



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**Company Name:** FIRST INTEGRATED CAPITAL SECURITIES, INC.

**Industry Classification:** J66930

**Company Type:** Stock Corporation

## Document Information

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**FIRST INTEGRATED CAPITAL SECURITIES, INC.**  
**ANNUAL AUDITED FINANCIAL REPORT**  
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**DECEMBER 31, 2025**

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- Schedule showing the company's financial soundness indicators for the years ended December 31, 2025 and 2024
  
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REPUBLIC OF THE PHILIPPINES  
 SECURITIES AND EXCHANGE COMMISSION  
 Metro Manila, Philippines

**ANNUAL AUDITED FINANCIAL REPORT**

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

**Report for the year beginning January 1, 2025 and ending December 31, 2025**

<b>IDENTIFICATION OF BROKER OR DEALER</b>	
Name of Broker/Dealer:	<b>First Integrated Capital Securities, Inc.</b>
Address of Principal Place of Business:	Unit 1211-1212 Tower One & Exchange Plaza, Ayala Avenue, Makati City
Name and Phone Number of Person to Contact in Regard to this Report	
Name: Ms. Marilyn Angcao	Tel No.: 8844-2016 Fax No.: 8759-4326

<b>IDENTIFICATION OF ACCOUNTANT</b>	
Name of Independent Certified Public Accountant whose opinion is contained in this report:	
Name: Nellybeth C. Balingcongan Alba Romeo and Co.	Tel No.: 5310-0128 Fax No.: Not applicable
Address: 9th Floor 6780 Building, 6780 Ayala Avenue, Makati City	
Certificate No.:	0096192
BOA/PRC Registration No.:	8199/P-002
SEC Accreditation No.	96192-SEC
PTR No.:	10775391
Date Issued:	January 14, 2026

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

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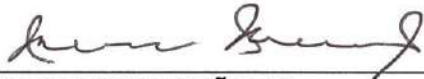
The management of **First Integrated Capital Securities, Inc.** (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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



\_\_\_\_\_  
**MANUEL LUIS M. MAÑALAC**

Chairman of the Board



\_\_\_\_\_  
**MANUEL LUIS M. MAÑALAC**

President



\_\_\_\_\_  
**JOSE FRANCISCO M. MAÑALAC**

Treasurer

Signed this 23rd day of April, 2026

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) SS.

**SECRETARY'S CERTIFICATE**

I, **FRANCISCO B. GONZALEZ V**, Corporate Secretary of **First Integrated Capital Securities, Inc.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office and place of business at Units 1211-1212 Tower One & Exchange Plaza Ayala Ave., Makati City, after having been duly sworn in accordance with law and based on genuine corporate records, hereby certify that during a Special Meeting of the Board of Directors held at the principal office on 06 April 2026, a majority of the directors, acting as a quorum respectively and unanimously, approved, among others, the following resolutions:

**Board Resolution No. 04-06-2026**

*"RESOLVED, that the following directors were appointed by the Board of Directors as corporate officers for the remainder of fiscal year 2026, effective 06 April 2026 and until their successors are duly elected and qualified:*

<b>Director</b>	<b>Position</b>
MANUEL LUIS M. MAÑALAC	Chairman
JOSE FRANCISCO M. MAÑALAC	Treasurer

*RESOLVED FURTHER that the Corporate Secretary is authorized and directed to issue the corresponding certificate to confirm the approval and issuance of the foregoing resolutions."*

The foregoing resolutions were unanimously approved by majority of the Board of the Corporation, and have not in any way been amended, rescinded, or revoked, and are in full force and effect as of the date hereof.

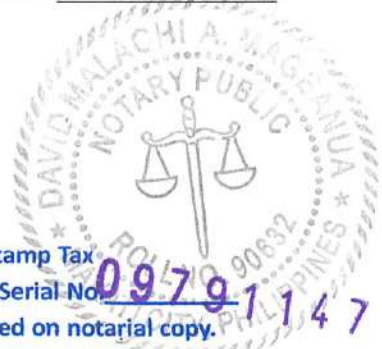
IN WITNESS WHEREOF, we have hereunto set my hand at Makati City, on this 29th day of April 2026.

  
**FRANCISCO B. GONZALEZ V**  
Corporate Secretary  
TIN 106-097-341

**SUBSCRIBED AND SWORN TO** before me on this 29th day of April 2026 at Makati City, affiant exhibiting to me his competent evidence of identity by way of Driver's License No. N17-84-007422 valid until 20 October 2032.

Doc No. 128 ;  
Page No. 27 ;  
Book No. 1 ;  
Series of 2026.

Documentary Stamp Tax  
of P30.00, with Serial No. 09791147  
is paid and affixed on notarial copy.



  
**DAVID MALACHI A. MAGBANUA**  
Appointment No. M-103  
Notary Public - Makati City (Until 31 December 2027)  
Gonzalez Gupit & Laudencia Law Offices  
18/F 88 Corporate Center, Valero Cor Sederio Sts., Makati City  
Roll of Attorneys No 90632  
PTR No. 10767867 | 05 January 2026 | Makati City  
BP No. 578225 | 30 December 2025 | Makati Chapter  
MCLE Compliance No. VIII-0012709 | 27 August 2024 | Pasig City

**From:** Malen <fincapsecinc@yahoo.com>  
**Sent:** Saturday, May 16, 2026 7:10 AM  
**To:** nellybeth.c.balingcongan@albaromeo.com; romalyn.s.ordona@albaromeo.com  
**Subject:** Fwd: Your BIR AFS eSubmission uploads were received

----- Forwarded message -----

From: eafs@bir.gov.ph  
Date: 16 May 2026 6:40 am  
Subject: Your BIR AFS eSubmission uploads were received  
To: FINCAPSECINC@YAHOO.COM  
Cc: ECELESPLANA05@GMAIL.COM

Hi FIRST INTEGRATED SECURITIES INC,

**Valid files**

- EAFS002194182OTHTY122025.pdf
- EAFS002194182ITRTY122025.pdf
- EAFS002194182TCRTY122025-01.pdf
- EAFS002194182AFSTY122025.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-YSPYVP0BH7E967FPV1X423Q0FKJ87D7**  
Submission Date/Time: **May 16, 2026 06:40 AM**  
Company TIN: **002-194-182**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of First Integrated Capital Securities, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income (loss), statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS 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 of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

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

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### Report on the Supplementary Information Required by the Securities Regulation Code

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

**ALBA ROMEO AND CO.**



Nellybeth C. Balingcongan  
Partner

CPA Certificate No. 0096192

PTR No. 10775391, issued on January 14, 2026, Makati City

SEC Accreditation No. 96192-SEC (Individual), Group A, issued on January 17, 2023,  
valid to audit 2022 to 2026 financial statements

SEC Accreditation No. 8199-SEC (Firm), Group A, issued on October 7, 2021,  
valid to audit 2021 to 2025 financial statements

Tax Identification No. 501-376-933

BIR Accreditation No. 08-007141-003-2024, issued on March 15, 2024,  
valid until March 14, 2027

BOA/PRC Accreditation No. 8199/P-002, issued on July 5, 2024,  
valid from July 17, 2024 to July 16, 2027



FIRST INTEGRATED CAPITAL SECURITIES, INC.

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2025 AND 2024

	Note	2025			2024		
		Book value	Security valuation		Book value	Security valuation	
			Long	Short		Long	Short
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	5	P64,806,058			P82,549,268		
Receivable from customers, net	6	8,334	P21,487,813		12,956	P21,886,012	
Other current assets	7	3,334,475			2,331,478		
<b>Total current assets</b>		<b>68,148,867</b>			<b>84,893,702</b>		
<b>Non-current assets</b>							
Property and equipment, net	8	12,220			110,606		
Investment property, net	9	1			7,914,278		
Trading right	10	2,178,000			2,178,000		
Refundable deposit		12,905			7,881		
Deferred tax assets, net	21	1,071,664			2,220,996		
<b>Total non-current assets</b>		<b>3,274,790</b>			<b>12,431,761</b>		
<b>Total assets</b>		<b>P71,423,657</b>			<b>P97,325,463</b>		
<b>SECURITIES</b>							
In vault and with Philippine Depository & Trust Corp.				P859,466,172		P981,443,517	
<b>LIABILITIES AND EQUITY</b>							
<b>Current liabilities</b>							
Payable to:							
Customers	11	P29,829,744	837,978,359		P64,282,454	959,557,505	
Clearing house, net	12	-			31,200		
Other current liabilities	13	3,853,959			1,827,734		
<b>Total current liabilities</b>		<b>33,683,703</b>			<b>66,141,388</b>		
<b>Non-current liability</b>							
Retirement liability	20	942,114			808,999		
<b>Total liabilities</b>		<b>34,625,817</b>			<b>66,950,387</b>		
<b>Equity</b>							
Share capital	14	59,000,000			58,000,000		
Deficit	15	(21,231,477)			(26,603,205)		
Accumulated other comprehensive loss, net	20	(970,683)			(1,021,719)		
<b>Total equity</b>		<b>36,797,840</b>			<b>30,375,076</b>		
<b>Total liabilities and equity</b>		<b>P71,423,657</b>	<b>P859,466,172</b>	<b>P859,466,172</b>	<b>P97,325,463</b>	<b>P981,443,517</b>	<b>P981,443,517</b>

(The notes on pages 1 to 38 are an integral part of these financial statements.)

FIRST INTEGRATED CAPITAL SECURITIES, INC.

**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Note	2025	2024
<b>Commission revenue</b>	16	<b>P2,084,453</b>	P1,839,974
Cost of services	17	<u>(3,848,277)</u>	<u>(4,136,466)</u>
<b>Gross loss</b>		<b>(1,763,824)</b>	<b>(2,296,492)</b>
Other revenues	18	<b>12,293,773</b>	2,406,475
Operating expenses	19	<u>(4,046,555)</u>	<u>(4,383,147)</u>
<b>Income (Loss) from operations</b>		<b>6,483,394</b>	<b>(4,273,164)</b>
Interest revenue	5,7	<u>246,992</u>	<u>84,705</u>
<b>Income (Loss) before income tax</b>		<b>6,730,386</b>	<b>(4,188,459)</b>
Benefit from (Provision for) income tax	21	<u>(1,348,658)</u>	<u>775,716</u>
<b>Net income (loss) for the year</b>		<b>5,381,728</b>	<b>(3,412,743)</b>
<b>Other comprehensive loss, net</b>			
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Actuarial gain (loss) on remeasurement of retirement liability, net	20	<u>51,036</u>	<u>(380,687)</u>
<b>Total comprehensive income (loss) for the year</b>		<u><u>P5,432,764</u></u>	<u><u>(P3,793,430)</u></u>

*(The notes on pages 1 to 38 are an integral part of these financial statements.)*

**FIRST INTEGRATED CAPITAL SECURITIES, INC.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Share capital (Note 14)	Deficit (Note 15)	Accumulated other comprehensive loss, net (Note 20)	Total equity
Balance at January 1, 2024	P58,000,000	(P23,190,462)	(P641,032)	P34,168,506
Net loss for the year	-	(3,412,743)	-	(3,412,743)
Actuarial loss on remeasurement of retirement liability, net	-	-	(380,687)	(380,687)
Balance at December 31, 2024	58,000,000	(26,603,205)	(1,021,719)	30,375,076
Issuance of shares	1,000,000	-	-	1,000,000
Share issuance cost (Note 14)	-	(10,000)	-	(10,000)
Net income for the year	-	5,381,728	-	5,381,728
Actuarial gain on remeasurement of retirement liability, net	-	-	51,036	51,036
<b>Balance at December 31, 2025</b>	<b>P59,000,000</b>	<b>(P21,231,477)</b>	<b>(P970,683)</b>	<b>P36,797,840</b>

*(The notes on pages 1 to 38 are an integral part of these financial statements.)*

**FIRST INTEGRATED CAPITAL SECURITIES, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Note	2025	2024
<b>Cash flows from operating activities</b>			
Income (Loss) before income tax		P6,730,386	(P4,188,459)
Adjustments for:			
Depreciation	8,9,19	593,028	748,038
Provision for retirement	17,19,20	196,910	131,316
Reversal of allowance for credit losses	6,18	-	(2)
Dividend revenue	18	(44,200)	-
Interest revenue	5,7	(246,992)	(84,705)
Gain on sale of investment property	9,18	(9,580,365)	-
Operating loss before changes in operating assets and liabilities		<u>(2,351,233)</u>	<u>(3,393,812)</u>
Changes in operating assets and liabilities			
(Increase) Decrease in:			
Receivable from customers		4,622	10,053,598
Other current assets		49	(180,718)
Refundable deposit		(5,024)	-
Increase (Decrease) in:			
Payable to:			
Customers		(34,452,710)	7,386,755
Clearing house, net		(31,200)	(1,447,700)
Other current liabilities		2,026,225	571,483
Cash generated from (used in) operations		<u>(34,809,271)</u>	<u>12,989,606</u>
Interest received	5,7	239,253	84,705
Dividends received	18	44,200	-
Creditable taxes withheld	21	(1,207,392)	(136,141)
Net cash provided by (used in) operating activities		<u>(35,733,210)</u>	<u>12,938,170</u>
<b>Cash flows from investing activities</b>			
Additions to property and equipment	8	-	(22,848)
Proceeds from sale of investment property	9	17,000,000	-
Cash provided by (used in) investing activities		<u>17,000,000</u>	<u>(22,848)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	14	1,000,000	-
Share issuance cost	14	(10,000)	-
Collection of subscriptions receivable	14	-	2,000,000
Net cash provided by financing activities		<u>990,000</u>	<u>2,000,000</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(17,743,210)</b>	<b>14,915,322</b>
<b>Cash and cash equivalents</b>			
January 1	5	<u>82,549,268</u>	<u>67,633,946</u>
December 31		<u><u>P64,806,058</u></u>	<u><u>P82,549,268</u></u>

*(The notes on pages 1 to 38 are an integral part of these financial statements.)*

**FIRST INTEGRATED CAPITAL SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 - GENERAL INFORMATION**

**1.1 Corporate information**

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

The Company's registered office, which is also its principal place of business, is located at Units 1211-1212 Tower One & Exchange Plaza, Ayala Avenue, Makati City.

**1.2 Approval of financial statements**

The accompanying financial statements were approved and authorized for issue by the Company's Board of Directors (BOD) on April 23, 2026, and that Manuel Luis M. Mañalac, the Company's President, was authorized to sign and cause the issuance of the financial statements on its behalf.

**NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION**

**2.1 Basis of preparation**

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

*Statement of compliance*

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

*Presentation of financial statements*

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

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

#### *Basis of measurement*

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

#### *Use of judgments and estimates*

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

## **2.2 Changes in accounting policies and disclosures**

#### *New standards and amendments to existing standards adopted by the Company*

There are no new standards or amendments to existing standards effective January 1, 2025 that have a material impact to the Company.

#### *New standards and amendments issued but not yet effective*

New standards and amendments issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. These are not mandatory for December 31, 2025 reporting period and have not been early adopted by the Company.

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

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

These amendments:

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

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

## Annual Improvements to PFRS Accounting Standards - Volume 11

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

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

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

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

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

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

- Amendments to PFRS 9

- a) Lessee Derecognition of Lease Liabilities

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

- b) Transaction Price

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

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

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

- Amendments to PAS 7, *Cost Method*

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

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

### **PFRS 18, *Presentation and Disclosure in Financial Statements***

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

The key new concepts introduced in PFRS 18 relate to:

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

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

There are no other new standards, amendments to existing standards or interpretations that are effective for annual periods beginning on or after January 1, 2026 that are considered relevant or expected to have a material effect on the financial statements of the Company.

### **2.3 Cash and cash equivalents**

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

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

### **2.4 Securities transaction**

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

Significant related expenses include:

- (i) Stock exchange fees and dues - refer to fees paid to the Philippine Stock Exchange (PSE), SEC and Securities Investors Protection Fund for every trade transaction made by the Company, relative to the respective volumes of such transactions. These are recognized in profit or loss on the date they are incurred.
- (ii) Philippine Central Depository charges - refer to depository maintenance fee for the customer accounts maintained by the Company in the Philippine Depository and Trust Corporation (PDTC), the independent custodian of scripless securities which are traded in the PSE. These are recognized in profit or loss upon utilization of the service of the PDTC.

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

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

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

## 2.5 Financial instruments

### *Initial recognition and measurement*

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

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

### *Financial assets*

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

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

### *Subsequent measurement*

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

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

The Company has financial assets at amortized cost only. It does not have financial assets at FVOCI, both debt and equity instruments, and at FVPL.

### *Financial assets at amortized cost (debt instruments)*

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

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

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

The Company's financial assets at amortized cost include cash and cash equivalents, net receivable from customers, advances to employees, accrued interest receivable and refundable deposit.

### *Impairment of financial assets*

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

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

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

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

### ***Financial liabilities***

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

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

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

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

### ***Classification of financial instruments between debt and equity***

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

### ***Derecognition of financial instruments***

#### Financial asset

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

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

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

#### Financial liability

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

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

### ***Offsetting of financial instruments***

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

### ***Determination of fair value***

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

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

**Fair value hierarchy**

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

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

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

**2.6 Creditable withholding taxes (CWTs)**

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

**2.7 Property and equipment**

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

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

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

Property classification	Useful life
Office condominium	13.75 to 20 years
Transportation equipment	5 years
Office furniture, fixtures and equipment	3 years

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

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

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

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

## **2.8 Trading right**

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

Trading right is initially recognized at the amount allocated from the original cost of the exchange membership seat. Subsequently, it is carried at cost less any allowance for impairment. The carrying amount of trading right is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is calculated at the higher of the asset's value in use and its fair value less costs to sell.

## **2.9 Impairment of non-financial assets**

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

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

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

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

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

#### **2.10 Accrued expenses and other liabilities**

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

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

#### **2.11 Share capital**

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

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

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

#### **2.12 Retained earnings (Deficit)**

Retained earnings (Deficit) include all current and prior period results as disclosed in the statements of comprehensive income (loss) and statements of changes in equity.

#### **2.13 Revenue recognition**

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

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

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

#### *Commission revenue*

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

#### *Gain or loss on dealer's trading operations*

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

#### *Interest revenue*

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

Interest revenue on advances to employees is accrued on a time proportion basis by reference to the outstanding balance and at the interest rate applicable.

#### *Dividend revenue*

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

#### *Other revenue*

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

### **2.14 Cost and expense recognition**

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

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

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

## **2.15 Provisions and contingencies**

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

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

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

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

## **2.16 Leases**

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

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

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

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

### *The Company as a lessor*

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

## **2.17 Employee benefits**

### *Short-term benefits*

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

### *Retirement benefits*

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

Retirement benefit cost is determined using the projected unit credit method. This method reflects the services rendered by the employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. The components of defined benefit cost include service cost, net interest on the net defined benefit liability that is recognized in profit or loss, and remeasurements of the net defined benefit liability that are recognized in OCI. Remeasurements of the net defined benefit liability recognized in OCI shall not be reclassified to profit or loss in a subsequent period.

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

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

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

Past service costs are recognized immediately in profit or loss.

### **2.18 Income taxes**

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

#### *Current tax*

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

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

### *Deferred tax*

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

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

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

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

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

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

### **2.19 Related parties**

A related party is an entity or person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common or joint control with, the Company in governing the financial and operating policies, or that has an interest in the Company that gives it significant influence over the Company in making financial and operating decisions. It also includes members of the key management personnel of the Company or close members of their family and others, who have the ability to control, jointly control or significantly influenced by or for which significant voting power in the Company resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### **2.20 Events after financial reporting date**

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

### NOTE 3 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

#### Judgments

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

*(a) Significant increase of credit risk*

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

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

*(b) Recognizing provisions and contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 2.15. In 2025 and 2024, the Company has determined that no contingencies will materially affect its financial statements, hence, no provisions are recognized.

#### Estimates

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

*(a) Estimating credit losses on receivables*

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

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

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

As provided in the Securities Regulation Code (SRC) Rule 52.1, every broker dealer is required to establish an allowance for doubtful accounts based on a prescribed schedule, ensuring that receivables are properly provided for and financial statements reflect potential credit losses.

The carrying values of the Company's receivables follow:

	<u>2025</u>	<u>2024</u>
Receivable from customers, net (Note 6)	<b>P8,334</b>	P12,956
Other receivables (Note 7)		
- Advances to employees	<b>793,195</b>	787,195
- Accrued interest receivable (Note 5)	<b>31,889</b>	24,150
Refundable deposit	<b>12,905</b>	7,881
	<b><u>P846,323</u></b>	<b><u>P832,182</u></b>

Based on management's assessment, the allowance for credit losses amounting to P1 as at December 31, 2025 and 2024 is adequate to provide for any losses which may be sustained in the realization of receivables (see Note 6).

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

The Company estimates the useful lives of property and equipment, and investment property based on the period over which the asset is expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to technical or commercial obsolescence, and legal or other limits on the use of the asset. In addition, the estimate of the useful lives of these assets is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar asset.

It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recorded operating expenses and decrease non-current assets.

The net carrying value of property and equipment amounted to P12,220 and P110,606 as at December 31, 2025 and 2024, respectively. Accumulated depreciation amounted to P20,010,676 and P19,912,290 as at December 31, 2025 and 2024, respectively (see Note 8). The net carrying value of investment property amounted to P1 and P7,914,278 as at December 31, 2025 and 2024, respectively. Accumulated depreciation amounted to P7,235,213 and P11,192,349 as at December 31, 2025 and 2024, respectively (see Note 9). There is no change in the estimated useful lives of these assets in 2025 and 2024.

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

PFRS Accounting Standards require that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.9. Determining the fair value of non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, necessitates the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that a non-financial asset is impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations of the Company.

The preparation of the estimated future cash flows involves significant judgments and estimates. Though management believes that the assumptions used in estimating fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations of the Company.

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

No impairment loss was recognized by the Company on its non-financial assets in 2025 and 2024.

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

	<u>2025</u>	<u>2024</u>
Property and equipment (Note 8)	P12,220	P110,606
Investment property (Note 9)	1	7,914,278
Trading right (Note 10)	<u>2,178,000</u>	<u>2,178,000</u>
	<u>P2,190,221</u>	<u>P10,202,884</u>

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

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

Estimates of future taxable profit indicate that temporary differences will be realized in the future. Deferred tax assets recognized by the Company amounted to P1,071,664 and P2,220,996 as at December 31, 2025 and 2024, respectively (see Note 21).

(e) *Estimating retirement benefit cost*

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

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

Other key assumptions for retirement obligation are based in part on current market conditions. Additional information is disclosed in Note 20.

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

Retirement benefit cost recognized in profit or loss in 2025 and 2024 amounted to P196,910 and P131,316, respectively (see Notes 17, 19 and 20).

As at December 31, 2025 and 2024, the retirement liability of the Company amounted to P942,114 and P808,999, respectively (see Note 20).

#### NOTE 4 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	<u>2025</u>	<u>2024</u>
<b>Financial assets</b>		
Cash and cash equivalents (Note 5)	P64,806,058	P82,549,268
Receivable from customers (Note 6)	8,334	12,956
Advances to employees (Note 7)	793,195	787,195
Accrued interest receivable (Notes 5 and 7)	31,889	24,150
Refundable deposit	12,905	7,881
	<u>P65,652,381</u>	<u>P83,381,450</u>
<b>Financial liabilities</b>		
Payable to:		
Customers (Note 11)	P29,829,744	P64,282,454
Clearing house, net (Note 12)	-	31,200
Other current liabilities* (Note 13)	1,713,601	1,652,094
	<u>P31,543,345</u>	<u>P65,965,748</u>

\*excluding due to government

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

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

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

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

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

	<u>2025</u>	<u>2024</u>
Interest revenue (Notes 5 and 7)	P246,992	P84,705
Reversal of allowance for credit losses (Notes 6 and 18)	-	2
	<u>P246,992</u>	<u>P84,707</u>

### Financial risk management

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

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

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

#### *General objectives, policies and processes*

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

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

#### (a) Market risk

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

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

Interest revenue in 2025 and 2024 amounted only to P227,590 and P60,193, respectively, and represents a negligible percentage of the Company's gross revenue for both years. As such, an upward or downward movement of interest rate by 100-basis points will not significantly affect the Company's income (loss) before income tax and equity.

- 2) Foreign exchange risk

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

(b) Credit risk

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

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

In accordance with the industry practice, customer trades are settled generally two business days after trade date. Should either the customer or the counterparty fails to perform, the Company may be required to complete the transaction at prevailing market prices. Individual customers maintain their securities position with the Company in its scripless form and is usually sufficient to cover debit balances. The Company monitors concentration of credit risks and limits the risk through consideration of factors which include the creditworthiness of the customer, its financial strength and the size of its positions or commitments.

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

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

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

	2025	2024
Cash and cash equivalents* (Note 5)	<b>P64,796,058</b>	P82,539,268
Receivable from customers, net (Note 6)	<b>8,334</b>	12,956
Advances to employees (Note 7)	<b>793,195</b>	787,195
Accrued interest receivable (Notes 5 and 7)	<b>31,889</b>	24,150
Refundable deposit	<b>12,905</b>	7,881
	<b>P65,642,381</b>	P83,371,450

*\*excluding cash on hand*

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

	2025				
	Total	Neither past due nor impaired	Past due but not impaired		Impaired
			T+2 to T+12	Beyond T+12	
Cash and cash equivalents	P64,796,058	P64,796,058	P-	P-	P-
Receivable from customers	8,335	179	-	8,155	1
Advances to employees	793,195	793,195	-	-	-
Accrued interest receivable	31,889	31,889	-	-	-
Refundable deposit	12,905	12,905	-	-	-
	65,642,382	65,634,226	-	8,155	1
Allowance for credit losses	(1)	-	-	-	(1)
	P65,642,381	P65,634,226	P-	P8,155	P-

	2024				
	Total	Neither past due nor impaired	Past due but not impaired		Impaired
			T+2 to T+12	Beyond T+12	
Cash and cash equivalents	P82,539,268	P82,539,268	P-	P-	P-
Receivable from customers	12,957	181	-	12,775	1
Advances to employees	787,195	787,195	-	-	-
Accrued interest receivable	24,150	-	-	-	-
Refundable deposit	7,881	7,881	-	-	-
	83,371,451	83,334,525	-	12,775	1
Allowance for credit losses	(1)	-	-	-	(1)
	P83,371,450	P83,334,525	P-	P12,775	P-

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

#### *Credit quality per class of financial assets*

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

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

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

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

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

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

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

The Company does not have financial assets that are past due or impaired whose terms have been renegotiated.

(c) Liquidity risk

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

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

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

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

	2025			
	Total	< 1 year	1 to 5 years	> 5 years
Payable to customers	P29,829,744	P29,829,744	P-	P-
Other current liabilities*	1,713,601	1,713,601	-	-
	<b>P31,543,345</b>	<b>P31,543,345</b>	<b>P-</b>	<b>P-</b>

	2024			
	Total	< 1 year	1 to 5 years	> 5 years
Payable to:				
Customers	P64,282,454	P64,282,454	P-	P-
Clearing house, net	31,200	31,200	-	-
Other current liabilities*	1,652,094	1,652,094	-	-
	<b>P65,965,748</b>	<b>P65,965,748</b>	<b>P-</b>	<b>P-</b>

\*excluding due to government

## NOTE 5 - CASH AND CASH EQUIVALENTS

The account at December 31 consists of:

	<u>2025</u>	<u>2024</u>
Cash on hand	P10,000	P10,000
Cash in banks	44,796,058	75,539,268
Cash equivalents	20,000,000	7,000,000
	<u>P64,806,058</u>	<u>P82,549,268</u>

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

Cash in banks include a special reserve account with balance of P24,462,228 and P62,737,506 as at December 31, 2025 and 2024, respectively.

Cash in banks earn interest at the prevailing bank deposit rates. Interest revenue earned from bank deposits in 2025 and 2024 amounted to P227,590 and P60,193, respectively. Interest received amounted to P239,253 and P84,705 in 2025 and 2024, respectively.

Cash equivalents are short-term placements with original maturity of 30 days from the date of placement. These bear annual interest rates of 5.125% as of December 31, 2025 and 5.75% as of December 31, 2024. Accrued interest receivable amounted to P31,889 and P24,150 at December 31, 2025 and 2024, respectively (see Note 7). Due to their short maturities and insignificant risk of changes in value, the carrying amounts approximate fair value.

## NOTE 6 - RECEIVABLE FROM CUSTOMERS

The account includes amounts due on cash transactions resulting from brokerage services rendered, including the value of securities bought or sold on behalf of customers, commissions and other charges thereon. Securities owned by customers are held as collateral for amounts due from them.

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

	<u>2025</u>			<u>2024</u>		
	<u>Money balance</u>	<u>Security valuation</u>		<u>Money balance</u>	<u>Security valuation</u>	
		Long	Short		Long	Short
<b><i>Fully secured accounts</i></b>						
More than 250%	P8,335	P21,487,813	P-	P12,957	P21,886,012	P-
Between 200% to 250%	-	-	-	-	-	-
	<u>8,335</u>	<u>21,487,813</u>	-	<u>12,957</u>	<u>21,886,012</u>	-
Allowance for credit losses	<u>(1)</u>	-	-	<u>(1)</u>	-	-
	<u>P8,334</u>	<u>P21,487,813</u>	<u>P-</u>	<u>P12,956</u>	<u>P21,886,012</u>	<u>P-</u>

Receivable from customers is generally settled two days after the transaction date. The net receivable from customers as at December 31, 2025 and 2024 is subsequently collectible.

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

Changes in allowance for credit losses follow:

	<u>2025</u>	<u>2024</u>
Balance at January 1	P1	P3
Reversal (Note 18)	-	(2)
Balance at December 31	<u>P1</u>	<u>P1</u>

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

#### NOTE 7 - OTHER CURRENT ASSETS

The account at December 31 consists of:

	<u>2025</u>	<u>2024</u>
Creditable withholding taxes (Note 21)	P2,339,088	P1,343,781
Advances to employees	793,195	787,195
Prepayments	170,303	176,352
Accrued interest receivable (Note 5)	31,889	24,150
	<u>P3,334,475</u>	<u>P2,331,478</u>

Advances to employees represent cash loans given to employees which bear an annual interest rate of 4% and are for salary deduction. Interest revenue earned from these advances amounted to P19,402 in 2025 and P24,512 in 2024.

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

#### NOTE 8 - PROPERTY AND EQUIPMENT

Details and movements of the account follow:

	Transportation equipment	Office condominium	Office furniture, fixtures and equipment	Total
<b>Cost</b>				
At January 1, 2024	P4,400,000	P13,337,603	P2,262,445	P20,000,048
Additions	-	-	22,848	22,848
<b>At December 31, 2025 and 2024</b>	<u>4,400,000</u>	<u>13,337,603</u>	<u>2,285,293</u>	<u>20,022,896</u>
<b>Accumulated depreciation</b>				
At January 1, 2024	4,399,998	13,337,602	2,020,223	19,757,823
Depreciation (Note 19)	-	-	154,467	154,467
At December 31, 2024	4,399,998	13,337,602	2,174,690	19,912,290
Depreciation (Note 19)	-	-	98,386	98,386
<b>At December 31, 2025</b>	<u>4,399,998</u>	<u>13,337,602</u>	<u>2,273,076</u>	<u>20,010,676</u>
<b>Net book value</b>				
At December 31, 2024	P2	P1	P110,603	P110,606
<b>At December 31, 2025</b>	<u>P2</u>	<u>P1</u>	<u>P12,217</u>	<u>P12,220</u>

Management has reviewed the carrying amounts of the items of property and equipment as at December 31, 2025 and 2024, and based on the results of its evaluation, there are no indications that an impairment loss has occurred on these assets.

There are no property and equipment pledged as collateral for liabilities as at December 31, 2025 and 2024.

#### NOTE 9 - INVESTMENT PROPERTY

The account represents two condominium units that are held for rental. As of December 31, 2025, only one condominium unit is left, following the sale of one unit during the year. Movements in the account are as follows:

##### Cost

At January 1 and December 31, 2024	P19,106,627
Disposal	(11,871,413)
<b>At December 31, 2025</b>	<b><u>7,235,214</u></b>

##### Accumulated depreciation

At January 1, 2024	10,598,778
Depreciation (Note 19)	593,571
At December 31, 2024	<u>11,192,349</u>
Depreciation (Note 19)	494,642
Disposal	(4,451,778)
<b>At December 31, 2025</b>	<b><u>7,235,213</u></b>

##### Net book value

At December 31, 2024	<u>P7,914,278</u>
<b>At December 31, 2025</b>	<b><u><u>P1</u></u></b>

In 2025, the Company disposed a condominium unit with net book value of P7,419,635 for P17,000,000, resulting in gain on sale of P9,580,365 (see Note 18).

No impairment loss was recognized in 2025 and 2024.

There are no other direct costs and expenses incurred in 2025 and 2024 from the investment property that generated income other than the depreciation and real property taxes.

Rental income earned by the Company from its investment property amounted to P2,669,208 and P2,360,797 in 2025 and 2024, respectively (see Note 18).

The property is not pledged as a collateral for any liabilities of the Company as at December 31, 2025 and 2024.

#### NOTE 10 - TRADING RIGHT

The carrying value of PSE trading right amounted to P2,178,000 as at December 31, 2025 and 2024.

The Company has no intention of selling its trading right in the future as it intends to continue to operate as a stockbrokerage entity. As at December 31, 2025 and 2024, the latest transacted price of the trading right, as provided by the PSE, is P7,700,000 and P8,000,000, respectively, and is therefore within Level 1 of the fair value hierarchy. As at December 31, 2025 and 2024, the trading right shows no indication of impairment.

## NOTE 11 - PAYABLE TO CUSTOMERS

The account at December 31 consists of:

	2025			2024		
	Money balance	Security valuation		Money balance	Security valuation	
		Long	Short		Long	Short
<i>Free balances</i>						
With money balances	<b>P29,829,744</b>	<b>P694,830,801</b>	<b>P-</b>	P64,282,454	P699,815,279	P-
No money balances	-	<b>143,147,558</b>	-	-	259,742,226	-
	<b>P29,829,744</b>	<b>P837,978,359</b>	<b>P-</b>	P64,282,454	<b>P959,557,505</b>	<b>P-</b>

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

## NOTE 12 - PAYABLE TO CLEARING HOUSE, NET

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

Payable to clearing house, net amounted to nil and P31,200 as at December 31, 2025 and 2024, respectively.

## NOTE 13 - OTHER CURRENT LIABILITIES

The account at December 31 consists of:

	2025	2024
Accrued expenses	<b>P1,505,442</b>	P1,432,382
Rental deposit payable	<b>205,607</b>	205,607
Due to government	<b>2,140,358</b>	175,640
Salaries payable	-	11,473
Transfer fee payable	<b>1,191</b>	1,229
Clearing house fee payable	<b>1,083</b>	1,118
Central depository fees payable	<b>278</b>	285
	<b>P3,853,959</b>	<b>P1,827,734</b>

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

#### NOTE 14 - SHARE CAPITAL

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

	Number of shares		Amount	
	2025	2024	2025	2024
<b>Authorized</b>				
Common shares at P100 par value each	<u>1,000,000</u>	<u>1,000,000</u>	<u>P100,000,000</u>	<u>P100,000,000</u>
<b>Issued and outstanding</b> - at P100 par value each				
Balance at January 1	580,000	580,000	P58,000,000	P58,000,000
Issuance of shares	<u>10,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Balance at December 31	<u>590,000</u>	<u>580,000</u>	<u>P59,000,000</u>	<u>P58,000,000</u>

Share issuance cost in 2025 amounted to P10,000.

#### NOTE 15 - APPROPRIATION OF RETAINED EARNINGS

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

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

The net income (loss) after tax in 2025 and 2024 amounted to P5,381,728 and (P3,412,743), respectively.

As at December 31, 2025 and 2024, the Company has no appropriation as it remains in deficit position.

#### NOTE 16 - COMMISSION REVENUE

The commission earned by the Company in 2025 and 2024 amounting to P2,084,453 and P1,839,974 respectively, is mostly from trading transactions with individuals.

## NOTE 17 - COST OF SERVICES

Details of the account follow:

	<u>2025</u>	<u>2024</u>
Salaries and wages	P2,342,797	P2,563,000
Other staff costs	566,312	630,220
Stock exchange dues and fees	335,307	339,886
SSS, Philhealth and HDMF contributions	316,231	305,481
Central depository fees	112,308	119,139
Provision for retirement (Note 20)	99,122	78,790
Research fees	76,200	76,200
Commission	-	23,750
	<u>P3,848,277</u>	<u>P4,136,466</u>

## NOTE 18 - OTHER REVENUES

Details of the account follow:

	<u>2025</u>	<u>2024</u>
Gain on sale of investment property (Note 9)	P9,580,365	P-
Rental income (Note 9)	2,669,208	2,360,797
Dividend revenue	44,200	-
Gain on sale of financial asset at FVPL	-	468
Reversal of allowance for credit losses (Note 6)	-	2
Miscellaneous	-	45,208
	<u>P12,293,773</u>	<u>P2,406,475</u>

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

## NOTE 19 - OPERATING EXPENSES

Details of the account follow:

	<u>2025</u>	<u>2024</u>
Salaries and wages	P782,400	P758,400
Depreciation (Notes 8 and 9)	593,028	748,038
Taxes and licenses	449,820	217,706
Professional fees	282,461	253,000
Utilities	270,755	224,128
Other staff costs	198,706	206,490
Repairs and maintenance	185,950	642,576
Postage, telephone and telegram	167,451	193,343
Transportation and travel	162,991	190,144
Interest	119,505	-
SSS, Philhealth and HDMF contributions	112,639	93,588
Provision for retirement (Note 20)	97,788	52,526
Insurance	37,916	37,004
Stationery and supplies	36,603	71,154
Association dues	-	161,912
Entertainment, amusement and recreation	-	608
Miscellaneous	548,542	532,530
	<u>P4,046,555</u>	<u>P4,383,147</u>

Miscellaneous expenses consist mainly of deficiency taxes and penalties paid to the Bureau of Internal Revenue (BIR).

#### NOTE 20 - RETIREMENT BENEFIT COST

As disclosed in Note 2.17, the Company only conforms to the minimum regulatory benefit under RA No. 7641. The latest actuarial valuation performed by an independent actuarial consulting firm on the Company's retirement benefit cost and DBO is as of December 31, 2025.

The following data summarize the results of the said valuation:

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

	<u>2025</u>	<u>2024</u>
Current service cost	P147,318	P119,186
Interest cost	205,175	158,581
Interest income on plan assets	<u>(155,583)</u>	<u>(146,451)</u>
	<u>P196,910</u>	<u>P131,316</u>

Provision for retirement is allocated as follows:

	<u>2025</u>	<u>2024</u>
Cost of services (Note 17)	P99,122	P78,790
Operating expenses (Note 19)	97,788	52,526
	<u>P196,910</u>	<u>P131,316</u>

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

	<u>2025</u>	<u>2024</u>
Actuarial loss (gain) due to:		
- Changes in financial assumptions	P24,536	(P23,320)
- Remeasurement loss - plan assets	48,936	45,182
- Experience	<u>(137,267)</u>	<u>453,997</u>
	<u>(P63,795)</u>	<u>P475,859</u>

The amounts of actuarial loss (gain) of (P51,036) and P380,687 in 2025 and 2024, respectively, shown in the statements of comprehensive income (loss) are net of tax. Accumulated actuarial loss on retirement liability, net of tax amounted to P970,683 and P1,021,719 as at December 31, 2025 and 2024, respectively.

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

	<u>2025</u>	<u>2024</u>
Present value of DBO at January	P3,347,061	P2,638,617
Interest cost	205,175	158,581
Current service cost	147,318	119,186
Actuarial loss (gain)	<u>(112,731)</u>	<u>430,677</u>
Present value of DBO at December 31	<u>P3,586,823</u>	<u>P3,347,061</u>

(d) Actuarial return on plan assets consists of:

	<u>2025</u>	<u>2024</u>
Interest income	P155,583	P146,451
Remeasurement loss	(48,936)	(45,182)
	<u>P106,647</u>	<u>P101,269</u>

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

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	P2,538,062	P2,436,793
Interest income	155,583	146,451
Remeasurement loss - return on plan assets	(48,936)	(45,182)
Fair value of plan assets at December 31	<u>P2,644,709</u>	<u>P2,538,062</u>

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

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

	<u>2025</u>	<u>2024</u>
Present value of DBO	P3,586,823	P3,347,061
Fair value of plan assets	(2,644,709)	(2,538,062)
Retirement liability	<u>P942,114</u>	<u>P808,999</u>

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

	<u>2025</u>	<u>2024</u>
Retirement liability at January 1	P808,999	P201,824
Retirement benefit cost recognized in profit or loss	196,910	131,316
Actuarial loss (gain) recognized in OCI	(63,795)	475,859
Retirement liability at December 31	<u>P942,114</u>	<u>P808,999</u>

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

	<u>2025</u>	<u>2024</u>
Discount rate	5.99%	6.13%
Salary increase rate	5.00%	5.00%

Mortality rate

**2017 Philippine Intercompany Mortality  
Table**

Disability rate

**The Disability Study, Period 2  
Benefit 5 (Society of Actuaries)**

Turnover rates

Age	Rate
18-24	0.00%
25-29	0.00%
30-34	0.00%
35-39	20.00%
40-44	0.00%
≥45	0.00%

The discount rate assumption is based on the theoretical spot yield curve calculated from the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market by stripping the coupons from government bonds to create virtual zero-coupon bonds as of the valuation date and considering the estimated timing and amount of projected benefit payments.

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

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

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

	2025		2024	
Decrease in DBO due to 50 bps increase in discount rate	(P86,557)	(2.4%)	(P94,936)	(2.8%)
Increase in DBO due to 50 bps decrease in discount rate	89,598	2.5%	98,576	2.9%
Increase in DBO due to 100 bps increase in salary increase rate	182,364	5.1%	201,229	6.0%
Decrease in DBO due to 100 bps decrease in salary increase rate	(173,355)	(4.8%)	(190,075)	(5.7%)
Increase in DBO, no attrition rates	-	0.0%	-	0.0%

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

	2025		2024	
<b>Financial year</b>				
Year 1		P-		P-
Year 2		-		-
Year 3		-		-
Year 4		3,463,228		-
Year 5		-		3,593,698
Year 6-10		1,600,362		1,662,888
		<b>P5,063,590</b>		<b>P5,256,586</b>

The Company's retirement liability is exposed to interest rate risk, price risk and changes in the life expectancy for pensioners. There was no plan amendment, curtailment, or settlement recognized in 2025 and 2024.

The weighted average duration of the DBO is 4.9 years in 2025 and 5.8 years in 2024. The expected contribution to the fund in the next financial year is nil.

#### NOTE 21 - INCOME TAXES

The Company's provision for (benefit from) income tax consists of:

	2025		2024	
Current		P212,085		P3,775
Deferred		1,136,573		(779,491)
		<b>P1,348,658</b>		<b>(P775,716)</b>

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

	<u>2025</u>	<u>2024</u>
Income (Loss) before income tax	<u>P6,730,386</u>	<u>(P4,188,459)</u>
Income tax expense (benefit) calculated at statutory income tax rate of 20%	P1,346,077	(P837,692)
Adjust for tax effect of:		
Non-deductible expenses	52,624	32,848
Expired MCIT	6,315	46,069
Share issuance cost charged directly to equity	(2,000)	-
Dividend revenue from domestic corporations	(8,840)	-
Interest income subjected to final tax	<u>(45,518)</u>	<u>(16,941)</u>
Effective income tax expense (benefit)	<u>P1,348,658</u>	<u>(P775,716)</u>

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

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

Effective July 2008, RA No. 9504 was approved giving corporate taxpayers an option to claim itemized deduction or optional standard deduction equivalent to 40% of gross income. Once the option is made, it shall be irrevocable for the taxable year for which the option was made. The Company opted to continue claiming itemized deductions for the years ended December 31, 2025 and 2024.

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

Movements in creditable withholding tax are as follows:

	<u>2025</u>	<u>2024</u>
Balance at January 1	P1,343,781	P1,211,415
Creditable taxes withheld	1,207,392	136,141
Charged to profit or loss	<u>(212,085)</u>	<u>(3,775)</u>
Balance at December 31 (Note 7)	<u>P2,339,088</u>	<u>P1,343,781</u>

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

	2023	Credited (Charged) to profit or loss	Credited to OCI	2024	Credited (Charged) to profit or loss	Charged to OCI	2025
NOLCO	P1,043,433	P795,522	P-	P1,838,955	(P1,381,726)	P-	P457,229
Excess MCIT over RCIT	122,850	(42,294)	-	80,556	205,770	-	286,326
Actuarial loss on retirement liability	160,258	-	95,172	255,430	-	(12,759)	242,671
Provision for retirement	19,792	26,263	-	46,055	39,383	-	85,438
<b>Net</b>	<b>P1,346,333</b>	<b>P779,491</b>	<b>P95,172</b>	<b>P2,220,996</b>	<b>(P1,136,573)</b>	<b>(P12,759)</b>	<b>P1,071,664</b>

The details of the Company's NOLCO after 2021 are presented below:

Year incurred	Amount	Applied	Unutilized	Expiry year
2024	P3,977,610	(P1,691,463)	P2,286,147	2027
2023	163,797	(163,797)	-	2026
2022	2,597,865	(2,597,865)	-	2025
	<b>P6,739,272</b>	<b>(P4,453,125)</b>	<b>P2,286,147</b>	

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

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

Year incurred	Amount	Applied	Unutilized	Expiry year
2020	P2,455,503	(P2,455,503)	P-	2025

Details of excess MCIT over RCIT are as follows:

Year incurred	RCIT	MCIT	Excess MCIT over RCIT	Applied	Expired	Still allowable as tax credit	Expiry year
2025	P-	P212,085	P212,085	P-	P-	P212,085	2028
2024	-	3,775	3,775	-	-	3,775	2027
2023	-	70,466	70,466	-	-	70,466	2026
2022	-	6,315	6,315	-	(6,315)	-	2025
2021	-	46,069	46,069	-	(46,069)	-	2024
	<b>P-</b>	<b>P338,710</b>	<b>P338,710</b>	<b>P-</b>	<b>(P52,384)</b>	<b>P286,326</b>	

## NOTE 22 - CAPITAL MANAGEMENT

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

The BOD is responsible for managing the Company's capital structure and makes the necessary adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust or defer the dividend payment to shareholders. No changes were made in the Company's objectives, policies or processes during the years ended December 31, 2025 and 2024. The Company considers its total equity as the capital it manages.

### *Regulatory qualifying capital*

The Amended Implementing Rules and Regulations of the SRC effective February 28, 2004 includes, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealer as follows:

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

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

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

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

### *Limitations on withdrawal of core equity*

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

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

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

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

	<u>2025</u>	<u>2024</u>
Equity eligible for NLC	P35,726,176	P28,154,080
Less: Ineligible assets	<u>5,505,712</u>	<u>12,518,093</u>
NLC	<u>P30,220,464</u>	<u>P15,635,987</u>
Operational risk	P1,281,029	P1,466,925
Position risk	-	-
Counterparty risk	-	14
TRCR	<u>P1,281,029</u>	<u>P1,466,939</u>
AI	<u>P34,350,304</u>	<u>P66,207,746</u>
5% of AI	P1,717,515	P3,310,387
Required NLC	5,000,000	5,000,000
Net Risk-based Capital Excess	25,220,464	10,635,987
Ratio of AI to NLC	114%	423%
RBCA ratio	2,644%	1,066%

As of December 31, 2025 and 2024, the Company is in compliance with the required RBCA ratio.

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

- (a) Trading participants must have and keep a minimum subscribed capital stock in such amounts as may be required by law or regulations; provided, that trading participants shall have a minimum unimpaired paid-up capital, as defined by the SEC, of P20 million effective December 31, 2009; provided further, that effective December 31, 2010 and onwards, the minimum unimpaired paid-up capital shall be P30 million; and
- (b) Unless a trading participant has arranged a form of guarantee acceptable to the PSE, the trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due the clients of the trading participant, the government, the PSE and to other trading participants of the PSE and to the SCCP. Such indebtedness to the PSE, SCCP and other trading participants shall always, and in every case, be a prior, preferred lien upon the value, or the proceeds of sale of the trading rights.

The Company is in compliance with the required unimpaired paid-up capital as of December 31, 2025 and 2024 as shown in the statements of changes in equity.

#### **NOTE 23 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE**

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

## A. REVENUE REGULATIONS NO. 15-2010

In compliance with the requirements of RR No. 15-2010 issued on November 25, 2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended December 31, 2025:

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

	Amount	Output VAT
Vatable receipts/revenue	P21,752,574	P2,610,309
Exempt sales	1,088	-
	<u>P21,753,662</u>	<u>P2,610,309</u>

### 2. The amount of input VAT claimed

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

a. Balance at beginning of year	P-
b. Current year's domestic purchases	<u>179,243</u>
c. Total input VAT	179,243
d. Claims for tax credit and other adjustments	<u>(179,243)</u>
e. Balance at end of year	<u>P-</u>

VAT paid during the year amounted to P348,256 while VAT payable at December 31, 2025 amounted to P2,082,810.

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

#### Local

Transfer tax	P191,250
Real property tax	92,778
Business permit renewal	60,551
Other taxes	<u>105,241</u>
	<u>P449,820</u>

### 4. Sales tax on stock transactions

P1,175,494

### 5. Withholding taxes

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

	Paid	Accrued	Total
a. Tax on compensation and benefits	P204,424	P2,984	P207,408
b. Expanded withholding taxes	26,551	3,197	29,748
	<u>P230,975</u>	<u>P6,181</u>	<u>P237,156</u>

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

In November 2025, the Company settled deficiency VAT pertaining to taxable year 2018 amounting to P359,895, inclusive of interest charges of P113,549.

### **B. REVENUE REGULATIONS NO. 34-2020**

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

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

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



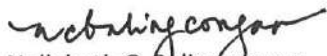
## INDEPENDENT AUDITORS' SUPPLEMENTAL WRITTEN STATEMENT

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

We have audited the financial statements of First Integrated Capital Securities, Inc. for the year ended December 31, 2025, on which we have rendered the attached report dated April 23, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said company has only one shareholder owning one hundred or more shares.

### ALBA ROMEO AND CO.



Nellybeth C. Balingeongan  
Partner

CPA Certificate No. 0096192

PTR No. 10775391, issued on January 14, 2026, Makati City

SEC Accreditation No. 96192-SEC (Individual), Group A, issued on January 17, 2023,  
valid to audit 2022 to 2026 financial statements

SEC Accreditation No. 8199-SEC (Firm), Group A, issued on October 7, 2021,  
valid to audit 2021 to 2025 financial statements

Tax Identification No. 501-376-933

BIR Accreditation No. 08-007141-003-2024, issued on March 15, 2024,  
valid until March 14, 2027

BOA/PRC Accreditation No. 8199/P-002, issued on July 5, 2024,  
valid from July 17, 2024 to July 16, 2027

Makati City  
April 23, 2026

FIRST INTEGRATED CAPITAL SECURITIES, INC.

STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2025

There are no liabilities subordinated to claims of general creditors.

FIRST INTEGRATED CAPITAL SECURITIES, INC.

RISK-BASED CAPITAL ADEQUACY WORKSHEET  
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION  
MEMORANDUM CIRCULAR NO. 16, SERIES OF 2004  
DECEMBER 31, 2025

Please see attached Risk-Based Capital Adequacy Worksheet computation of net liquid capital as at December 31, 2025.

**FIRST INTEGRATED CAPITAL SECURITIES, INC.**  
**RISK-BASED CAPITAL ADEQUACY WORKSHEET**  
**DECEMBER 31, 2025**

<b>Assets</b>	<b>71,423,657</b>
<b>Liabilities</b>	<b>34,625,817</b>
<b>Equity as per books</b>	<b>36,797,840</b>
<b>Adjustments to Equity per books</b>	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss ) in proprietary accounts	
Deferred Income Tax	<b>1,071,664</b>
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
<b>Total Adjustments to Equity per books</b>	<b>(1,071,664)</b>
<b>Equity Eligible For Net Liquid Capital</b>	<b>35,726,176</b>
<b>Contingencies and Guarantees</b>	
Deduct: Contingent Liability	
Guarantees or indemnities	
<b>Ineligible Assets</b>	
a. Trading Right and all Other Intangible Assets (net)	2,178,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	12,221
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	963,498
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	2,351,993
<b>Total ineligible assets</b>	<b>5,505,712</b>

<b>Net Liquid Capital (NLC)</b>	<b>30,220,464</b>
<b>Less:</b>	
Operational Risk Reqt (Schedule ORR-1)	1,143,092
Position Risk Reqt (Schedule PRR-1)	
Counterparty Risk (Schedule CRR-1 and detailed schedules)	
<b>Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)</b>	
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)	
<b>Total Risk Capital Requirement ( TRCR )</b>	<b>1,143,092</b>
<b>Net RBCA Margin (NLC-TRCR)</b>	<b>29,077,372</b>
<b>Liabilities</b>	<b>34,625,817</b>
<b>Add: Deposit for Future Stock Subscription (No application with SEC)</b>	
<b>Less: Exclusions from Aggregate Indebtedness</b>	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	275,513
<b>Total adjustments to AI</b>	<b>(275,513)</b>
<b>Aggregate Indebtedness</b>	<b>34,350,304</b>
<b>5% of Aggregate Indebtedness</b>	<b>1,717,515</b>
<b>Required Net Liquid Capital (&gt; of 5% of AI or P5M)</b>	<b>5,000,000</b>
<b>Net Risk-based Capital Excess / ( Deficiency )</b>	<b>25,220,464</b>
<b>Ratio of AI to Net Liquid Capital</b>	<b>114%</b>
<b>RBCA Ratio (NLC / TRCR)</b>	<b>2,644%</b>

FIRST INTEGRATED CAPITAL SECURITIES, INC.

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER SRC RULE 49.2  
DECEMBER 31, 2025

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

Market valuation	<u>    NIL</u>
Number of items	<u>    NIL</u>

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

Market valuation	<u>    NIL</u>
Number of items	<u>    NIL</u>

FIRST INTEGRATED CAPITAL SECURITIES, INC.

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER SRC RULE 49.2  
DECEMBER 31, 2025

<u>Particulars</u>	<u>Credit</u>	<u>Debit</u>
Free credit balances and other credit balances in customers' security accounts	P26,600,499	
Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection		P8,250
<b>Total</b>	<u>P20,600,499</u>	<u>P8250</u>
<b>Net credit balance</b>	<u>P20,592,249</u>	
<b>Required reserve (100% of net credit if making a weekly computation or 105% if monthly)</b>	<u>P20,592,249</u>	

FIRST INTEGRATED CAPITAL SECURITIES, INC.

A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED  
SINCE THE DATE OF PREVIOUS AUDIT  
DECEMBER 31, 2025

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

FIRST INTEGRATED CAPITAL SECURITIES, INC.

RESULTS OF SECURITIES COUNT CONDUCTED  
PURSUANT TO SRC RULE 52.1.10, AS AMENDED  
DECEMBER 31, 2025

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

**FIRST INTEGRATED CAPITAL SECURITIES INC.**  
Inventory Report By Location  
As of December 29, 2025

CODE	STOCK NAME	Vault	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
AB	ATOK-BIGWEDGE-A			305	305	2,060	628.30
ABA	ABACORE CAPITAL HOLDINGS,			100,000	100,000	0.260	26,000.00
ABS	ABS-CBN BROADCASTING CORP.			60,000	20,000	4.210	84,200.00
AC	AYALA CORPORATION			2,558	2,558	468,000	1,197,144.00
ACEN	ACEN CORPORATION			661,171	661,171	2,720	1,798,385.12
ACR	ALSONS CONSL'D RES			182,116,758	184,301,758	0.470	86,621,826.26
AEV	ABOITIZ EQTY VENT INC	2,185,000		75,340	115,200	28,000	3,225,600.00
AGI	ALLIANCE GLOBAL, INC.	1,000		8,000	8,000	8.190	65,520.00
ALCO	ARTHALAND CORPORATION			10,000	10,000	0.420	4,200.00
ALI	AYALA LAND, INC.			606,432	588,305	22,450	13,207,447.25
ALLHC	AYALA LAND LOGISTICS HOLDINGS INI			1,272,700	1,272,700	1.300	1,654,510.00
ANS	A. SORIANO CORPORATION			54,551	54,551	14,400	785,534.40
AP	ABOITIZ POWER CORPORATION			423,800	423,800	44,000	18,647,200.00
APL	APOLLO GLOBAL CAPITAL, INC.			207,000	207,000	0.005	1,035.00
APX	APEX MINING-A			190,000	190,000	12,440	2,363,600.00
ARA	ARANETA PROPERTY			3,726,000	3,726,000	0.400	1,490,400.00
AREIT	AREIT INC.			369,500	359,500	43,500	15,638,250.00
AT	ATLAS CONSOLIDATED MINING			3,681	3,681	6.030	22,196.43
ATI	ASIAN TERMINALS INC			132,100	132,100	34,500	4,557,450.00
AUB	ASIA UNITED BANK			22,500	22,500	39,200	882,000.00
AXLM	AXELUM RESOURCES CORP			467,000	432,000	2,360	1,019,520.00
BCP	BENGUET CORP. -PREF. "A"			558	558	25,150	14,033.70
BDO	BANCO DE ORO UNIBANK, INC.			132,538	132,538	134,600	17,839,614.80
BEL	BELLE CORP.			75,333	75,333	1.320	99,439.56
BHI	BOULEVARD HOLDINGS			7,000,000	7,000,000	0.039	273,000.00
BLOOM	BLOOMBERRY RESORTS			11,000	11,000	2,540	27,940.00
BPI	BANK OF PHIL. ISLANDS			42,964	42,973	116,100	4,989,165.30
BSC	BASIC ENERGY CORPORATION		9	792	9,026	0.117	1,056.04
C	CHELSEA LOGISTICS HOLDINGS			80,000	80,000	0.950	76,000.00
CEB	CEBU AIR INC.			139,450	139,450	32,000	4,462,400.00
CEBCP	CEBU AIR CONVERT			1,506	1,506	35,000	52,710.00
CHP	CONCREAT HOLDINGS PHILS,			955,000	955,000	1.090	1,040,950.00
CLI	CEBU LANDMASTERS, INC.			33,450	33,450	2.350	78,607.50
CNPF	CENTURY PACIFIC FOOD, INC.			20,400	20,400	39,000	795,600.00
CPG	CENTURY PROPERTIES GROUP,			3,333,332	3,333,332	0.690	2,299,999.08
CREC	CITICORE RENEWABLE ENERGY			370,000	370,000	4.280	1,583,600.00
CREIT	CITICORE ENERGY REIT CORP.			702,000	702,000	3.570	2,506,140.00
CYBR	CYBER BAY CORP.			121,250	121,250	0.000	0.00

**FIRST INTEGRATED CAPITAL SECURITIES INC.**  
Inventory Report By Location  
As of December 29, 2025

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
DD	DOUBLED DRAGON PROPERTIES			151,700	316,800	9,280	2,939,904.00
DDMPR	DDMP REIT, INC.			2,483,000	2,483,000	1,020	2,532,660.00
DDPR	DOUBLE DRAGON PROP.			14,000	14,000	97,000	1,358,000.00
DFNN	DIVERSIFIED FINANCIAL			240,000	240,000	0.800	192,000.00
DITO	DITO CME HOLDINGS CORP			650,000	500,000	0.680	340,000.00
DIZ	DIZON MINING			6,800	6,800	5.000	34,000.00
DMC	DMCI HOLDINGS, INC.			1,314,450	1,314,450	10.540	13,854,303.00
DNL	D & L INDUSTRIES, INC.			100,000	100,000	3.850	385,000.00
EGRN	EVERWOODS GREEN RES AND HLDGS			30,000	30,000	0.000	0.00
EIBA	EXPORT INDUSTRY BANK A	132		41,180,132	41,180,132	0.000	0.00
EIBB	EXPORT & INDUSTRY BANK B			600,000	600,000	0.000	0.00
ELI	EMPIRE EAST LAND			238,483	238,483	0.104	24,802.23
ENEX	ENEX ENERGY CORP.			30,498	30,498	3.340	101,863.32
ESLON	FILIPINAS ESLON	51,662		51,662	51,662	0.000	0.00
EW	EAST WEST BANKING			39,877	39,877	11.600	462,573.20
FAF	FIRST ABACUS FINC'L HLDNGS			16,990,000	16,990,000	0.660	11,213,400.00
FDC	FILINVEST DEV CORP			493,600	493,600	4.550	2,245,880.00
FEU	FAR EASTERN UNIV			122	122	800.000	97,600.00
FFI	FILIPINO FUND INC.			105	105	7.500	787.50
FGEN	FIRST GEN CORPORATION			1,724,719	1,689,919	17.740	29,979,163.06
FJP	F AND J PRINCE HOLDINGS CORP.			2,000	2,000	2.600	5,200.00
FLI	FIL-INVEST LAND, INC.	312		205,000	205,312	0.770	158,090.24
FMETF	FIRST METRO PHIL EQUITY EX G			15,890	23,000	101.000	2,323,000.00
FPH	FIRST PHIL. HOLDINGS-A			26,835	26,835	77.000	2,066,295.00
FPI	FORUM PACIFIC			950,000	950,000	0.240	228,000.00
FRUIT	FRUITAS HOLDINGS INC			50,000	50,000	0.640	32,000.00
FWBC	FWBC HOLDINGS INC.	498,108		498,108	498,108	0.000	0.00
GERI	GLOBAL-ESTATE RESORTS, INC.			351,404	351,404	0.690	242,468.76
GHPB	GUOCO PREF-B	100		100	100	0.000	0.00
GLO	GLOBE TELECOM INC. "A"			2,525	2,525	1.584	3,999,600.00
GMA7	GMA NETWORK INC.			833,400	348,000	5.410	1,882,680.00
GTCAP	GT CAPITAL HOLDINGS INC.			86,665	146,695	595.000	87,283,525.00
I	I-REMIT			5,671	5,671	0.000	0.00
ICT	INT'L CONTAINER			165,472	149,382	567.000	84,699,594.00
IMP	IMPERIAL RES - A			5,000	5,000	0.700	3,500.00
INFRA	PHILIPPINE INFRADEV HOLDINGS, INC			800,000	800,000	0.315	252,000.00
ION	IONICS CIRCUITS			30,000	30,000	1.020	30,600.00
JFC	JOLLIBEE FOODS CORP			91,431	91,431	180.000	16,457,580.00

**FIRST INTEGRATED CAPITAL SECURITIES INC.**  
Inventory Report By Location  
As of December 29, 2025

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
LC	LEPANTO MNG - A			3,891,196	3,891,196	0.185	719,871.26
LCB	LEPANTO MNG - B			575,585	575,585	0.187	107,634.40
LPC	LPM PROPERTIES CORP.			242,880	242,880	0.041	9,958.08
LTG	LT GROUP, INC.			60,000	60,000	14.780	886,800.00
MA	MANILA MINING-A	10,000		48,610,000	48,610,000	0.007	354,853.00
MAXS	MAX'S GROUP INC			131,400	131,400	2.450	566,930.00
MB	MANILA BULLETIN			6,362	6,362	0.164	1,043.37
MBT	METROPOLITAN BANK & TRUST			198,000	198,000	68.500	16,645,500.00
MED	MEDCO HOLDINGS INC.			10,000	10,000	0.090	900.00
MER	MERALCO - A			293,158	280,248	574.000	160,862,352.00
MJC	MANILA JOCKEY			113,309,479	113,309,479	0.000	0.00
MJIC	MJCI INVESTMENT INC.			66,900	66,900	0.000	0.00
MM	MERRYMART CONSUMER, INC.			602,000	200,000	0.290	78,000.00
MONDE	MONDE NISSIN CORPORATION			110,000	110,000	5.800	638,000.00
MRSKI	METRO RETAIL STORES GROUP,			17,000	17,000	1.150	19,550.00
MWC	MANILA WATER CO., INC.			90,200	90,200	40.300	3,635,060.00
MYNLD	MAYNILAD WATER SERVICES,			384,000	384,000	16.900	6,489,600.00
NRCP	NATIONAL REINSURANCE CORP			80,000	80,000	0.770	61,600.00
OPM	ORIENTAL PET-A	173,271		48,956,057	49,129,328	0.012	589,551.94
OPMB	ORIENTAL PET-B			1,437,528	1,437,528	0.012	17,250.34
OV	PHILODRILL CORP.	264,448		386,201,400	386,465,848	0.009	3,439,546.05
PA	PACIFICA INC - A			2,500	2,500	0.950	2,375.00
PAL	PAL HOLDINGS INC.			4,500	4,500	3.800	17,100.00
PBC	PHIL. BANK OF COMM. "A"			547,900	547,900	16.700	9,149,930.00
PCOR	PETRON CORP.			78,008	78,008	2.480	193,459.84
PCP	PICOP - A			9,039,906	9,039,906	0.000	0.00
PHA	PREMIERE HORIZON ALLIANCE			1,060,000	1,530,000	0.237	362,610.00
PHN	PHINMA CORPORATION			51,500	51,500	16.700	860,050.00
PHR	PH RESORTS GROUP HOLDINGS			3,000	3,000	0.133	399.00
PIZZA	SHAKEY'S PIZZA VENTURES			9,000	9,000	6.800	61,200.00
PLUS	DIGIPLUS INTERACTIVE CORP.			544,000	460,000	16.200	7,452,000.00
PNB	PHIL NATL BANK			1,234,642	1,229,642	54.400	66,892,524.80
PNX	PHOENIX PETROLEUM PHILS			80,000	80,000	0.000	0.00
PODCO	PHIL. OIL DEV CO	500,000			500,000	0.000	0.00
PPI	PHILIPPINE TOWNSHIP INC.-	22,104		91626	113,730	0.000	0.00
PSB	PHILIPPINE SAVINGS BANK			2,196	2,196	54.000	118,584.00
PSE	PHIL. STOCK EXCHANGE INC.			21,984	21,984	205.400	4,515,513.60
PTT	PHIL. & TEL CORP. "A"	16,666			16,666	0.000	0.00

**FIRST INTEGRATED CAPITAL SECURITIES INC.**  
Inventory Report By Location  
As of December 29, 2025

CODE	STOCK NAME	Vault	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
PULP	UNITED PULP	450			450	0.000	0.00
PX	PHILEX MINING-A			107,844	107,844	9,900	1,067,655.60
PXP	PXP ENERGY CORPORATION			340,305	340,305	2,380	811,391.98
RCI	ROXAS AND COMPANY, INC.			2,521,000	3,187,000	2,680	8,541,160.00
RCR	RL COMMERCIAL REIT, INC.			780,000	780,000	8,020	6,255,600.00
RFM	RFM CORPORATION			387,438	387,438	4,750	1,840,330.50
RLC	ROBINSONS LAND CORP.			84,000	144,000	16,160	2,327,040.00
ROCK	ROCKWELL LAND CORPORATION			26,267	26,267	1,850	48,593.95
SBS	SBS PHILIPPINES CORPORATION			78,791	78,791	3,890	306,496.99
SCC	SEMIRARA MINING CORP.			25,600	25,600	28,250	723,200.00
SECB	SECURITY BANK CORP.			845	845	65,650	55,474.25
SEVN	PHIL. SEVEN CORP.			149,878	149,878	37,000	5,545,486.00
SFI	SWIFT FOODS INC.			497	497	0.047	23.36
SFIP	SWIFT FOODS PREFERRED			989	989	0.000	0.00
SGI	SOLID GROUP INC.			1,000	1,000	1,270	1,270.00
SHLPH	PILIPINAS SHELL PET			1,843,051	1,843,051	6,930	12,772,343.43
SHNG	SHANG PROPERTIES INC.			6,152	6,152	3,540	21,778.08
SM	SAN MIGUEL CORP.			13,542	17,952	699,500	12,557,424.00
SMC	SAN MIGUEL - A			80,369	80,369	82,000	6,590,258.00
SMPH	SM PRIME HOLDING			17,940	17,940	22,750	408,135.00
SOC	SOC RESOURCES INC.			2,925,000	2,925,000	0.182	532,350.00
SPM	SEAFRONT RESOURCES CORP			3,809	3,809	2,360	8,989.24
SPNEC	SP NEW ENERGY CORPORATION			8,717,000	8,567,000	1,170	10,023,390.00
SSI	SSI GROUP INC.			190,000	190,000	2,630	499,700.00
STI	STI EDUCATION SYSTEMS			400,000	400,000	1,410	564,000.00
SUN	SUNTRUST HOME DEVELOPERS			263	263	0.760	199.88
TEL	PLDT "COMMON"			13,098	17,358	1260,000	21,871,080.00
TFC	TFC REDEVELOPMENT			395,266	395,266	54,200	21,423,417.20
TFHI	TOP FRONTIER INVESTMENT			7,698	7,698	61,000	469,578.00
TUGS	HARBOR STAR SHIPPING			412,500	412,500	0,590	243,375.00
URC	UNIVERSAL ROBINA CORP.			61,700	61,700	67,300	4,152,410.00
V	VANTAGE EQUITES INC.			115,000	115,000	0,890	102,350.00
VITA	VITARICH CORPORATION	2000		2,000	4,000	0,530	2,120.00
VMC	VICTORIAS MILLING CO. INC.			8,730	8,730	1,730	15,102.90
WEB	PHILWEB.COM INC.			9,400	9,400	6,200	58,280.00
WPI	WATERFRONT PHIL.			100	100	0,405	40.50
X	XUPRAS			70,200	70,200	0,248	17,409.60
		<b>3,733,487.00</b>	<b>9.00</b>	<b>911,268,795.00</b>	<b>915,180,350.00</b>		<b>859,466,172.19</b>

**FIRST INTEGRATED CAPITAL SECURITIES, INC.**

**FINANCIAL SOUNDNESS INDICATORS  
DECEMBER 31, 2025 AND 2024**

		<u>2025</u>		<u>2024</u>	
<b>i. Current/liquidity ratios</b>					
Current ratio	Current assets	<u>68,148,867</u>	<b>2.02</b>	<u>84,893,702</u>	1.28
	Current liabilities	<u>33,683,703</u>		66,141,388	
Quick ratio	Cash + Receivables	<u>64,814,392</u>	<b>1.25</b>	<u>82,562,224</u>	1.25
	Current liabilities	<u>33,683,703</u>		66,141,388	
<b>ii. Solvency ratios/debt-to-equity ratios</b>					
Solvency ratio	After tax net profit (loss) + Depreciation (Non-cash expenses)	<u>5,974,756</u>	<b>0.17</b>	<u>(2,664,705)</u>	(0.04)
	Total liabilities	<u>34,625,817</u>		66,950,387	
Debt-to-equity ratio	Total liabilities	<u>34,625,817</u>	<b>0.94</b>	<u>66,950,387</u>	2.20
	Total equity	<u>36,797,840</u>		30,375,076	
<b>iii. Asset-to-equity ratio</b>					
Asset-to-equity ratio	Total assets	<u>71,423,657</u>	<b>1.94</b>	<u>97,325,463</u>	3.20
	Total equity	<u>36,797,840</u>		30,375,076	
<b>iv. Interest rate coverage ratio</b>					
Interest rate coverage ratio	Earnings before interest and tax	<u>6,730,386</u>	<b>56.32</b>	<u>(4,188,459)</u>	-
	Interest expense	<u>119,505</u>		-	
<b>v. Profitability ratios</b>					
Return on equity	Net profit (loss)	<u>5,381,728</u>	<b>0.15</b>	<u>(3,412,743)</u>	(0.11)
	Total equity	<u>36,797,840</u>		30,375,076	
Gross margin	Gross profit	<u>(1,763,824)</u>	<b>(0.85)</b>	<u>(2,296,492)</u>	(1.25)
	Revenue	<u>2,084,453</u>		1,839,974	
Net margin	Net profit (loss)	<u>5,381,728</u>	<b>2.58</b>	<u>(3,412,743)</u>	(1.85)
	Revenue	<u>2,084,453</u>		1,839,974	
Return on assets	Net profit (loss)	<u>5,381,728</u>	<b>0.06</b>	<u>(3,412,743)</u>	(0.04)
	Average total assets	<u>84,374,560</u>		95,663,322	

FIRST INTEGRATED CAPITAL SECURITIES, INC.  
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR  
FEE-RELATED INFORMATION  
DECEMBER 31, 2025

	Current Year	Prior Year
Total Audit Fees	P135,000	P130,000
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	P135,000	P130,000