsettled Principal trades**	Various	-	-	-	Various	Various	-
3	**Debts/Loans, Contra Losses and other amounts due**				-			-
4	**Free Deliveries**				-			-
5	**Securities Borrowing and Lending**				-			-
6	**Margin Financing Lending**				-			-
7	**Others (pls. Specify)**	T+2 to T+12	1,299,346	712,013	587,333	100%	8%	46,987
8	**Others (pls. Specify)**	Beyond T+12	280,113	254,748	25,365	100%	100%	25,365
Grand Total of CRR								**132,021**

***Prepare separate schedules (following the same format) showing breakdown of each major type of counterparty risk requirement**

MDR SECURITIES, INC.
SCHEDULE PRR-1
MANUAL COMPUTATION OF POSITION RISK REQUIREMENT (PRR) FOR FIXED INCOME AND EQUITY SECURITIES
December 31, 2024

No.	Type of Instrument/Security	Time to Maturity [The difference between reporting date and the Maturity Date of FI Securities (months/years)]	Total Market Value of the Instrument/ Securities (Php)	Position Risk Factors (PRFs)	PRR (Php)
	Equities in the PHISIX		-	25.00%	-
	Other Equities outside the PHISIX		6,530,600	35.00%	2,285,710
	Equities not traded in Exchange but proven to be marketable		-	100.00%	-
	Debt				
	Republic of the Philippines	Up to one (1) year		1.20%	-
		> 1 to 5 years		3.90%	-
		> 5 to 10 years		5.30%	-
		> 10 to 20 years		7.60%	-
		> 20 years		10.00%	-
	Other Corporate Debts			100.00%	-
	FX Position		-	8.00%	-
Total PRR					**2,285,710**

TIP:
Cells below these are not protected. If in case, you need additional space, just encode below and link totals to the unprotected cells above.

MDR SECURITIES, INC.
SCHEDULE LERR-1
MANUAL COMPUTATION OF LARGE EXPOSURE RISK REQUIREMENT (LERR) TO SINGLE CLIENT
December 31, 2024

No.	Counterparty Name [report only if (a) > 10% of Core Equity]	Type of Securities and/or counterparty transaction type	Net Counterparty Exposure (CE) for Securities and/or counterparty transaction type	LERR (Excess of Net Counter Party Exposure over 10% Core Equity)	30% of Core Equity	Breach maximum LER limit if Total Net CE exceeds 30% of Core Equity (yes/no)
			(Php)	(Php)	(Php)	
	4,038,354				12,115,063	
1				-	-	-
2				-	-	-
3				-	-	-
4				-	-	-
5				-	-	-
6				-	-	-
7				-	-	-
8				-	-	-
4				-	-	-
5				-	-	-
6				-	-	-
7				-	-	-
8				-	-	-
9				-	-	-
10				-	-	-
11	Various (Pls provide supporting sched below and link)			-	-	-
Grand Total of LERR				-		

MDR SECURITIES, INC.
SCHEDULE LERR-3
MANUAL COMPUTATION OF LARGE EXPOSURE RISK REQUIREMENT (LERR) FOR EXPOSURE TO SINGLE EQUITY RELATIVE TO A PARTICULAR ISSUER COMPANY AND ITS GROUP OF COMPANIES
December 31, 2024

		LERR TO EQUITY VS CORE EQUITY LIMIT					LERR TO EQUITY VS ISSUER LIMIT						
No.	**Name of Securities**	**Quantity [report only if (a) > 10% of Core Equity]**	**Total Market Value per Security (Php)**	**Excess of Market Value over 10% of Core Equity**	**Position Risk Factor**	**LERR (Php)**	**5% of Total listed issue of the Equity**	**Excess of Market Value over 5% Total listed issue**	**Position Risk Factor**	**LERR (Php)**	**Higher of LERR (d) and (g) (Php)**	**250% of Core Equity (Php)**	**Breach maximum LER limit if (a) exceeds 250% of Core Equity (yes/no)**
		4,038,354	(a)	(b)	(c)	(d) [b x c]		(e)	(f)	(g) [f=dxe]		100,958,860	
1				-	0.35	-		-	0.35	-	-	-	-
2				-	0.25	-		-	0.25	-	-	-	-
3				-	0.35	-		-	0.35	-	-	-	-
4				-	0.25	-		-	0.25	-	-	-	-
5				-	0.35	-		-	0.35	-	-	-	-
6				-	0.35	-		-	0.35	-	-	-	-
7				-	0.35	-		-	0.35	-	-	-	-
8				-	0.35	-		-	0.35	-	-	-	-
9				-	0.25	-		-	0.25	-	-	-	-
10				-	0.35	-		-	0.35	-	-	-	-
Total LERR						-				-	-		

MDR SECURITIES, INC.
SCHEDULE LERR-2
MANUAL COMPUTATION OF LARGE EXPOSURE RISK REQUIREMENT (LERR) FOR EXPOSURE TO DEBT FOR FIXED INCOME SECURITIES
December 31, 2024

No.	Type of FI Securities [report only if (a) > 10% of Core Equity]	Market Value of the FI Securities (Php)	Excess of Market Value of FI Securities over 10% of C.E.	Position Risk Factor	LERR (Php)	30% of Core Equity (Php)	Breach maximum LER limit if (a) exceeds 30% of Core Equity (yes/no)
	4,038,354	(a)	(b)	(c)	(d) [b x c]	12,115,063	
1			-		-	-	-
2			-		-	-	-
3			-		-	-	-
4			-		-	-	-
5			-		-	-	-
6			-		-	-	-
7			-		-	-	-
8			-		-	-	-
9			-		-	-	-
5			-		-	-	-
6			-		-	-	-
7			-		-	-	-
8			-		-	-	-
9			-		-	-	-
10			-		-	-	-
Total LERR					**-**		

TIP:
Cells below these are not protected. If in case, you need additional space, just encode below and link totals to the unprote cted cells above.

MDR SECURITIES, INC.
RESERVE FORMULA COMPUTATION Under SRC Rule 49.2
December 31, 2024

Particulars	*Credit*	*Debit*
1. Free credit balance and other credit balance in customers' security accounts	11,121,230.17	
2. Monies borrowed collateralized by the securities carried for the account of customers	-	
3. Monies payable against customers' securities loaned.	-	
4. Customers' securities failed to receive	-	
5. Customer balances in firm accounts which are attributable to principal sales to customer.	-	
6. Market Value of stock dividends, stock splits and similar distributions receivable	-	
outstanding over 30 calendar days old.		
7. Market Value of the short security count differences over 30 calendar days old	-	
8. Market Value of short securities and credits (not to be offset by long or by debits) in all	-	
suspense accounts over 30 calendar days.		
9. Market Value of securities which are in transfer in excess of 40 calendar days and have	-	
not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts		8,482,975.87
and accounts doubtful of collection.		
11. Securities borrowed to effectuate short sales by customer and securities borrowed		-
to make delivery on customers' securities failed to deliver		
12. Failed to deliver customers' securities not older than 30 calendar days.		896,620.03
13. Others		
Total	11,121,230.17	9,379,595.90

MDR SECURITIES, INC.
RESERVE FORMULA WORKSHEET
December 31, 2024

1 . Free Credit balances and Other Credit Balances in Customer Securities Accounts	
Unadjusted trial balance amount	12,894,994.17
A . Additions:	
1. Bank Account Overdrafts/1	
2. Credit balances in customer omnibus accounts	
3. Any other customer credit balance not accounted for elsewhere (explain nature)	
Dividends Payable	
Others	
Subtotal	-
B . Deductions:	
1. Credit Balances in the accounts of non customers such as general partners and principal officers	1,773,764.00
2. Credit balances in customers' cash accounts arising from the sale of a security not delivered if the securities are purchased by the broker-dealer for its own account and have not been resold	
Subtotal	1,773,764.00
Adjusted total line item #1	11,121,230.17
2 . Monies Borrowed Collateralized by Securities carried for the Accounts of Customers	
Unadjusted trial balance amount customer loan	
Unadjusted trial balance amount commingled loan/2	
Adjusted total line item #2	-
3 . Monies Payable Against Securities Loaned	
Unadjusted trial balance amount	
A . Additions:	
1. The amount by which the market value of customers securities loaned exceed the collateral value received from lending os such securities	
Adjusted total line item #3	-
4 . Customer Securities Failed to Receive (as Determined by Allocation or Specific Identification)	
Unadjusted Balance:	
A . Additions:	
1. The amount by which the market value by which fails to receive outstanding for more than 34 calendar days exceed their contract value/3	
2. Clearing Accounts with net credit balances attributable to customers transactions. (Clearing Corporations)	-
3. Unsecured customer short positions which allocate to customer long positions/4	
4. Any other credit not accounted for elsewhere in the formula	
Subtotal	-
Adjusted total line item #4	-

5 . Credit balances in Firm Accounts which are Attributable to Principal Sales to Customers/5	
6 . Market Value of Stock Dividends and Splits Outstanding Over 30 Calendar days / 5 / 6	
7 . Market Value of Short Security Count Differences over 30 calendar days old (not to be offset by long count differences)	
8 . Market Value of Short Securities and Credits (not to be offset by loans or debits) in all Suspense Accounts over 30 calendar days old	
1. Credit Balances Only	
2. Security Positions Only / 5	
3. Security Positions with Related Balances / 5 / 7	
Adjusted total line item #8	-
9 . Market Value of Securities in Transfer in Excess of 40 Calendar Days which have not been confirmed to be in transfer by the Transfer Agent of the issuer during 40 days	
Aggregate Credit Items	11,121,230.17
10 . Debit Balances in customers' cash and margin accounts excluding Unsecured Accounts and Accounts Doubtful of Collection	
Unadjusted trial balance	10,473,461.05
A . Additions:	
1. Debit balance in customer omnnibus accounts	
2. Any other customer debit balance not accounted for elsewhere (explain nature) Others	
Subtotal	-
B . Deductions:	
1. Unsecured balances and accounts doubtful of collection	1,002,215.49
2. Debit balances in the accounts of non-customers such as general partners and principal officers	323,062.54
3. Reduction of margin debits for undue concentration of collateral/8	
4. Deficits in customer-related omnibus accounts/9	
5. Debit Balances in accounts of household members and affiliated members/10	
6. Reduction if unduly concentrated margin account balances/11	
7. Reduction of debit balances of accounts jointly owned by customers and non-customers/12	
8. Reduction for partly secured cash accounts	579,520.53
Subtotal	1,904,798.56
Subtotal of Adjusted Total Debits	8,568,662.49
Reduce Subtotal by 1%	1%
Adjusted total line item #10	8,482,975.87
11 . Prepayment from Client for Early Settlement of Account	
12 . Securities Borrowed to Effectuate Short Sales by Customers and Securities Borrowed to make delivery on Customers' Securities Failed to Deliver	
13 . Fails to Deliver oc Customer Securities not older than 30 calendar days (as determined by Allocation or Specific Identification)	
Unadjusted Balance	
A . Additions	
1. Clearing Accounts with net debit balances attributable to customer transactions (Clearing Corporations)	896,620.03
2. Drafts receivable outstanding less than 30 calendar days related to customer transaction / 13	
Subtotal	896,620.03
B . Deductions	
1. Securities which are in the firm's physical possession and control and in excess of the broker-dealer's possession and	

control requirements for three business days past settlement.	
2. Others (explain nature)	
Subtotal	-
Adjusted line item # 13	896,620.03
Aggregate Debit items	9,379,595.90

B . Determination of Requirements

Aggregate Credit Items	11,121,230.17
Aggregate Debit Items	9,379,595.90
Net Credit/(Debit)	1,741,634.27
Required Reserve (100% of Net Credit if making a weekly computation or 105% if monthly)	1,741,634.27

C . Frequency of Computation ☑ Weekly ☐ Monthly

Monthly, if:

☑ Aggregate Indebtedness: Net Capital Ratio < 800% 244%

AND

☐ Aggregate Customer Funds < P25 million 11,121,230.17

D . Special Reserve Bank Account Balance

Special Reserve Account balance Prior to Computation	3,112,924.06
Less: Deposit Required	1,741,634.27
Additional Deposit Required	-
Note: Deposit should be made no later than 10 a.m. on the second banking day following computation date.	

MDR SECURITIES, INC.
SCHEDULE UPC-1
UNIMPAIRED PAID-UP CAPITAL
December 31, 2024

insert mm/dd/yyyy date format

PHP 0.00

Capital Account	Account Balance
Capital contributions of partners or par value or stated value of Common Stock	-
Payment made on Subscribed Common Stock	59,000,000
Par or Stated Value of Preferred Stock	-
Payment made on Subscribed Preferred Stock	-
Common Stock to be Distributed (arising from a Stock Dividend Declaration)	
Additional Paid in Capital for both Common and Preferred Stocks	11,505,750
Donated Capital	-
Treasury Stock (negative entry)	-
Deficit (negative entry)	(32,494,987)
Unimpaired Paid-Up Capital	**38,010,763**