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Subject: [EXTERNAL]SEC eFast Final Acceptance
Date: Wednesday, May 13, 2026 4:25:19 PM
Attachments: [OST105132026811366918.pdf](#)

Dear **J.P. MORGAN SECURITIES PHILIPPINES INC.**,

Greetings!

Your submission has been reviewed and accepted. Please see attached file as proof of acceptance. You can also generate your QR Code page in your account.

SEC Registration No: 0000183517
Company Name: J.P. MORGAN SECURITIES PHILIPPINES INC.
Document Code: SEC_Form_52-AR

Thank you.

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

REMINDER:

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SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
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Receipt Date and Time: May 13, 2026 03:39:59 PM

Company Information

SEC Registration No.: 0000183517

Company Name: J.P. MORGAN SECURITIES PHILIPPINES INC.

Industry Classification: J66930

Company Type: Stock Corporation

Document Information

Document ID: OST105132026811366918

Document Type: Annual Audited Financial Report

Document Code: SEC_Form_52-AR

Period Covered: December 31, 2025

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

From: eafs@bir.gov.ph
To: [JP Morgan Securities LEC Tax](#)
Cc: [JP Morgan Securities LEC Tax](#)
Subject: Your BIR AFS eSubmission uploads were received
Date: Wednesday, May 13, 2026 12:58:52 AM

Hi J.P. MORGAN SECURITIES PHILIPPINES, INC.,

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Transaction Code: **AFS-0-BCKAJA8E0895797JFN343Y2WM03VYVZTM4**
Submission Date/Time: **May 13, 2026 12:58 AM**
Company TIN: **000-125-851**

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

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Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholder of
J.P. Morgan Securities Philippines, Inc.
25th Floor JPMorgan Chase & Co Tower Manila
9th Ave. corner 38th Street, Uptown Bonifacio
Taguig City Philippines 1635

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of J.P. Morgan Securities Philippines, Inc. (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.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in equity for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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.

Auditor's 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 auditor's 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 PSA 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 PSA, 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 auditor's 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 auditor's 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 Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.



Vergel E. Pabilon, Jr.

Partner

CPA Cert. No. 0119924

P.T.R. No. 0032861; issued on January 8, 2026, Makati City

SEC A.N. (individual) as general auditors 119924-SEC, Category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 306-301-484

BIR A.N. 08-000745-240-2026, issued on January 9, 2026; effective until January 8, 2029

BOA/PRC Reg. No. 0142/P-047, effective until November 14, 2028

Makati City
April 27, 2026



Isla Lipana & Co.

Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholder of
J.P. Morgan Securities Philippines, Inc.
25th Floor JPMorgan Chase & Co Tower Manila
9th Ave. corner 38th Street, Uptown Bonifacio
Taguig City Philippines 1635

We have audited the financial statements of J.P. Morgan Securities Philippines, Inc. (the "Company") as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 27, 2026.

In compliance with the Revised SRC Rule 68 and based on the certification received from the Company's corporate secretary, as at December 31, 2025, the Company has one (1) shareholder each owning one hundred (100) or more shares.

Isla Lipana & Co.



Vergel E. Pabillon, Jr.

Partner

CPA Cert. No. 0119924

P.T.R. No. 0032861; issued on January 8, 2026, Makati City

SEC A.N. (individual) as general auditors 119924-SEC, Category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 306-301-484

BIR A.N. 08-000745-240-2026, issued on January 9, 2026; effective until January 8, 2029

BOA/PRC Reg. No. 0142/P-047, effective until November 14, 2028

Makati City
April 27, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

This report contains:

1. SEC Form 52-AR
2. Statement of Management's Responsibility
3. Statements of Financial Position
4. Statements of Total Comprehensive Income
5. Statements of Changes in Equity
6. Statements of Cash Flows
7. Notes to Financial Statements
8. Statement of changes in liabilities subordinated to claims of general creditors (a)
9. Computation of Risk Based Capital Adequacy (RBCA) Requirement pursuant to SRC Rule 49.1-A (Schedule 1)
10. Computation for Determination of Reserve Requirements under SRC Rule 49.2-B (Schedule 2)
11. Information relating to the Possession of Control Requirements under SRC Rule 49.2 (Schedule 3)
12. A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Schedule 4)
13. Results of the Monthly Securities Count conducted pursuant to SRC Rule 52.1.10 (Schedule 5)
14. Collateral valuation summary

(a) None as at December 31, 2025

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 of the Securities Regulation Code.

Report for the period beginning January 1, 2025 and ended December 31, 2025.

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	J.P. Morgan Securities Philippines, Inc.
Address of Principal Place of Business:	25th Floor JPMorgan Chase & Co Tower Manila, 9th Ave corner 38th Street Uptown Bonifacio, Taguig City, Philippines 1635
Name and Phone Number of Person to Contact in regard to this report:	
Name: Milagros Cecilia D. Suarez	Tel. No. 8575-1199
	Fax No. 885-7056; 885-7910

IDENTIFICATION OF ACCOUNTANT	
Name of Independent Certified Public Accountant whose opinion is contained in this report:	
Name: Vergel E. Pabillon, Jr. Partner Isla Lipana & Co.	Tel. No. 8845-2728 loc 3023 Fax No. 8845-2806
Address: 29th Floor, AIA Tower, 8767 Paseo de Roxas 1226 Makati City, Philippines	
CPA Cert. No: 0119924	
PTR Number: 0032861	Date Issued: January 8, 2026

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **J.P. Morgan Securities Philippines, Inc.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year ended **December 31, 2025** 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 to do so.

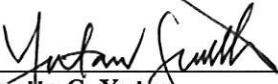
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

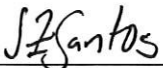
Isla Lipana & co., the independent auditors appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



Milagros Cecilia D. Suarez
President & Chairman of the Board



Jeanette G. Yutan
Treasurer



Jeffrey Z. Santos
Finance Associate

Signed this 27th day of April 2026

J.P. Morgan Securities Philippines, Inc.

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025			2024		
		Carrying amount	Security valuation		Carrying amount	Security valuation	
			Long	Short		Long	Short
Current assets							
Cash	2	1,324,097,271				1,296,870,998	
Trade receivables from customers	3	438,903,406	679,600,252	238,939,346		86,371,613	174,126,330
Other current assets		12,796,500				6,988,717	
Total current assets		1,775,797,177	679,600,252	238,939,346		1,390,231,328	174,126,330
Non-current assets							
Financial assets at fair value through profit or loss	4	3,750,000	3,750,000			4,100,000	
Property and equipment, net	5	19,102,134				19,333,542	
Trading right	6	1,100,000				1,100,000	
Deferred income tax assets	17	1,335,423				1,335,423	
Other non-current assets	7	57,771,000				54,972,997	
Total non-current assets		83,058,557	3,750,000			80,841,962	
Total assets		1,858,855,734	683,350,252	238,939,346		1,471,073,290	174,126,330
Securities in vault				3,750,000			4,100,000
Securities with Philippine Depository and Trust Corp. (including in-transit securities)			561,990,294	679,600,252		252,026,330	258,358,185

(forward)

(The notes on pages 1 to 29 are an integral part of these financial statements.)

J.P. Morgan Securities Philippines, Inc.

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025		2024			
		Carrying amount	Security valuation		Carrying amount	Security valuation	
			Long	Short		Long	Short
Current liabilities							
Trade payables to customers	3	23,874,954	-	23,952,148	77,501,558	-	77,900,000
Trade payables to clearing house	3	116,954,988	-	-	6,186,177	-	-
Trade payables to brokers	3	295,521,446	-	299,098,800	-	-	-
Lease liabilities	15	1,859,304	-	-	1,468,201	-	-
Other current liabilities	8	29,522,132	-	-	31,626,407	-	-
Total current liabilities		467,732,824	-	323,050,948	116,782,343	-	77,900,000
Non-current liabilities							
Lease liabilities	15	12,361,360	-	-	10,442,912	-	-
Total liabilities		480,094,184	-	323,050,948	127,225,255	-	77,900,000
Equity							
Share capital	9	154,180,000	-	-	154,180,000	-	-
Accumulated other comprehensive loss	11	(4,006,269)	-	-	(4,006,269)	-	-
Retained earnings	10	1,228,587,819	-	-	1,193,674,304	-	-
Total equity		1,378,761,550	-	-	1,343,848,035	-	-
Total liabilities and equity		1,858,855,734	1,245,340,546	1,245,340,546	1,471,073,290	514,484,515	514,484,515

(The notes on pages 1 to 29 are an integral part of these financial statements.)

J.P. Morgan Securities Philippines, Inc

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Commission income	18	316,062,190	306,776,443
Cost of services	12	121,756,277	113,240,769
Gross profit		194,305,913	193,535,674
Operating expenses	13	173,119,288	196,075,455
Operating profit		21,186,625	(2,539,781)
Other operating income, net	14	20,629,275	29,446,527
Income before income tax		41,815,900	26,906,746
Income tax expense	17	6,902,385	8,519,392
Net income for the year		34,913,515	18,387,354
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Remeasurement gain on pension asset/liability, net of tax	16	-	-
Total comprehensive income for the year		34,913,515	18,387,354

(The notes on pages 1 to 29 are integral part of these financial statements.)

J.P. Morgan Securities Philippines, Inc.

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Share capital (Note 9)	Accumulated other comprehensive loss (Note 11)	Retained earnings (Note 10)		Total equity
			Unappropriated	Appropriated	
Balances at January 1, 2024	154,180,000	(4,006,269)	154,180,000	1,021,106,950	1,325,460,681
Comprehensive income					
Net income for the year	-	-	18,387,354	-	18,387,354
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	18,387,354	-	18,387,354
Transactions with owners					
Cash dividends paid	-	-	-	-	-
Appropriation for legal reserve	-	-	(1,838,735)	1,838,735	-
Appropriation for special reserves	-	-	(16,548,619)	16,548,619	-
Total transactions with owner	-	-	(18,387,354)	18,387,354	-
Balances at December 31, 2024	154,180,000	(4,006,269)	154,180,000	1,039,494,304	1,343,848,035
Comprehensive income					
Net income for the year	-	-	34,913,515	-	34,913,515
Other comprehensive loss	-	-	-	-	-
Total comprehensive income for the year	-	-	34,913,515	-	34,913,515
Transaction with owners					
Appropriation for legal reserve	-	-	(3,491,352)	3,491,352	-
Appropriation for special reserves	-	-	(31,422,163)	31,422,163	-
Total transactions with owner	-	-	(34,913,515)	34,913,515	-
Balances at December 31, 2025	154,180,000	(4,006,269)	154,180,000	1,074,407,819	1,378,761,550

(The notes on pages 1 to 29 are integral part of these financial statements.)

J.P. Morgan Securities Philippines, Inc.

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		41,815,900	26,906,746
Adjustments for:			
Fair value loss (gain)	4	350,000	(100,000)
Interest income	2	(11,438,924)	(22,000,883)
Retirement expense	16	6,315,143	5,772,046
Depreciation	5	3,909,326	3,400,960
Unrealized foreign exchange (gain) loss		(72,050)	244,405
Interest expense on lease liabilities	15	1,226,977	859,445
Operating income before changes in assets and liabilities		42,106,372	15,082,719
Changes in operating assets and liabilities			
Decrease (increase) in:			
Trade receivables from			
Customers		(352,531,793)	9,403,401
Clearing house		-	160,211,254
Other current assets		(5,807,783)	(1,306,407)
Other non-current assets		(2,798,003)	(1,943,296)
(Increase) decrease in:			
Trade payables to			
Customers and other broker		241,894,842	(174,266,674)
Clearing house		110,768,811	6,186,177
Other current liabilities		(2,032,082)	20,886
Cash generated from operations		31,600,364	13,388,060
Interest received		11,438,924	22,000,883
Income taxes paid		(6,902,385)	(12,375,566)
Contributions to retirement fund	16	(6,315,143)	(5,772,046)
Net cash from operating activities		29,821,760	17,241,331
Cash flows used in investing activities			
Acquisitions of property and equipment	5	-	(613,148)
Cash flows from financing activities			
Principal payments of lease liabilities	15	(1,368,367)	(1,432,583)
Interest payments of lease liabilities	15	(1,226,977)	(859,445)
Net cash used in financing activities		(2,595,344)	(2,292,028)
Net increase in cash		27,226,416	14,336,155
Cash			
January 1		1,296,870,998	1,282,535,113
Effect of foreign exchange rate changes		(143)	(270)
December 31	2	1,324,097,271	1,296,870,998

(The notes on pages 1 to 29 are integral part of these financial statements.)

J.P. Morgan Securities Philippines, Inc.

Notes to the Financial Statements

As at and for the years ended December 31, 2025 and 2024

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

J.P. Morgan Securities Philippines, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 9, 1990 to engage in the business of buying, selling of, or otherwise dealing in stocks, bonds, debentures and other securities or commercial papers, whether such securities be of domestic or foreign origin, of any person, partnership, association, syndicate, corporation or governmental body, agency or instrumentality, local or national, for its own account as dealer or for the account of others as a stockbroker and financial activities, directly or indirectly, connected therewith or incidental thereto, to be a member of any stock exchange, and to render financial advisory services to any person, partnership, association, corporation or syndicate.

The Company is a wholly-owned subsidiary of J.P. Morgan International Finance Limited (the "Parent Company"), an entity domiciled in the United States of America (USA). The Company's ultimate parent company is JPMorgan Chase & Co., a company likewise domiciled in the USA.

As at December 31, 2025 and 2024, the Company has 10 employees.

The Company's registered office address, which is also its principal place of business, is located at the 25th Floor JPMorgan Chase & Co Tower Manila, 9th Ave corner 38th Street, Uptown Bonifacio Taguig City Philippines 1635.

The financial statements have been approved and authorized for issue by the Company's Board of Directors (BOD) on April 27, 2026.

2 Cash

The account at December 31 consists of cash in banks denominated in the following currencies:

	2025	2024
Philippine Peso	1,324,095,873	1,296,858,084
US Dollar	1,398	12,914
	<u>1,324,097,271</u>	<u>1,296,870,998</u>

US Dollar deposits are maintained with a related entity under common control and are translated using the closing exchange rate of P58.79 as at December 31, 2025 (2024 - P57.85). The Company also has Philippine Peso deposits with the same related entity amounting to P905.50 million as at December 31, 2025 (2024 - P1.15 billion) (Note 18).

Interest income recognized in the statement of total comprehensive income for the year ended December 31, 2025 amounts to P11.44 million (2024 - P22.00 million) (Note 14).

In compliance with the Securities Regulation Code (SRC) Rule 49.2 covering customer protection 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 weekly based on the SEC's prescribed computations. The reserve requirement as at December 31, 2025 based on the audited financial statements amounts to a net credit of P2.52 million (2024 - net credit P0.3 million). The Company's special reserve bank account, maintained with the same related entity, which amounts to P60.07 million as at December 31, 2025 (2024 - P61.13 million) and which earns annual interest rate of 1.50% and 0.35% at the beginning and end of 2025, respectively (2024 - 2.25% and 1.50%, respectively) is part of Philippine Peso deposits.

3 Trade receivables from/payables to customers, clearing house

These accounts include amounts arising from securities transactions. Securities owned by customers are used as collateral for amounts receivable from them. There are no other assets of the Company pledged as collateral for liabilities. The fair value of such collateral is presented in the statement of financial position under 'Security valuation'.

Trade receivables from/payables to customers at December 31 consists of:

	2025		
	Book value	Security valuation	
		Long	Short
Fully secured accounts			
More than 250%	-	-	-
Between 200% and 250%	-	-	-
Between 150% and 200%	-	-	-
Between 100% and 150%	169,734,912	370,336,879	198,156,913
Partially secured accounts	269,168,494	309,263,373	40,782,433
Trade receivables from customers	438,903,406	679,600,252	238,939,346
Trade receivables from clearing house	-	-	-
Trade receivables from brokers	-	-	-
	438,903,406	679,600,252	238,939,346

	2024		
	Book value	Security valuation	
		Long	Short
Fully secured accounts			
More than 250%	-	-	-
Between 200% and 250%	-	-	-
Between 150% and 200%	-	-	-
Between 100% and 150%	-	-	-
Partially secured accounts	86,371,613	258,358,185	174,126,330
Trade receivables from customers	86,371,613	258,358,185	174,126,330
Trade receivables from clearing house	-	-	-
Trade receivables from brokers	-	-	-
	86,371,613	258,358,185	174,126,330

	2025		
	Book value	Security valuation	
		Long	Short
Trade payables to customers			
With money balance	23,874,954	-	23,952,148
Without money balance	-	-	-
Trade payables to customers	23,874,954	-	23,952,148
Trade payables to clearing house	116,954,988	-	-
Trade payables to brokers	295,521,446	-	299,098,800
	436,351,388	-	323,050,948

	2024		
	Book value	Security valuation	
		Long	Short
Trade payables to customers			
With money balance	77,501,558	-	77,900,000
Without money balance	-	-	-
Trade payables to customers	77,501,558	-	77,900,000
Trade payables to clearing house	6,186,177	-	-
Trade payables to brokers	-	-	-
	83,687,735	-	77,900,000

The breakdown of the trade receivables from payables to customers account are as follows:

	Note	2025	2024
Trade receivables from third parties		69,654,819	58,662,351
Trade receivables from related parties	18	369,248,587	27,709,262
		438,903,406	86,371,613

	Note	2025	2024
Trade payables to third parties		319,396,400	77,501,558
Trade payables to related parties	18	-	-
		319,396,400	77,501,558

As at December 31, 2025, net payable to clearing house of P116.95 million (2024 - net payable to P6.2 million) represents the net amount payable to (2024 - net amount payable to) the Securities Clearing Corporation of the Philippines (SCCP) arising from securities transactions during the last two trading days of the year.

Trade receivables from customers at December 31, 2025 and 2024 are all considered current and fully collectible. These are normally collected within two days from trade date.

Information on the credit quality of trade receivables from customers is presented in Note 20.1.1. Also, the detailed accounting policy for credit losses is disclosed in Note 21.2.

4 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL as at December 31, 2025 consist of club shares amounting to P3.75 million (2024 - P4.1 million).

The movements in financial assets at FVTPL for the years ended December 31 are summarized as follows:

	Note	2025	2024
At January 1		4,100,000	4,000,000
Fair value (loss) gain	14	(350,000)	100,000
At December 31		3,750,000	4,100,000

5 Property and equipment, net

The account at December 31 consists of:

	Furniture and fixtures	Computer and other equipment	Office space	Leasehold Improvements	Parking	Asset in Progress	Total
Cost							
January 1, 2025	3,669,771	1,474,599	14,917,723	8,352,151	-	-	28,414,244
Additions	-	-	1,659,602	-	2,009,248	-	3,668,850
Capitalized	-	-	-	-	-	-	-
Retirement	-	-	-	-	-	-	-
Remeasurement	-	-	-	-	9,068	-	9,068
December 31, 2025	3,669,771	1,474,599	16,577,325	8,352,151	2,018,316	-	32,092,162
Accumulated depreciation							
January 1, 2025	972,546	413,525	5,283,715	2,410,916	-	-	9,080,702
Depreciation	426,317	314,063	1,873,030	1,020,692	275,224	-	3,909,326
Retirement	-	-	-	-	-	-	-
December 31, 2025	1,398,863	727,588	7,156,745	3,431,608	275,224	-	12,990,028
Net book value, December 31, 2025	2,270,908	747,011	9,420,580	4,920,543	1,743,092	-	19,102,134
Cost							
January 1, 2024	3,826,893	861,451	22,056,195	8,352,151	-	-	35,096,690
Additions	-	-	687,814	-	-	613,148	1,300,962
Capitalized	-	613,148	-	-	-	(613,148)	-
Retirement	(157,122)	-	(7,867,405)	-	-	-	(8,024,527)
Remeasurement	-	-	41,119	-	-	-	41,119
December 31, 2024	3,669,771	1,474,599	14,917,723	8,352,151	-	-	28,414,244
Accumulated depreciation							
January 1, 2024	703,351	191,434	11,419,260	1,390,224	-	-	13,704,269
Depreciation	426,317	222,091	1,731,860	1,020,692	-	-	3,400,960
Retirement	(157,122)	-	(7,867,405)	-	-	-	(8,024,527)
December 31, 2024	972,546	413,525	5,283,715	2,410,916	-	-	9,080,702
Net book value, December 31, 2024	2,697,225	1,061,074	9,634,008	5,941,235	-	-	19,333,542

Right-of-use asset (ROUA) pertains to office space and parking (Note 15).

In 2025, the Company recognized ROUA for parking space lease and the lease extension of the business continuity office space.

In 2025 and 2024, there were no property and equipment written off.

6 Trading right

Trading right is granted by the Philippine Stock Exchange (PSE) to the Company being a trading participant. Under the PSE rules, the full value of the trading right is pledged to the PSE to secure the payment of all debts to other members of the PSE arising out of or in connection with the present or future's members' contracts.

The market value of the trading right, based on the recent sale approved by the PSE BOD on September 17, 2025, is P7.70 million. There is no impairment needed to be recognized in the Company's trading right as at December 31, 2025 and 2024.

7 Other non-current assets

The account at December 31 consists of:

	Note	2025	2024
Receivable on excess contributions to the clearing and trade guaranty fund (CTGF)		54,459,935	52,189,713
Creditable withholding taxes		198,042	129,307
Input value-added tax (VAT)		2,583,287	2,156,700
Security deposits	15	529,736	497,277
		57,771,000	54,972,997

Effective August 1, 2018, the SEC approved the amendments to SCCP Rule 5.2 and Operations Procedure 4.3.1.3, through Memo for Brokers No. 01-0718, which allows refund of any excess of the initial required contributions to the CTGF.

In 2025, the Company made refundable contributions amounting to P2.27 million (2024 - P2.01 million). The said refundable contributions have formed part of receivables on excess contributions to the CTGF, which are expected to be collected at the cessation of the Company's operations and/or upon termination of its membership with SCCP, provided that all liabilities owing to SCCP at the time of termination shall have been satisfied or paid in full.

8 Other current liabilities

The account at December 31 consists of:

	Notes	2025	2024
Due to the Bureau of Internal Revenue (BIR)		15,347,062	12,993,711
Provision for incentives	18	7,730,651	12,224,288
Accruals for professional fees		1,389,407	2,662,129
PSE transaction fee payable		1,382,848	942,281
SCCP payable		1,091,930	732,581
Stock compensation payable	16,18	491,112	1,468,143
Payable to related party	18	306,623	139,675
Miscellaneous payables		1,782,499	463,599
		29,522,132	31,626,407

Due to the BIR includes output VAT, withholding tax, fringe benefit taxes, and stock transaction tax payables.

In 2025, payable to related party includes corporate support services provided and billed by the related party.

In 2024, payable to related party includes marketing, training, and events related expenses paid by the related party.

Miscellaneous payables include accruals for operating costs incurred.

9 Share capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Number of shares	Amount
Share capital - P100 par value		
Authorized	2,000,000	200,000,000
Issued and outstanding	1,541,800	154,180,000

10 Retained earnings

The Company has appropriated retained earnings for the years ended December 31 as follows:

	2025	2024
At January 1	1,039,494,304	1,021,106,950
Legal reserve (SRC Rule 49.1)	3,491,352	1,838,735
Special reserve for probable contingencies	31,422,163	16,548,619
	34,913,515	18,387,354
At December 31	1,074,407,819	1,039,494,304

On April 27, 2026, the BOD approved the additional appropriation of legal reserve amounting to P3.49 million for the year ended December 31, 2025 to comply with SRC 49.1 issued by the SEC. On the same date, the BOD approved the recurring process of appropriation of special reserve amounting to P31.42 million to serve as an additional cash reserve for the year ended December 31, 2025 to settle trades in the event of third party settlement delays or failures involving significant amounts and to provide additional capacity to broker large securities transactions for the following year.

On April 23, 2025, the BOD approved the appropriation of legal reserve amounting to P1.84 million for the year ended December 31, 2024 to comply with SRC 49.1 issued by the SEC. On the same date, the BOD approved the appropriation of special reserve amounting to P16.55 million to serve as an additional cash reserve for the year ended December 31, 2024 to settle trades in the event of third party settlement delays or failures involving significant amounts and to provide additional capacity to broker large securities transactions for the following year.

As at December 31, 2025 and 2024, the unappropriated retained earnings amounted to P154.18 million.

11 Accumulated other comprehensive loss

Accumulated other comprehensive loss at December 31 pertains to remeasurements on pension liability/asset. The movement in the account for the years ended December 31 is summarized as follows:

	Notes	2025	2024
Remeasurements			
At January 1, gross of tax		(5,341,692)	(5,341,692)
Remeasurement loss	16	-	-
		(5,341,692)	(5,341,692)
Deferred income tax effect	17	1,335,423	1,335,423
At December 31, net of tax		(4,006,269)	(4,006,269)

12 Cost of Services

Details of the account for the years ended December 31 follow:

	Note	2025	2024
Compensation and fringe benefits	16	70,175,971	69,357,714
Stock exchange dues and fees		32,737,535	27,123,771
Research fees		16,738,628	14,895,762
Central depository fees expense		2,104,143	1,863,522
		121,756,277	113,240,769

Stock exchange dues and fees include PSE transaction fees, SEC and SCCP fees, Securities Investor Protection Fund fees and other stock exchange charges.

Research fees pertain to data information and market data charges.

13 Operating expenses

Details of the account for the years ended December 31 follow:

	Notes	2025	2024
Shared costs	18	122,284,606	145,820,836
Compensation and fringe benefits	16	19,878,360	18,698,660
Postage, telephone and communication		9,927,935	9,986,620
Depreciation	5	3,909,326	3,400,960
Outside service		3,557,745	2,813,905
Transportation and travel		2,867,807	2,340,224
Utilities and other occupancy costs		2,321,264	2,877,595
Professional fees		2,028,914	2,820,942
Entertainment, amusement and recreation		1,369,865	1,587,494
Interest expense on lease liabilities	15	1,226,977	859,445
Repairs and maintenance		966,219	701,223
Taxes and licenses		549,678	910,879
Directors' fees		400,000	400,000
Office supplies and printing		228,852	510,471
Security, messengerial, and janitorial		185,710	184,408
VAT expense on income from government		123,087	84,602
Advertising and promotion		45,286	96,607
Miscellaneous		1,247,657	1,980,584
		173,119,288	196,075,455

Shared costs represent intercompany expenses such as technical services, communication network and operational charges billed by related entities under common control. (Note 18).

Miscellaneous expenses include bank charges billed by related entities amounting to P0.35 million (2024 - P0.33 million) (Note 18).

14 Other operating income, net

Details of the account for the years ended December 31 follow:

	Notes	2025	2024
SCCP fee income		12,322,036	10,957,011
Interest income	2, 18	11,438,924	22,000,883
Fair value (loss) gain on financial assets at FVTPL	4	(350,000)	100,000
Foreign exchange loss, net		(2,781,685)	(3,611,367)
		20,629,275	29,446,527

SCCP fee income pertains to clearing dues and fees usually charged by the Company to its customers and remitted to SCCP.

15 Lease commitment

The Company enters into lease agreements for office premises, business continuity site and parking spaces.

In December 2021, the Company entered into a 10-year lease contract for new office premises commencing July 2022. The Company has the option to renew for a maximum of three separate renewal terms of three or five years each. In March 2023, an amendment was executed to modify the lease commencement date from July 1, 2022 to May 1, 2022 and lease termination date from June 30, 2033 to April 30, 2032 (Note 5).

Related security deposits equivalent to three months' rental amount to P0.44 million for the office space and P0.09 million for office parking as at December 31, 2025 (2024 - P0.42 million for the office space and P0.08 million for office parking).

The lease term is negotiated by the Company. The lease agreement does not impose any covenants other than the security interests in the leased assets that are held by the lessor. The leased asset cannot be used as security for borrowing purposes.

In April 2022, the Company entered into an office service agreement for its business continuity site for a period ending December 31, 2024, with an option to renew for additional one year. The lease was renewed in September 2024 for an additional year, ending December 31, 2025. In December 2025, the lease was further renewed for three years effective January 1, 2026 to end December 31, 2028.

In August 2025, the Company recognized right-of-use assets and lease liabilities for parking leases covering the period of June 1, 2022 to April 30, 2032.

The lease liabilities are measured at the present value of the remaining lease payments, discounted using the incremental borrowing rates that range from 5.04% to 7.30% (2024 - 4.67% to 7.30%).

Details of ROU asset and lease liabilities at December 31 are as follows:

	Note	2025	2024
<i>ROU asset (included within Property and equipment, net)</i>			
Office space and parking	5	11,163,672	9,634,008
<i>Lease liabilities</i>			
Current		1,859,304	1,468,201
Non-current		12,361,360	10,442,912
		14,220,664	11,911,113

Movements in lease liabilities for the years ended December 31 follow:

	2025	2024
At January 1	11,911,113	12,614,763
Add: Interest accretion on lease liabilities	1,226,977	859,445
Additional lease liabilities	3,668,850	687,814
Less: Principal and interest payments	(2,595,344)	(2,292,028)
Asset remeasurement	9,068	41,119
At December 31	14,220,664	11,911,113

The statement of total comprehensive income for the years ended December 31 shows the following amounts relating to leases:

	2025	2024
Depreciation expense on ROU asset	2,148,254	1,731,860
Interest expense on lease liabilities	1,226,977	859,445

The total cash outflow arising from the said lease as at December 31, 2025 amounts to P2.60 million (2024 - P2.29 million).

16 Compensation and other benefits

(a) Compensation and short-term benefits

Details of compensation and fringe benefits for the years ended December 31 follow:

	Notes	2025	2024
Salaries and wages		73,304,467	68,555,152
Incentives		7,730,651	12,224,288
Retirement expense		6,315,143	5,772,046
Other benefits		2,704,070	1,504,888
	12, 13	90,054,331	88,056,374

(b) Share-based compensation

The Company grants certain employees with share-based awards out of JPMorgan Chase & Co. shares, from time to time, on a discretionary basis.

The exercise price of the awards is based on the market value of the shares at grant date. This generally vests 50% after two years and 50% after three years and is converted to shares of common stock as of the vesting date.

The following table illustrates the number of, and movements in, share-based awards for the years ended December 31:

	2025		2024	
	Number of shares	Weighted average fair value (in USD)	Number of shares	Weighted average fair value (in USD)
Outstanding at January 1	207	152.00	412	147.47
Granted	-	-	33	166.20
Vested	(147)	150.80	(238)	(146.20)
Outstanding at December 31	60	154.60	207	152.00

For the year ended December 31, 2025, the total share-based compensation expense, included in salaries and wages, amounts to P0.11 million (2024 - P0.17 million), of which the unpaid portion amounts to P0.49 million (2024 - P1.47 million) (Note 8).

The fair value of share awards outstanding in 2025 amounts to P0.55 million (2024 - P1.82 million).

(c) Retirement benefits

The Company operates a funded non-contributory defined contribution retirement plan for all full-time regular employees. Under this plan, the normal retirement age is 60 years. The Company contributes 11% to 15% of member's monthly salary. (Note 21.12)

The account for the years ended December 31 consists of:

	2025	2024
Present value of defined benefit obligation	(87,258,090)	(74,363,016)
Fair value of plan assets	87,258,090	74,363,016
Pension asset	-	-

The following table summarizes the components of retirement expense recognized in profit or loss for the years ended December 31:

	2025	2024
Current service cost	6,315,143	5,772,046
Net interest cost		
Interest expense on defined benefit obligation	4,587,920	4,029,628
Interest income on plan assets	(4,587,920)	(4,029,628)
Retirement expense	6,315,143	5,772,046

Amounts of rereasurement recognized in the statement of total comprehensive income for the years ended December 31 follow:

	2025	2024
Remeasurement loss during the year	-	-
Deferred income tax effect	-	-
	-	-

The movements in the fair value of plan assets for the years ended December 31 are as follows:

	2025	2024
Beginning of the year	74,363,016	68,384,498
Contributions	6,315,143	5,772,046
Interest income	4,587,920	4,029,628
Remeasurement gain	1,992,011	893,967
Benefits paid	-	(4,717,123)
End of the year	87,258,090	74,363,016

The plan is being administered by a trustee-bank which is authorized to invest the available funds based on the mandate provided by the Company and covered by local regulations and practices in the Philippines.

The movements in the present value of defined benefit obligation for the years ended December 31 are as follows:

	2025	2024
Beginning of the year	74,363,016	68,384,498
Current service cost	6,315,143	5,772,046
Interest cost	4,587,920	4,029,628
Remeasurement loss	1,992,011	893,967
Benefits paid	-	(4,717,123)
End of the year	87,258,090	74,363,016

The composition of plan assets at December 31 is as follows:

	2025		2024	
	Amount	%	Amount	%
Debt securities	58,698,517	67.27	58,241,114	78.32
Cash and cash equivalents	2,635,194	3.02	1,613,677	2.17
Equity securities	25,924,379	29.71	14,508,225	19.51
	87,258,090	100	74,363,016	100.00

The assumptions used to determine retirement benefits for the years ended December 31 are as follows:

	2025	2024
Discount rate	6.00%	6.00%
Salary increase rate	6.00%	6.00%

Discount rate

As per paragraph 83 of PAS 19R, the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the balance sheet date on high quality corporate bonds. There is no deep market in high quality corporate bonds that can be used to obtain a discount rate. In addition, the new issuance on long-term Philippine Treasury bonds is rare and infrequent. PDEX, a recognized publication agent by the Bankers Association of the Philippines (BAP) and by the BSP, publishes daily PHP Bloomberg Valuation Service (BVAL) Reference Rates - Benchmark Tenors, which are not yet zero-coupon bond rates in nature. Bloomberg further adjusts these rates into zero-coupon bond rates which are available via data feeds of Bloomberg.

PAS 19R is explicit in stating that the term of bonds, on which the discount rate is based, should be consistent with the term of employment benefit obligations. It effectively requires the use of zero-coupon bearing bonds, which are aligned with the Bloomberg rates.

The recommended and approved discount rate assumption is 6.00% per annum. This was calculated as the resulting single effective discount rate, approximated to the nearest 25 basis points as per Company policy, determined by discounting the projected benefit payments with respect to the zero-coupon bond Bloomberg rates as of December 31, 2025.

Future salary increases

This is the expected long-term average rate of salary increase taking into account inflation, seniority, promotion and other market factors. The future salary increase rates are set by reference over the period over which benefits are expected to be paid.

Demographic assumptions

Assumptions regarding mortality experience are set based on published statistics and experience in the country. Assumptions regarding future mortality and disability experience are based on published statistics generally used for local actuarial valuation purposes.

The retirement plan typically exposes the Company to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the Company.

However, the Company believes that due to the long-term nature of the pension liability and the strength of the Company itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

The Company ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The Company's main objective is to match assets to the retirement obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the trustor, as necessary to better ensure the appropriate asset-liability matching.

The weighted average duration of the pension liability as at December 31, 2025 is 6.96 years (2024 - 6.00 years). The expected contributions to the plan for the year ending December 31, 2026 amount to P7.13 million (2025 - P6.67 million).

The projected maturity analysis of retirement benefit payments as at December 31 follows:

	2025	2024
Less than a year	2,621,291	2,463,265
Between 1 to 3 years	29,105,017	26,741,596
Between 3 to 10 years	87,349,791	76,363,897

The sensitivities of the retirement obligation to changes in the weighted principal assumptions for the years ended December 31, 2025 and 2024 are not significant based on the analysis performed. The difference between the Multi-Employer Employees Retirement Plan's defined benefit obligation and the requirements of Republic Act (RA) No. 7641 - *The Philippine Retirement Law*, is minimal. Hence, possible changes at the reporting date to the discount rate and future salary growth rate assumptions, holding other assumptions constant, would not significantly affect the retirement obligation.

17 Income taxes

Income tax expense represents current income tax which amounts to P4.61 million for the year ended December 31, 2025 (2024 - P4.12 million) and final withholding taxes on interest income of P2.29 million in 2025 (2024 - P4.40 million).

Deferred tax asset as at December 31, 2025 and 2024 amounting to P1.34 million arises from remeasurement of pension asset/liability.

The movements in deferred income tax asset for the years ended December 31 are as follows:

	2025	2024
At January 1	1,335,423	1,335,423
Amounts credited to other comprehensive income	-	-
At December 31	1,335,423	1,335,423

A reconciliation between the income tax computed at the statutory income tax rate to the effective income tax expense for the years ended December 31 follows:

	2025		2024	
	Amount	%	Amount	%
Statutory income tax	10,453,975	25.00	6,726,687	25.00
Effect of items not subject to statutory tax rate				
Deficiency of optional standard deduction (OSD) over itemized deduction		-	-	-
Income subjected to lower tax rates, net	(571,946)	(1.37)	(1,100,043)	(4.09)
MCIT over RCIT	(2,237,350)	(5.35)	2,237,350	8.32
Others, net	(742,294)	(1.77)	655,398	2.44
Effective income tax expense	6,902,385	16.51	8,519,392	31.67

In 2024, the Company did not recognize DIT assets on MCIT.

The details of the Company's unrecognized excess MCIT as December 31 are as follows:

Taxable year incurred	Year of expiry	2025	2024
2024	2027	2,237,350	2,237,350
Applied MCIT		(2,237,350)	-
		-	2,237,350

18 Related party transactions

The table below summarizes the Company's transactions with its related parties as at and for the years ended December 31:

	2025		
	Transactions	Outstanding balances - Receivable (Payable)	Terms and conditions
Cash in bank			
Entity under common control	(245,562,884)	905,501,389	- These are savings deposits for use in current operations (Note 2) earning an interest ranging from 0.35% to 1.5% on an annual basis.
Trade receivables			
Entity under common control	341,539,325	369,248,587	- Collectible in cash at gross amount within two days from transaction date; partly secured by the underlying equity shares and non-interest bearing (Note 3).
Other receivables			
Entity under common control	3,400,269	3,410,442	- Unsecured, non-interest bearing and collectible in cash at gross amount or offset against other payables, if any on a weekly basis.
Trade payables			
Entity under common control	-	-	- Payable in cash at gross amount within two days from transaction date; partly secured by the underlying equity shares and non-interest bearing (Note 3).
Other payables			
Entities under common control	(166,948) 977,030	(306,623) (491,112)	- Unsecured, non-interest bearing (Note 8). - Share-based compensation payable in cash at gross amount. Unsecured, non-interest bearing
Key management personnel	3,675,959	(7,055,451)	- Incentive corporate plan payable in cash on the first month following the end of the calendar year. - Unsecured, non-interest bearing.

		2024		
		Transactions	Outstanding balances - Receivable (Payable)	Terms and conditions
Cash in bank				
Entity under common control	133,188,296	1,151,064,273		- These are savings deposits for use in current operations (Note 2) earning an interest ranging from 1.35% to 2.25% on an annual basis.
Trade receivables				
Entity under common control	27,709,262	27,709,262		- Collectible in cash at gross amount within two days from transaction date; partly secured by the underlying equity shares and non-interest bearing (Note 3).
Other receivables				
Entity under common control	(5,644,414)	10,174		- Unsecured, non-interest bearing and collectible in cash at gross amount or offset against other payables, if any on a weekly basis.
Trade payables				
Entity under common control	180,810,912	-		- Payable in cash at gross amount within two days from transaction date; partly secured by the underlying equity shares and non-interest bearing (Note 3).
Other payables				
Entities under common control	(13,884)	(139,675)		- Unsecured, non-interest bearing and payable in cash (Note 8).
	1,412,710	(1,468,143)		- Share-based compensation payable in cash at gross amount (Note 8).
				- Unsecured, non-interest bearing
Key management personnel	(1,212,736)	(10,731,410)		- Incentive corporate plan payable in cash on the first month following the end of the calendar year.
				- Unsecured, non-interest bearing.

There is no provision for impairment needed to be recognized on amounts due from related parties as at December 31, 2025 and 2024. Management determines that the related amounts are fully collectible.

The aggregate amounts included in the determination of income before income tax that resulted from transactions with each class of related parties for the years ended December 31 are as follows:

	2025	2024
Commission income		
Entity under common control	269,745,095	261,340,446
Interest income		
Entity under common control	11,300,430	21,852,233
Shared costs		
Entity under common control	122,284,606	145,820,836
Bank charges		
Entity under common control	346,129	330,843
Salaries, other short-term employee benefits and retirement benefits		
Key management personnel	74,965,701	70,548,583

As at December 31, 2025, commission income from third parties amounted to P46.31 million (2024 - P45.44 million).

On April 16, 2024, the SEC issued Memorandum Circular No. 7 series of 2024, indicating the removal of the minimum commission charged by PSE stockbrokers ranging from 0.25% to 0.05% of the value of the trade transaction, with immediate effect.

19 Critical accounting estimates, assumptions and judgments

The Company makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

19.1 Critical accounting estimates and assumptions

(a) Fair value of financial instruments (Note 4)

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that primarily use as inputs market-based or independently sourced market parameters. The Company's financial assets at FVTPL as at December 31, 2025 and 2024 pertain to club shares, which derives fair value from a third-party provider (Note 21.2).

(b) Determination of retirement benefits (Note 16)

The Company estimates its retirement benefit obligation and expense as the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan. The calculation is based on the selection of certain assumptions used by the actuary. Those assumptions are described in Note 16 which include, among others, the discount rate and future salary increases.

The present value of the defined benefit obligations of the Company at December 31, 2025 and 2024 is determined using a discount rate that reflects the market yields on Philippine government bonds with terms consistent with the expected payments of employee benefits. Plan assets are invested primarily in debt and equity securities. Actual results that differ from the Company's assumptions are reflected as remeasurements in other comprehensive income. The Company's assumptions are based on actual historical experience and external data regarding compensation and average remaining service lives of the employees. The sensitivity analysis on key assumptions is disclosed in Note 16.

(c) Determination of incremental borrowing rate (Note 15)

The lease payments for lease of office space are discounted using the Company's incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Company uses the government bond yield, adjusted for the (1) credit spread specific to the Company and (2) security using the ROU.

The Company applied incremental borrowing rates that range from 4.24% to 7.30% in 2025 and 2024. The Company considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding its lease liabilities.

19.2 Critical accounting judgments

(a) Determination of lease term (Note 15)

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension option is only included in the lease term if the lease is reasonably certain to be extended.

(b) Recoverability of trade and other receivables (Note 3)

The Company determines the recoverable amount of receivables based on the expected credit losses (ECL) of the portfolio of receivables, as a whole. The Company applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all receivables. To measure the ECL, receivables have been grouped based on shared credit risk characteristics and the days past due.

The Company's trade receivables are composed mainly of receivables from customers which are normally settled within two days from trade date. The Company has no history of uncollected receivables. The Company's receivables are considered current as at December 31, 2025 and 2024. There is no impairment recognized on the Company's receivables as at December 31, 2025 and 2024.

(c) Recoverability of deferred tax assets (Note 17)

The recognition of deferred income tax assets depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied. The Company reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces the amounts to the extent that it is no longer probable that sufficient taxable profit will allow all or part of its deferred income tax assets to be utilized. Where the outcome of these judgments differs based on actual experience, changes in those estimates and judgments could have a significant effect on the carrying value of deferred tax assets and the amount and timing of recorded provision for any period.

The carrying amount of the Company's deferred income tax asset amounts to P1.34 million as at December 31, 2025 and 2024.

20 Financial risk and capital management

20.1 Financial risk management

Risk is an inherent part of the Company's business activities. The Company's risk management objectives and policies are consistent with those observed by its Parent Company. The overall objective is to manage its businesses, and the associated risks in a manner that balances serving the interests of its clients, customers and investors and protects the safety and soundness of the Company.

Effective risk management requires, among other things:

- a) Acceptance of responsibility, including identification and escalation of risk, by all individuals within the company;
- b) Ownership of risk identification, assessment, data and management within each line of business and corporate functions: and
- c) A firm-wide risk governance and oversight structure.

The most important types of risk the Company faces are credit risk, liquidity risk, and market risk. Market risk includes foreign exchange risk, price risk and interest rate risk.

20.1.1 Credit risk

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer.

The Company's significant credit risk arises mainly from securities transactions with a related entity under common control (Note 18), and other customers. The amounts due from counterparties for securities transactions are settled using a transaction date plus two-day market convention. In addition, the Company has policies that limit the amount of credit exposure to counterparties. Local or foreign customers are allowed to open securities account only upon thorough review and evaluation of the Company. Annual review of customer's financial standing is conducted to determine if there had been material changes since the last review.

To manage its exposures with counterparty banks, the Company's cash and deposit transactions should be limited only to highly rated universal and commercial banks. Furthermore, to control and sustain minimal exposure to credit risk from its trade receivables from customers and brokers, purchase transactions of clients will be allowed against available cash position or earmarked against current stock position. The Company shall not maintain margin accounts.

The Company's maximum credit risk exposure relating to financial assets as at December 31 follows:

	Notes	2025	2024
Cash	2	1,324,097,271	1,296,870,998
Trade receivables from:	3		
Customers		438,903,406	86,371,613
Clearing house		-	-
Other current assets		3,935,168	476,574
Other non-current assets		54,989,671	52,686,990
		1,821,925,516	1,436,406,175

Other current and non-current financial assets mainly include other receivables from related parties, security deposits and receivable on excess contribution to the CTGF.

All financial assets are fully performing as at December 31, 2025 and 2024 with no history of counterparty default. Likewise, there was no history of missed payment or write-offs as at December 31, 2025 and 2024. Accordingly, management's ECL assessment did not result into a recognition of allowance for impairment as at December 31, 2025 and 2024.

20.1.2 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities.

Prudent liquidity risk management implies maintaining a balance between continuity and flexibility of funding through the use of the Company's bills purchased (BP) lines with universal banks.

Specifically, the Company has established control procedures which include monitoring of total trades during the trading session to determine in advance if the said trades are in excess of BP lines. If there are expected trades in excess of BP lines, arrangements are made in advance for temporary increase in BP lines.

Furthermore, strict monitoring of receivables should be made to ensure that collections are made on a timely basis to fund current obligations to customers on a transaction date plus two-day policy.

Details of the Company's financial liabilities at December 31 follow:

	Notes	2025	2024
Trade payables to	3		
Customers		23,874,954	77,501,558
Clearing house		116,954,988	6,186,177
Other brokers		295,521,446	
Other current liabilities	8		
Provision for incentives		7,730,651	12,224,288
Accruals for professional fees		1,389,407	2,662,129
PSE transaction fee payable		1,382,848	942,281
SCCP payable		1,091,930	732,581
Stock compensation payable		491,112	1,468,143
Payable to related party		306,623	139,675
Miscellaneous payables		1,782,499	463,599
Lease liabilities	15	15,632,144	17,604,966
		466,158,602	119,925,397

The financial liabilities disclosed above are presented at their carrying amounts which approximate the undiscounted cash flows payable by the Company. These financial liabilities will mature within a period of one year from reporting date except for the non-current portion of lease liabilities amounting to P12.36 million (2024 - P10.44 million).

20.1.3 Market risk

Market risk is the risk associated with the effect of changes in market factors such as interest and foreign exchange rates, equity and commodity prices, on the value of asset and liabilities held for both the short and long term.

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk primarily with respect to the US Dollar. Foreign exchange risk arises principally from its cash in bank (Note 2) and stock compensation payable denominated in US Dollar. The Company's exposure in US Dollar does not present a significant risk to the Company, and from the Parent Company's standpoint which has US Dollar as its functional currency.

(ii) Price risk

The Company does not trade for its own account (proprietary trading) and is exposed only to equity price risk in respect of its investments classified as financial assets at FVTPL (Note 4). As at December 31, 2025 and 2024, the Company is exposed to minimal price risk as the Company's financial assets at FVTPL pertain only to club shares.

(iii) Interest rate risk

Interest rate risk represents exposure to instruments whose values fluctuate with the level, slope and curvature of the yield curve and volatility of interest rates. The Company is not exposed to significant interest rate risk as most of its financial instruments are non-interest bearing or short-term in nature and subject to insignificant risk of changes in value.

20.2 Fair value hierarchy

In 2025, the Company's financial assets at FVTPL consist of club shares amounting to P3.75 million (2024 - P4.1 million), which fall under the Level 3 category of the fair value hierarchy. For club shares, the Company derives the fair value from a third-party pricing provider and will only make use of an internal pricing model if the third-party prices are not available. The unobservable inputs in determining the fair value of club shares include the counterparty's credit spread and the price volatilities as the market may be inactive. A change in the unobservable inputs may result in a higher (lower) fair value measurement. However, any change is not considered to materially affect the financial statements considering the balance of investment in club shares as at December 31, 2025 and 2024.

The fair values of cash in banks, trade and other receivables, other non-current assets (except creditable withholding taxes and input VAT), trade payables and other current liabilities (except due to the BIR) are approximately equal to their carrying amounts due to their generally short term nature.

The fair values of lease liabilities are determined using a present value model on the basis of contractually agreed cash flows, mainly taking into account the credit quality. Fair value of lease liabilities as at December 31, 2025 amounts to P15.63 million (2024 - P15.33 million).

20.3 Offsetting of financial assets and liabilities

The following financial assets and liabilities as at December 31 are subject to offsetting:

	2025	2024
Trade receivable from customers		
Gross amount of financial assets before set off	678,078,788	258,514,286
Gross amount of financial liabilities set off	(239,175,382)	(172,142,673)
	438,903,406	86,371,613
Trade receivables from clearing house		
Gross amount of financial assets set off	-	-
Gross amount of financial liabilities before set off	-	-
	-	-
Net amount of financial assets presented in the statement of financial position	438,903,406	86,371,613
	2025	2024
Trade payables from customers		
Gross amount of financial liabilities before set off	263,050,336	249,644,231
Gross amount of financial assets set off	(239,175,382)	(172,142,673)
	23,874,954	77,501,558
Trade payables to brokers		
Gross amount of financial liabilities before set off	295,521,446	-
Gross amount of financial assets set off	-	-
	295,521,446	-
Trade payables to clearing house		
Gross amount of financial liabilities before set off	676,562,939	44,418,817
Gross amount of financial assets set off	(559,607,951)	(38,232,640)
	116,954,988	6,186,177
Net amount of financial liabilities presented in the statement of financial position	436,351,388	83,687,735

For the financial assets and liabilities subject to offsetting above, each agreement between the Company and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

20.4 Capital management

The Company's objectives when managing capital are to comply with the capitalization requirement set by the SEC for the Company to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain strong capital base to support the development of its business.

(a) Minimum capitalization requirement

SRC Rule 28.1 provides the terms and conditions for registration and subsequent renewal of license applicable to both Exchange trading participants and non-Exchange broker-dealers. One of the requirements includes unimpaired paid-up capital of P100 million for broker-dealers, which are either first time registrants who will be participating in a registered clearing agency upon the effectivity of the rule or those acquiring the business of existing broker-dealer firms. Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit.

The Company has paid-up capital of P154.18 million as at December 31, 2025 and 2024 and therefore, has fully complied with the minimum capitalization requirement of the SEC.

Furthermore, the Company adheres to SRC Rule 49.1 issued by the SEC requiring all broker-dealers to annually appropriate a certain minimum percentage of its audited profit after tax based on the level of unimpaired paid-up capital as follows:

Unimpaired paid-up capital	Minimum % of profit after tax to be transferred in the appropriate retained earnings
Between P10 million - P30 million	30%
Between P30 million - P50 million	20%
More than P50 million	10%

In compliance with the above requirement, the Company appropriated a portion of its retained earnings amounting to P3.49 million in 2025 (2024 - P1.84 million) (Note 10).

(b) Risk-Based Capital Adequacy (RBCA) requirements

The Company manages its capital following the guidelines set by the SEC through its Memorandum Circular No.16 - "Adoption of the Risk-Based Capital Adequacy Requirement ("RBCA")/Ratio for Broker Dealers", Series of 2004, which requires all broker-dealers to maintain its RBCA Ratio at least 110%

RBCA is the ratio linking the net liquid capital (NLC) to the broker-dealer's total risk exposure calculated as the NLC divided by total risk capital requirements (TRCR). TRCR is the sum of the following risks: (a) operational risk requirement (ORR); (b) credit risk requirement which includes requirements for counterparty risk, settlement risk, large exposure risk and margin financing risk; and (c) position or market risk requirement.

As a rule for every trading participant, the Company is required to maintain a net liquid capital of at least P5 million or five percent (5%) of its aggregate indebtedness (AI), whichever is higher. Its AI should also not exceed two thousand percent (2,000%) of its NLC. In addition, the Company's core equity (CE) shall be at all times greater than its ORR. Core equity refers to the sum of paid-up common stock, common stock dividends distributable, additional paid-in capital, opening retained earnings adjusted for all current year movements, and surplus reserves excluding revaluation reserves or appraisal capital, treasury shares, unbooked valuation reserves and other capital adjustments.

In the event that the minimum RBCA ratio of 110% or the minimum NLC is breached, the trading participant shall immediately cease doing business as a broker and shall notify the Capital Markets Integrity Corporation and the SEC. In addition, the trading participant shall notify the SEC in writing within 24 hours if (a) AI exceeds 1700% of NLC; and (b) the RBCA ratio is lower than 120%. In cases wherein CE is less than ORR, the trading participant can continue operations but should submit a capital build-up plan which should be realized within 90 days from time of breach.

Relevant information relating to the RBCA ratio calculation at December 31 are as follows:

	2025	2024
NLC	913,657,906	1,262,529,499
TRCR	70,334,752	69,702,346
RBCA ratio	1,299%	1,811%

As at December 31, the Company's compliance with the other RBCA requirements is summarized as follows:

	2025	2024
NLC	913,657,906	1,262,529,499
NLC as a percentage of AI	190%	992%
AI as a percentage of NLC	53%	10%
CE	1,382,767,819	1,347,854,304
ORR	70,334,640	69,701,313

The Company has fully complied with the RBCA requirements of the SEC as at December 31, 2025 and 2024.

21 Summary of material accounting policies

The material information of the principal accounting policies applied in the preparation of these financial statements is set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

21.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- Philippine Accounting Standards (PAS); and
- Interpretations of Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council and adopted by the SEC.

PFRS Accounting Standards are substantially aligned with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL.

The preparation of these financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 19.

Changes in accounting policy and disclosures

a. Amendments to existing standards adopted by the Company

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2025 that have a material effect on the financial statements of the Company.

b. Amendments to existing standards not yet adopted by the Company

The following amendments are not mandatory for December 31, 2025 reporting period and have not been early adopted by the Company:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- a. 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;
- b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c. add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2025 that are considered relevant or expected to have a material effect on the financial statement of the Company.

21.2 Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at fair value through other comprehensive income (FVOCI),
- those to be measured at FVTPL, and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The Company does not hold financial assets at FVOCI and debt securities at FVTPL as at December 31, 2025 and December 31, 2024.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Financial assets - amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other operating income, net, using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other operating income, net, together with foreign exchange gains and losses, if any. Impairment losses, if any, are presented in operating expenses in the statement of total comprehensive income.

The Company's financial assets at amortized cost consist of cash (Note 2), trade receivables from customers and clearing house (Note 3), other receivables from related parties which are included in other current assets and receivable on excess contributions to the CTGF and security deposits which are included in other non-current assets (Note 7) in the statement of financial position.

Equity instruments

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company's equity instruments, which pertain to club shares, are measured at FVTPL as at December 31, 2025 and 2024.

(c) Impairment and write-off

The Company applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all receivables. To measure the ECL, receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of counterparties over a period of 36 months and the corresponding historical credit losses experienced by the Company. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the inflation rate of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on receivables, if any, are presented as part of Operating expenses in the statement of total comprehensive income. Subsequent recoveries of amounts previously written off, if any, are credited to Other operating income, net.

21.3 Financial liabilities

The Company classifies its financial liabilities in the following categories: (a) at FVTPL; and (b) at amortized cost. As at December 31, 2025 and 2024, the Company has only liabilities at amortized cost.

Financial liabilities measured at amortized cost pertain to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Current financial liabilities consist of trade payables to customers, clearing house and other broker (Note 3), other current liabilities (excluding due to the BIR and provision for incentives) (Note 8) and lease liabilities (Note 15).

21.4 Determination of fair values

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 - inputs to the valuation methodology include quoted prices for similar asset or liability in active market, and inputs that are observable for the asset or liability, either directly or indirectly for substantially the full term of the financial instrument; and
- Level 3 – one or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company classifies its fair value measurement of financial assets at FVTPL as Level 3.

21.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

The financial assets and liabilities subject to offsetting as at December 31, 2025 and 2024 are disclosed under Note 20.3.

21.6 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation is calculated using the straight-line method to allocate cost to residual values over the estimated useful lives of the assets. Leasehold improvements are amortized over the term of the lease or estimated useful life of the improvements, whichever is shorter. The useful lives of the assets are as follows:

Leasehold improvements	10 years or term of the lease, whichever is shorter
Furniture and fixtures	10 years
Office space	3 to 10 years
Computer and other equipment	3 to 5 years

The assets' residual values and useful lives are reviewed at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 21.8).

Asset in progress is initially recognized at cost and will be depreciated once completed and available for use. The cost of asset in progress includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items on the site on which it is located.

The Company derecognizes the carrying amount of an item of property and equipment on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

21.7 Trading right

Trading right, which is an intangible asset with an indefinite useful life, is carried at cost. Trading right is derecognized when the asset has no future economic benefits or the asset has been extinguished. The carrying amount of trading right is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Note 21.8).

21.8 Impairment of non-financial assets

Non-financial assets that have finite useful lives, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. Intangible assets with indefinite lives, such as trading right, are reviewed for impairment annually and whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets for which an impairment loss has been recognized are reviewed for possible reversal of impairment at each reporting date.

As at December 31, 2025 and 2024, there are no indications of impairment or changes in circumstances that may suggest that the Company's non-financial assets may not be recoverable.

21.9 Income and expense recognition

Commission income

The Company generates revenue from providing broking services in its normal course of business.

The Company recognizes revenue when the Company satisfies a performance obligation by transferring a promised service to a customer.

The services being provided by the Company represent a single performance obligation. Thus, revenue is recognized once service is rendered to various parties over time.

No element of significant financing is deemed present as the services are rendered and settlement happens after two days from the trade date, which is consistent with the market practice.

On August 11, 2023, the SEC issued amendments to shorten the settlement cycle as per Memorandum Circular No. 11-2023. The amendments shortened the settlement cycle to T+2 from the previous T+3 settlement cycle.

Interest income

Interest income on bank deposits, which is presented gross of tax paid or withheld, is recognized on a time proportion basis using the effective interest rate method.

Expenses

Brokering expenses comprise primarily of commission expenses which are recognized as incurred in the period the related brokering services are rendered and completed. Other expenses are recognized as incurred.

21.10 Foreign currency transactions and translation

(a) Functional and presentation currency

Items in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements are presented in Philippine Peso, which is the functional currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at transaction dates. Monetary balances are subsequently revalued using the exchange rate prevailing at reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

21.11 Income tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

For the purposes of income tax calculation in 2025 and 2024, the Company has decided to avail the itemized deduction as provided for under Revenue Regulations No. 16-2008 and No. 2-2010.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, NOLCO and MCIT can be utilized. The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill.

21.12 Employee benefits

(a) Short-term employee benefits

Salaries, wages, paid annual leave and sick leave, incentives, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by the employees of the Company.

Equity compensation benefits

Salaries and wages include equity compensation expenses arising from the grant of stock-based awards to the employees of the Company. The details of the stock-based awards available are described in Note 16.

The fair value of the employees services received in exchange for the grant of stock-based awards is recognized as an expense in the statement of total comprehensive income with a corresponding increase in the liability of the Company. The total amount to be recognized over the vesting period is determined by reference to the fair value of the stock-based awards on the date of grant. Non-market vesting conditions are included in the estimation of the number of shares that are expected to become exercisable on the vesting date.

(b) Retirement benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a Trustee-administered fund.

The Company has a funded non-contributory defined contribution retirement plan covering all its full-time regular employees. Under the plan, the normal retirement age is 60 years. However, any qualified employee may elect to retire on the first day of the month following the attainment of the age of 50 years, provided that he/she has rendered at least 10 years of credited service.

The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company, however, is covered under Republic Act (RA) No. 7641, *The Retirement Pay Law*, which provides for its qualified employees a defined benefit with minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the Company accounts for its retirement obligation using the higher of the defined benefit obligation relating to the minimum guarantee, and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

The defined contribution liability, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

(c) Incentive plans

The Company recognizes a liability and an expense for incentives based on the discretion of local and regional management. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

21.13 Leases

The Company recognizes lease ROU asset and lease liability for leases with lease terms greater than twelve months. The ROU asset is included in Property and equipment, net, particularly in office space, and the lease liability is included in current and non-current liabilities in the statement of financial position.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the lease commencement date plus any initial direct costs incurred, less any lease incentives received. The ROU asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the useful life of the ROU asset or the lease term. In addition, the ROU asset may be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liabilities is measured at amortized cost using a constant periodic rate of interest. When the lease liabilities is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in earnings if the carrying amount of the ROU asset has been reduced to zero.

22 Supplementary information required by the Bureau of Internal Revenue (BIR)

The following information, as required by Revenue Regulations No. 15-2010, is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2025 consists of:

	Gross amount of revenue	Output VAT
Sale of services Subject to 12% VAT	328,384,225	39,406,109

Output VAT payable as at December 31, 2025 amounts to P10.89 million and included as part of due to the BIR under other current liabilities in the statement of financial position.

(ii) Input VAT

Movements of input VAT for the year ended December 31, 2025 follow:

	Amount
Beginning of the year	2,156,700
Current year's domestic purchases/payments for:	
Services lodged under cost of services	4,705,750
Services lodged under other accounts	2,860,594
Input VAT claimed against output VAT	(7,139,757)
At end of the year	2,583,287

Unutilized input VAT is presented as part of other non-current assets in the statement of financial position.

(iii) Documentary stamp tax (DST)

There were no paid and/or accrued documentary stamp taxes as at and for the year ended December 31, 2025.

(iv) *Withholding taxes*

Withholding taxes paid and accrued as at and for the year ended and December 31, 2025 consists of:

	Paid	Accrued	Total
Withholding taxes on compensation	23,680,000	1,434,123	25,114,123
Final withholding tax	2,761,862	1,242,744	4,004,606
Expanded withholding tax	10,235,577	985,975	11,221,552
Fringe benefit tax	-	-	-
VAT input withheld	1,355,826	392,694	1,748,520
	38,033,265	4,055,536	42,088,801

Creditable withholding taxes, included as part of other non-current assets, amount to P7.20 million as at December 31, 2025.

Withholding taxes accrued are included as part of due to the BIR under Other current liabilities in the statement of financial position.

(v) *All other local and national taxes*

All other local and national taxes paid for the year ended December 31, 2025 consist of:

	Amount
Municipal taxes and mayor's permit	443,073
Fringe benefit tax	-
Others	106,605
	549,678

The local and national taxes are charged to Taxes and licenses under Operating expenses in the statement of total comprehensive income.

Stock transaction taxes

Stock transaction taxes paid for the year ended December 31, 2025 amount to P253.11 million. Accrued stock transaction taxes as at December 31, 2025 amount to P0.40 million and presented under other current liabilities. These stock transaction taxes were for the account of counterparties.

(vi) *Tax assessments and tax cases*

There are no tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as of December 31, 2025.

SCHEDULE I

J.P. Morgan Securities Philippines, Inc.

Computation of Risk Based Capital Adequacy (RBCA)
Requirement Pursuant to SRC Rule 49.1-A
December 31, 2025
(All amounts in Philippine Peso)

Assets	1,858,855,734
Less: Total liabilities	(480,094,184)
Equity as per books	<u>1,378,761,550</u>
Adjustments to equity per books	
Deduct: Deferred income tax	(1,335,423)
Equity eligible for net liquid capital	<u>1,377,426,127</u>
Less: Ineligible assets	
Intercompany Receivables	369,248,587
Property and equipment, net	19,102,134
Trading right	1,100,000
Negative exposure (SCCP)	-
Other current and non-current assets, including financial assets at fair value through profit or loss	74,317,500
Total ineligible assets	<u>463,768,221</u>
Net liquid capital (NLC)	<u>913,657,906</u>
Less: Operational risk requirement	70,334,640
Position risk requirement	112
Counterparty risk requirement	-
Total risk capital requirement (TRCR)	<u>70,334,752</u>
Net RBCA margin (NLC - TRCR)	<u>843,323,154</u>
Aggregate indebtedness (AI), net of exclusions	<u>480,094,184</u>
5% of Aggregate indebtedness	<u>24,004,709</u>
Required NLC (5% of AI or P5 million whichever is higher)	<u>24,004,709</u>
Net risk-based capital excess	<u>889,653,197</u>
Ratio of AI to NLC	<u>53%</u>
RBCA Ratio (NLC/TRCR)	<u>1,299%</u>

SCHEDULE II

J.P. Morgan Securities Philippines, Inc.

Computation for Determination of Reserve Requirements
Under SRC Rule 49.2-B
December 31, 2025
(All amounts in Philippine Peso)

Free credit balance and other credit balances in customer securities accounts	
Trade payables to customers	23,874,954
Trade payables to other broker	116,954,988
Trade payables to clearing house	295,521,446
	<hr/>
Aggregate credit items	<u>436,351,388</u>
Debit balances in customers' cash and margin accounts excluding unsecured accounts and doubtful of collection	
Trade receivables from customers	438,903,406
Trade receivables from clearing house	-
	<hr/>
Less: Unsecured portion	687,553
Subtotal	<u>438,215,853</u>
Less: 1% of subtotal	4,382,159
	<hr/>
Aggregate debit items	<u>433,833,694</u>
Excess of total credits over total debits	<u>2,517,694</u>
Required reserve	<u>2,517,694</u>
Special reserve account balance prior to computation	<u>60,070,383</u>

J.P. Morgan Securities Philippines, Inc.Information Relating to the Possession or Control
Requirements Under SRC Rule 49.2-A
December 31, 2025

1. Customers' fully paid securities and excess margin securities not in the broker's or dealer's possession or control as at December 31, 2025 for which instructions to reduce to possession or control had been issued as at the report date but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2-A:

Market valuation	Nil
Number of items	Nil

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

Market valuation	Nil
Number of items	Nil



Independent Auditor's Report

To the Board of Directors and Shareholder of

J.P. Morgan Securities Philippines, Inc.

25th Floor JPMorgan Chase & Co Tower Manila 9th Ave corner
38th Street, Uptown Bonifacio
Taguig City Philippines 1635

In planning and performing our audit of the financial statements and supplemental schedules of J.P. Morgan Securities Philippines, Inc. (the "Company") as at and for the year ended December 31, 2025, we considered the Company's internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Securities Regulation Code (SRC) Rule 68-3.c.ii-iv of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in SRC Rule 68-3.c, in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under SRC Rule 49.1 and the reserve required by SRC Rule 49.2.
2. Making the monthly securities examinations, counts, verifications, comparisons, reconciliation and recording of differences required by SRC Rule 52.1.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by SRC Rule 49.2.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Independent Auditor's Report
To the Board of Directors and Shareholder of
J.P. Morgan Securities Philippines, Inc.
Page 2

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures for safeguarding securities. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with PFRS Accounting Standards.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the Auditing and Assurance Standards Council. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities that we consider to be material weaknesses as defined above.

Independent Auditor's Report
To the Board of Directors and Shareholder of
J.P. Morgan Securities Philippines, Inc.
Page 3

We understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the SRC and related regulations, and that the practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate as at December 31, 2025 to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, shareholder, management, the SEC and the Philippine Stock Exchange, Inc. in their regulation of registered brokers dealers, and should not be used for any other purpose.

Isla Lipana & Co.



Vergel E. Pabillon, Jr.

Partner

CPA Cert. No. 0119924

P.T.R. No. 0032861; issued on January 8, 2026, Makati City

SEC A.N. (individual) as general auditors 119924-SEC, Category A;

valid to audit 2025 to 2029 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 306-301-484

BIR A.N. 08-000745-240-2026; issued on January 9, 2026; effective until January 8, 2029

BOA/PRC Reg. No. 0142/P-047, effective until November 14, 2028

Makati City
April 27, 2026

SCHEDULE V

J.P. Morgan Securities Philippines, Inc.

Results of the Monthly Securities Count Conducted Pursuant to
 SRC Rule 52.1.10
 December 31, 2025
 (All amounts in Philippine Peso, except number of shares)

SECURITY NAME	POSITION	MARKET VALUE	PCD	IN TRANSIT	IN BOX	TOTAL MARKET VALUE
Ayala Corporation	6,260	2,929,680		6,260		2,929,680
Alliance Global Group, Inc.	(36,200)	(296,478)		(36,200)		(296,478)
Ayala Land, Inc.	(962,200)	(21,601,390)		(962,200)		(21,601,390)
Apex Mining Co., Inc.	2,211,600	27,512,304		2,211,600		27,512,304
BDO Unibank, Inc.	766,810	103,212,626		766,810		103,212,626
Bloomberry Resorts Corporation	(4,960,000)	(12,598,400)		(4,960,000)		(12,598,400)
Bank of the Philippine Islands	(78,760)	(9,144,036)		(78,760)		(9,144,036)
Century Pacific Food, Inc.	(104,200)	(4,063,800)		(104,200)		(4,063,800)
Converge Information and Communications Technology Solutions, Inc.	62,700	960,564		62,700		960,564
DMCI Holdings, Inc.	(47,200)	(497,488)		(47,200)		(497,488)
Emperador Inc.	(15,000)	(240,000)		(15,000)		(240,000)
GT Capital Holdings, Inc.	(132)	(78,540)		(132)		(78,540)
International Container Terminal Services, Inc.	143,902	81,592,434		143,902		81,592,434
Jollibee Foods Corporation	(32,870)	(5,916,600)		(32,870)		(5,916,600)
JG Summit Holdings, Inc.	688,500	16,283,025		688,500		16,283,025
LT Group, Inc.	(25,400)	(375,412)		(25,400)		(375,412)
Metropolitan Bank & Trust Company	42,152	2,887,412		42,152		2,887,412
Manila Electric Company	26,840	15,406,160		26,840		15,406,160
Monde Nissin Corporation	(100,600)	(583,480)		(100,600)		(583,480)
Manila Water Company, Inc.	108,100	4,356,430		108,100		4,356,430
Maynilad Water Services, Inc.	1,196,800	20,225,920		1,196,800		20,225,920
Puregold Price Club, Inc.	(166,100)	(6,311,800)		(166,100)		(6,311,800)
DigiPlus Interactive Corp.	(6,500)	(105,300)		(6,500)		(105,300)
RL Commercial REIT, Inc.	638,400	5,119,968		638,400		5,119,968
Robinsons Land Corporation	37,000	597,920		37,000		597,920
Semirara Mining and Power Corporation	(24,400)	(689,300)		(24,400)		(689,300)
Security Bank Corporation	(4,260)	(279,669)		(4,260)		(279,669)
Synergy Grid & Development Phils., Inc.	(212,800)	(3,523,968)		(212,800)		(3,523,968)
SM Investments Corporation	(8,510)	(5,952,745)		(8,510)		(5,952,745)
SM Prime Holdings, Inc.	(3,615,700)	(82,257,175)		(3,615,700)		(82,257,175)
PLDT Inc.	(6,030)	(7,597,800)		(6,030)		(7,597,800)
Universal Robina Corporation	(18,880)	(1,270,624)		(18,880)		(1,270,624)
Wilcon Depot, Inc.	(13,000)	(90,480)		(13,000)		(90,480)
TOTAL IN TRANSIT	(4,509,678)	117,609,958		(4,509,678)		117,609,958
TAGAYTAY HIGHLAND INTERNATIONAL GOLF CLUB	1	3,000,000		1		3,000,000
THE COUNTRY CLUB AT TAGAYTAY	1	750,000		1		750,000
TOTAL IN BOX	2	3,750,000		2		3,750,000

J.P. Morgan Securities Philippines, Inc.

25th Floor JPMorgan Chase & Co Tower Manila,
9th Ave corner 38th Street Uptown Bonifacio
Taguig City Philippines 1635

Schedule of Financial Soundness Indicators
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

All secondary licensees of the Commission (financing companies, broker dealer of securities and underwriters) and public companies must present schedule showing financial soundness indicators in two comparative periods, as follows:

	2025	2024
Current assets	1,775,797,177	1,390,231,328
Current liabilities	467,732,824	116,782,343
Current ratio	380%	1190%
Cash	1,324,097,271	1,296,870,998
Trade receivables	438,903,406	86,371,613
Current liabilities	1,763,000,677	1,383,242,611
Quick ratio	467,732,824	116,782,343
	377%	1184%
Total liabilities	480,094,184	127,225,255
Equity	1,378,761,550	1,343,848,035
Debt to equity ratio	35%	9%
Total assets	1,858,855,734	1,471,073,290
Total liabilities	480,094,184	127,225,255
Solvency ratio	387%	1156%
Total assets	1,858,855,734	1,471,073,290
Equity	1,378,761,550	1,343,848,035
Asset to equity ratio	135%	121%
Gross profit	194,305,913	193,535,674
Total commission income	316,062,190	306,776,443
Gross profit margin	61%	63%
Net income	34,913,515	18,387,354
Total commission income	316,062,190	306,776,443
Net profit margin	11%	6%
Net income	34,913,515	18,387,354
Total assets	1,858,855,734	1,471,073,290
Return on asset ratio	2%	1%
Net income	34,913,515	18,387,354
Equity	1,378,761,550	1,343,848,035
Return on equity ratio	3%	1%

J.P. Morgan Securities Philippines, Inc
Collateral Valuation Summary
December 31, 2025 and 2024
(All amounts in Philippine Peso)

	2025		
	Book Value	Security Valuation	
		Long	Short
Security value of debit balances			
More than 250%	-	-	-
Between 200% to 250%	-	-	-
At least 100% but less than 200%	169,734,912	370,336,879	198,156,913
Less than 100%	269,168,494	309,263,373	40,782,433
Due from customers	438,903,406	679,600,252	238,939,346
Security value of credit balances			
With money balances	23,874,954	-	23,952,148
No money balances	-	-	-
Due to customers	23,874,954	-	23,952,148
	2024		
	Book Value	Security Valuation	
		Long	Short
Security value of debit balances			
More than 250%	-	-	-
Between 200% to 250%	-	-	-
At least 100% but less than 200%	-	-	-
Less than 100%	86,371,613	258,358,185	174,126,330
Due from customers	86,371,613	258,358,185	174,126,330
Security value of credit balances			
With money balances	77,501,558	-	77,900,000
No money balances	-	-	-
Due to customers	77,501,558	-	77,900,000

J.P. Morgan Securities Philippines, Inc.

25th Floor JPMorgan Chase & Co Tower Manila,
9th Ave corner 38th Street Uptown Bonifacio
Taguig City Philippines 1635

Reconciliation of Retained Earnings Available
for Dividend Declaration
For the year ended December 31, 2025

Unappropriated Retained Earnings, beginning of the year		154,105,000
Add: Category A: Items that are directly credited to		
Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	
Less: Category B: Items that are directly debited to		
Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	(34,913,515)	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)		(34,913,515)
Unappropriated Retained Earnings, as adjusted		119,191,485
Add/Less: Net Income (loss) for the current year		34,913,515
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	262,500	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	262,500
		154,367,500

J.P. Morgan Securities Philippines, Inc.

Reconciliation of Retained Earnings Available for Dividend
 Declaration For the year ended December 31, 2025
 Page 2

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PRS (describe nature)	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark- to- market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Adjusted net income/loss		
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-

J.P. Morgan Securities Philippines, Inc.

**Reconciliation of Retained Earnings Available for
Dividend Declaration For the year ended December 31,
2024
Page 3**

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	-
Total Retained Earnings, end of the year available for dividend declaration		154,367,500

Supplementary Schedule of External Auditor Fee-Related
December 31, 2025 and 2024

	2025	2024
Total audit fees	880,500	865,500
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total non-audit fees	-	-
Total audit and non-audit fees	880,500	865,500