



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**LUYS SECURITIES CO., INC.**  
**ANNUAL AUDITED FINANCIAL REPORT**  
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**DECEMBER 31, 2025**

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# LUYS SECURITIES CO., INC.

Member: Philippine Stock Exchange

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

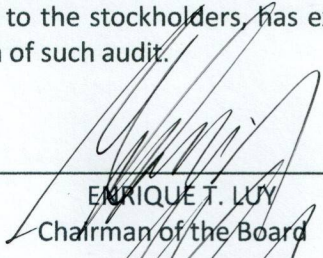
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

The Board of Directors is responsible in 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.

**Reyes Tacandong & Co.**, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: \_\_\_\_\_

  
ENRIQUE T. LUY  
Chairman of the Board

Signature: \_\_\_\_\_

  
ENRIQUE T. LUY  
Chief Executive Officer

Signature: \_\_\_\_\_

  
ERNESTO T. LUY  
Chief Financial Officer

Signed this 20th day of March 2026

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

**COVER PAGE**

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the SRC.

Report for the Year Beginning January 1, 2025 and Ended December 31, 2025.

<b>IDENTIFICATION OF BROKER OR DEALER</b>	
Name of Broker/Dealer:	Luys Securities Co., Inc.
Address of Principal Place of Business:	28/F LKG Tower 6801 Ayala Avenue Makati City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name:	Aurora L. Shih
	Tel. No.: (02) 8-884-1271
	Fax No.: (02) 8-884-1384

<b>IDENTIFICATION OF ACCOUNTANT</b>	
Name of Independent Auditor whose opinion is contained in this report:	
Name: Reyes Tacandong & Co.	Tel. No.: (632) 8-982-9100 Fax No.: (632) 8-982-9111
Address: 26 <sup>th</sup> Floor BDO Towers Valero 8741 Paseo de Roxas Makati City 1226, Philippines	
MARK CHRISTIAN M. ABABA Partner CPA Certificate No. 130245 Tax Identification No. 287-809-533-000 BOA Accreditation No. 4782/P-027; Valid until June 6, 2026 SEC Accreditation No. 130245-SEC Group A Issued November 26, 2025 Valid for Financial Periods 2025 to 2029 BIR Accreditation No. 08-005144-026-2024 Valid until March 26, 2027 PTR No. 10764002 Issued January 2, 2026, Makati City	



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Luys Securities Co., Inc.  
28/F LKG Tower, 6801  
Ayala Avenue, Makati City

### *Opinion*

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

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

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to the audit 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 aggregate, these 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

**REYES TACANDONG & Co.**

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 20, 2026

Makati City, Metro Manila

**LUYS SECURITIES CO., INC.**

**STATEMENTS OF FINANCIAL POSITION**

	Note	2025		2024	
		December 31		December 31	
		Money Balance	Security Valuation	Money Balance	Security Valuation
		Long	Short	Long	Short
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash					
Financial assets at fair value through profit or loss (FVPL)	7	P2,031,942			
Trade receivables	8	1,754,550	P1,754,550		
Other current assets	9	102,423,407	183,140,025	P10,756,970	
	10	1,638,277		162,857,241	
<b>Total Current Assets</b>		<b>107,848,176</b>			
<b>Noncurrent Assets</b>					
Exchange trading right	12	13,500,000			
Refundable deposit	19	1,990,460			
Deferred tax assets	17	4,818,697			
<b>Total Noncurrent Assets</b>		<b>20,309,157</b>			
<b>Securities in Vault, Transfer Offices, and Philippine Depository and Trust Corporation</b>		<b>P128,157,333</b>			
			<b>P652,967,301</b>		<b>P433,202,123</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Trade payables	13	P88,496,671			
Other current liabilities	14	1,839,238	468,072,726	259,587,912	
<b>Total Current Liabilities</b>		<b>90,335,909</b>			
<b>Noncurrent Liability</b>					
Retirement benefit liability	15	2,001,563			
<b>Total Liabilities</b>		<b>92,337,472</b>			
<b>Equity</b>					
Capital stock	5	33,500,000			
Retained earnings:					
Appropriated	5	1,342,643			
Unappropriated		1,105,862			
Cumulative remeasurement losses on retirement benefit liability - net of deferred tax	15	(128,644)			
<b>Total Equity</b>		<b>35,819,861</b>			
		<b>P128,157,333</b>	<b>P652,967,301</b>	<b>P128,664,915</b>	<b>P433,202,123</b>

See accompanying Notes to Financial Statements.

**LUYS SECURITIES CO., INC.**

**STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Years Ended December 31	
		2025	2024
<b>REVENUES</b>			
Commissions		₱6,430,481	₱4,660,016
Others:			
Net trading gains on financial assets at FVPL	8	606,549	2,970,430
Gain on write-off of accounts payable	14	820,910	-
Reversal of allowance for ECL on trade receivables	9	337,541	84,952
Dividend income	8	68,456	132,441
Interest income	7	377	1,140
		<b>8,264,314</b>	<b>7,848,979</b>
<b>COST OF SERVICES</b>			
Salaries and other employee benefits	16	2,551,988	2,998,093
Central depository fees		480,909	186,441
Stock exchange fees and dues		354,399	242,002
Commissions		115,035	38,317
Communication		64,984	66,795
		<b>3,567,315</b>	<b>3,531,648</b>
<b>GROSS PROFIT</b>		<b>4,696,999</b>	<b>4,317,331</b>
<b>OPERATING EXPENSES</b>			
Salaries and other employee benefits	16	2,497,498	2,658,239
Association dues		578,851	578,851
Professional fees		498,985	169,960
Transportation and travel		207,670	213,120
Taxes and licenses		71,011	78,345
Utilities		31,523	41,470
Others		167,702	317,069
		<b>4,053,240</b>	<b>4,057,054</b>
<b>INCOME BEFORE INCOME TAX</b>		<b>643,759</b>	<b>260,277</b>
<b>INCOME TAX EXPENSE</b>	17		
Current		98,085	87,571
Deferred		168,742	99,964
		<b>266,827</b>	<b>187,535</b>
<b>NET INCOME</b>		<b>376,932</b>	<b>72,742</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gain (loss) on retirement benefit liability - net of deferred tax	15	305,871	(252,367)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>₱682,803</b>	<b>(₱179,625)</b>

See accompanying Notes to Financial Statements.

**LUYS SECURITIES CO., INC.**  
**STATEMENTS OF CHANGES IN EQUITY**

	Note	Years Ended December 31	
		2025	2024
<b>CAPITAL STOCK - P100 par value</b>			
Authorized - 1,000,000 shares			
Issued and outstanding - 335,000 shares	5	<b>₱33,500,000</b>	<b>₱33,500,000</b>
<b>RETAINED EARNINGS</b>			
<b>Appropriated</b>			
Balance at beginning of year	5	<b>1,267,257</b>	1,252,709
Appropriation		<b>75,386</b>	14,548
Balance at end of year		<b>1,342,643</b>	1,267,257
<b>Unappropriated</b>			
Balance at beginning of year		<b>804,316</b>	746,122
Net income		<b>376,932</b>	72,742
Appropriation	5	<b>(75,386)</b>	(14,548)
Balance at end of year		<b>1,105,862</b>	804,316
		<b>2,448,505</b>	2,071,573
<b>CUMULATIVE REMEASUREMENT LOSSES ON RETIREMENT BENEFIT LIABILITY -</b>			
Net of Deferred Tax			
Balance at beginning of year	15	<b>(434,515)</b>	(182,148)
Remeasurement gain (loss) on retirement benefit liability		<b>305,871</b>	(252,367)
Balance at end of year		<b>(128,644)</b>	(434,515)
<b>TOTAL EQUITY</b>		<b>₱35,819,861</b>	<b>₱35,137,058</b>

*See accompanying Notes to Financial Statements.*

**LUYS SECURITIES CO., INC.**  
**STATEMENTS OF CASH FLOWS**

	Note	Years Ended December 31	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		P643,759	P260,277
Adjustments for:			
Gain on write-off of accounts payable	14	(820,910)	-
Unrealized losses from fair value changes of financial assets at FVPL	8	553,816	210,424
Reversal of allowance for ECL on trade receivables	9	(337,541)	(84,952)
Retirement benefit expense	15	215,681	222,655
Dividend income	8	(68,456)	(132,441)
Interest income	7	(377)	(1,140)
Operating income before working capital changes		185,972	474,823
Decrease (increase) in:			
Financial assets at FVPL		8,448,604	(353,637)
Trade receivables		(8,854,134)	(6,605,075)
Refundable deposits		(86,999)	(127,365)
Other current assets		(359,590)	34,204
Increase (decrease) in:			
Trade payables		(1,731,998)	5,084,353
Other current liabilities		1,613,593	90,975
Net cash used for operations		(784,552)	(1,401,722)
Dividends received		68,456	132,441
Income taxes paid		(33,168)	(37,165)
Interest received		377	1,140
<b>NET DECREASE IN CASH</b>		<b>(748,887)</b>	<b>(1,305,306)</b>
<b>CASH AT BEGINNING OF YEAR</b>		<b>2,780,829</b>	<b>4,086,135</b>
<b>CASH AT END OF YEAR</b>		<b>P2,031,942</b>	<b>P2,780,829</b>

*See accompanying Notes to Financial Statements.*

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**LUYS SECURITIES CO., INC.**

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

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**1. Corporate Information**

Luys Securities Co., Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 19, 1979. The Company is a licensed broker/dealer of securities and a holder of trading right issued by the Philippine Stock Exchange (PSE).

The registered office address of the Company is 28/F LKG Tower, 6801 Ayala Avenue, Makati City.

**Approval of the Financial Statements**

The financial statements of the Company as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Company's Board of Directors (BOD) on March 20, 2026.

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**2. Summary of Material Accounting Policy Information**

**Basis of Preparation and Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS), and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The material accounting policy information used in the preparation of financial statements are consistently applied to all years presented, unless otherwise stated.

The statements of financial position contain some additional information in line with the requirements of Rule 52.1 of the Implementing Rules and Regulations of the Securities Regulation Code (SRC).

**Measurement Bases**

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for the financial assets at fair value through profit or loss (FVPL), which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information on the assumptions made in measuring fair values is disclosed in Note 6 to financial statements.

#### **Adoption of Amendments to PFRS Accounting Standards**

The material accounting policies adopted are consistent with those of the previous financial year. There are no amendments to PFRS Accounting Standards, which are effective as at January 1, 2025, that has a significant impact on the Company's financial statements.

#### **New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

Effective January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged or cancelled, expires, or otherwise qualifies for derecognition (e.g. settlement date), and introduce a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets and the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11 -
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

### **Financial Assets**

*Initial Recognition and Measurement.* Financial assets are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at FVPL, includes transaction cost.

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVPL, and (c) financial assets at FVOCI. The classification of a financial asset largely depends on the Company's business model for managing the asset and its contractual cash flow characteristics.

As at December 31, 2025 and 2024, the Company does not have financial assets at FVOCI.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, and through amortization process.

As at December 31, 2025 and 2024, the Company's cash, trade receivables, and refundable deposit are classified under this category (see Notes 7, 9, and 19).

*Financial Assets at FVPL.* Financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

Dividends from equity instruments held at FVPL are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2025 and 2024, the Company's financial assets at FVPL pertain to equity securities held for trading purposes (see Note 8).

*Impairment of Financial Assets at Amortized Cost.* The Company recognizes an allowance for expected credit loss (ECL) for all financial instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated the ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment and an assessment of both the current as well as the forecast direction of condition at the reporting date, including time value of money where appropriate.

For other financial assets measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are more than 30 days past due, unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

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

#### **Financial Liabilities at Amortized Cost**

*Initial Recognition and Measurement.* Financial liabilities at amortized cost are recognized initially at fair value, which is the fair value of the consideration received, net of any directly attributable transaction costs.

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized, or through the amortization process.

As at December 31, 2025 and 2024, the Company’s trade payables and other current liabilities (excluding nonfinancial liabilities) are classified under this category (see Notes 13 and 14).

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

#### **Offsetting of Financial Assets and Liabilities**

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

### **Exchange Trading Right**

Exchange trading right is initially measured at cost. It is an intangible asset with indefinite useful life and is tested for impairment annually. Exchange trading right is not amortized but is carried at cost less accumulated impairment losses, if any. The exchange trading right is deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The assumption that the exchange trading right remains to be an intangible asset with an indefinite life is reviewed annually to determine whether this continues to be supportable as such. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight-line basis unless a more appropriate amortization method is warranted. Any impairment losses determined are recognized in profit or loss.

### **Impairment of Exchange Trading Right**

The exchange trading right with an indefinite useful life is required to be tested for impairment annually by comparing its carrying amount with the recoverable amount, irrespective of whether there is any indication that it may be impaired.

The recoverable amount of the exchange trading right is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect the current market assessment of the time value of money and the risks specific to the asset. For exchange trading right that does not generate largely independent cash inflows, the recoverable amount is determined based on the CGU to which the asset belongs. Any impairment loss is recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the exchange trading right is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

### **Value-Added Tax (VAT)**

VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenues, expenses, and assets are recognized net of the amount of VAT, except:

- Where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT payable to the taxation authority are included in "Statutory payable" presented under "Other current liabilities" account in the statements of financial position.

### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued and outstanding.

*Retained Earnings.* Retained earnings represent the cumulative balance of net income or loss of the Company, net of any dividend declaration.

Unappropriated retained earnings pertain to the unrestricted portion available for dividend declaration. Appropriated retained earnings pertain to the restricted portion which is intended for the reserve fund in compliance with the Securities Regulation Code (SRC) Rule 49.1 (B).

*Cumulative Remeasurement Losses on Retirement Benefit Liability, Net of Deferred Tax.* Remeasurement loss on retirement liability represents actuarial loss. Remeasurements are recognized immediately in other comprehensive income (OCI) and are not reclassified to profit or loss in subsequent periods.

### **Revenue Recognition**

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as agent in its brokerage transactions. The Company acts as a principal in its income from other sources.

Revenue from brokerage transactions consists of commission. Commissions are recorded on a trade date basis as trade transactions occur.

Other revenues, which is under the scope of PFRS 15, pertains to revenue from contracts with customers and is recognized when earned during the period.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

*Trading Gains on Financial Assets at FVPL.* Trading gains on financial assets at FVPL include all gains from changes in fair value and disposal of financial assets at FVPL. Unrealized gains are recognized in profit or loss upon remeasurement of the financial assets at FVPL at each reporting date. Gains from sale of financial assets at FVPL are recognized in profit or loss upon confirmation of trade deals.

*Dividend Income.* Dividend income is recognized when the Company's right to receive the dividends is established.

*Interest Income.* Interest income is recognized as it accrues, considering the effective yield of the asset.

### **Cost and Expense Recognition**

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

*Cost of Services.* Cost of services is recognized as expense when the related services are rendered.

*Operating Expenses.* Operating expenses constitute costs of administering the business and costs incurred to sell and market the services. These are recognized in profit or loss as incurred.

*Trading Losses on Financial Assets at FVPL.* Trading losses on financial assets at FVPL include all losses from changes in fair value and disposal of financial assets at FVPL. Unrealized losses are recognized in profit or loss upon remeasurement of the financial assets at FVPL at each reporting date. Losses from sale of financial assets at FVPL are recognized in profit or loss upon confirmation of trade deals.

### **Employee Benefits**

*Short-term Employee Benefits.* The Company recognizes short-term employee benefits based on contractual arrangements with employees. Unpaid portion of the short-term employee benefits are measured on an undiscounted basis and is included as part of "Other current liabilities" account in the statements of financial position.

*Retirement Benefits.* The Company accrues minimum retirement benefit liability in accordance with Republic Act (RA) No. 7641, "Retirement Pay Law", which requires a company to pay minimum retirement benefits to employees who retire after reaching the mandatory retirement age of 65 years or the optional retirement age of 60 years, with at least five years of service to the Company.

The retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefit obligation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

The Company recognizes current service cost and interest cost in profit or loss. Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Interest cost is determined by applying the discount rate to the retirement benefit liability at the beginning of the annual period.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authority. The tax rate and tax laws used to compute the amounts are those that have been enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax is recognized in profit or loss, except to the extent that it relates to a business combination or items directly recognized to equity or in OCI.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Related Party Transactions**

Related party transactions are transfers of resources, services, or obligations between the Company and its related parties.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, stockholders, or retirement benefit plan asset. Related parties may be individual or corporate entities.

#### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, expected future cash flows are discounted using current pretax rates that reflect the current market assessment of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

#### **Contingencies**

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

#### **Events After the Reporting Date**

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

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### 3. Significant Judgments, Accounting Estimates, and Assumptions

The preparation of the financial statements in compliance with PFRS Accounting Standards requires management to exercise judgment, make accounting estimates, and use assumptions that affect the amounts reported in the financial statements and related notes. The judgment and accounting estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates, and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The following are the significant judgment, accounting estimates, and assumptions made by the Company:

#### **Judgment**

*Classification and Measurement of Financial Assets.* Classification and measurement of financial assets depends on the results of the "solely for payments of principal and interests" and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

The Company monitors financial assets measured at FVPL or amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

Quoted equity securities held for trading were classified as financial assets at FVPL (see Note 8).

Cash, trade receivables, and refundable deposit were classified as financial assets at amortized cost because the Company's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 7, 9, and 19).

*Evaluation of Adequacy of Tax Liabilities.* The Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### **Accounting Estimates and Assumptions**

*Determination of the Fair Value Measurement of Financial Instruments.* The fair values of securities that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of business on the reporting date.

In accordance with the amendments to PFRS 7, *Financial Instruments: Disclosures*, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented in Note 6 to the financial statements.

*Assessment for the ECL on Trade Receivables.* The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Company adjusts historical default rates to forward-looking default rates by determining the closely related economic factor affecting each customer segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for impairment losses on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The carrying amounts of trade receivables and related allowance for ECL as at December 31, 2025 and 2024 are disclosed in Note 9 to the financial statements.

*Assessment for the ECL on Other Financial Assets at Amortized Cost.* The Company determines the allowance for ECL on other financial assets at amortized cost using the general approach which is based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant increase in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults.

No provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024.

The carrying amounts of other financial assets at amortized cost (cash in banks and refundable deposit) as at December 31, 2025 and 2024 are disclosed in Notes 7 and 19 to the financial statements.

*Estimation of the Useful Life and Assessment for Impairment of the Exchange Trading Right.* The exchange trading right is carried at cost less any allowance for impairment loss. The exchange trading right is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

No provision for impairment losses on exchange trading right was recognized in 2025 and 2024 because the management has assessed that the value in use of the exchange trading right is higher than its cost which will be recovered from the future operations of the Company.

The carrying amount of exchange trading right as at December 31, 2025 and 2024 is disclosed in Note 12 to the financial statements.

*Determination of Retirement Benefits.* The Company accrues its retirement benefit for past and current services rendered by qualified employees under RA No. 7641. The management has assessed that the accrual made is a reasonable estimate of future retirement obligations.

Under PAS 19(R), *Employee Benefits*, the cost of defined retirement benefit, including those mandated under RA No. 7641, should have been actuarially determined using projected unit credit method. The management assessed, however, that the effect on the financial statements of the difference between the current method used by the Company and the required valuation method is not significant.

The carrying amount of retirement benefit liability as at December 31, 2025 and 2024 is disclosed in Note 15 to the financial statements.

*Recognition of Deferred Tax Assets.* The Company reviews the carrying amount of deferred tax assets at each reporting date and adjusts the balance to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Details of recognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 17 to the financial statements.

#### 4. Financial Risk Management Objectives and Policies

The Company's financial instruments consist mainly of cash, financial assets at FVPL, trade receivables, refundable deposit, trade payables, and other current liabilities (excluding nonfinancial liabilities).

The main risks arising from the Company's use of financial instruments include credit risk, liquidity risk, and equity price risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

##### Credit Risk

The Company's exposure to credit risk arises from the failure of a counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of trade receivables and other financial assets at amortized cost.

The Company limits its exposure to credit risk by depositing its cash with highly reputable and pre-approved financial institutions. In addition, customers are initially assessed for creditworthiness based on their profile (i.e., financial capacity, reputation, collateral). The Company mitigates its credit risk by transacting with recognized and creditworthy counterparties. The Company also monitors receivable balances regularly. In accordance with the Risk Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies.

Furthermore, credit exposures are minimized by collateral held in the form of securities purchased by customers. In addition, trade receivables balances are monitored on an ongoing basis in order to continuously maintain the Company's exposure to credit losses to an insignificant level.

The Company has no significant concentration of credit risk with any single counterparty or counterparties having similar characteristics.

The table below presents the summary of the Company's maximum exposure to credit risk without taking into account any collateral, other credit enhancement or credit risk mitigating features and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL.

	2025					Total
	12-month ECL			Lifetime ECL		
	High Grade	Standard Grade	Substandard Grade	Not Credit Impaired	Credit Impaired	
Cash in banks	P2,002,225	P-	P-	P-	P-	P2,002,225
Trade receivables	-	-	-	102,423,407	1,333,801	103,757,208
Refundable deposit	-	1,990,460	-	-	-	1,990,460
	<b>P2,002,225</b>	<b>P1,990,460</b>	<b>P-</b>	<b>P102,423,407</b>	<b>P1,333,801</b>	<b>P107,749,893</b>

	2024					Total
	12-month ECL			Lifetime ECL		
	High Grade	Standard Grade	Substandard Grade	Not Credit Impaired	Credit Impaired	
Cash in banks	₱2,752,112	₱-	₱-	₱-	₱-	₱2,752,112
Trade receivables	-	-	-	93,231,732	1,671,342	94,903,074
Refundable deposit	-	1,903,461	-	-	-	1,903,461
	<b>₱2,752,112</b>	<b>₱1,903,461</b>	<b>₱-</b>	<b>₱93,231,732</b>	<b>₱1,671,342</b>	<b>₱99,558,647</b>

The description of the credit grades used by the Company in evaluating financial assets follows:

**High Grade** - This pertains to accounts with a very low probability of default as demonstrated by the counterparty's long history of stability, profitability and diversity. The counterparty has the ability to raise substantial amount of funds through the public markets. The counterparty has a strong debt service record and a moderate use of leverage.

**Standard Grade** - The counterparty has no history of default. The counterparty has sufficient liquidity to fully service its debt over the medium term. The counterparty has adequate capital to readily absorb any potential losses from its operations and any reasonably foreseeable contingencies. The borrower reported profitable operations for at least the past three years.

**Substandard Grade** - The counterparty is expected to be able to adjust to the cyclical downturns in its operations. Any prolonged adverse economic conditions would however ostensibly create profitability and liquidity issues. Operating performance could be marginal or on the decline. The counterparty may have history of default in interest but must have regularized its service record to date. The use of leverage is above industry standards but has contributed to shareholder value.

#### *Trade Receivables*

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and number of days outstanding. The provision matrix is based on the Company's historical default rates, which are adjusted for forward-looking information if forecast of economic conditions (i.e., stock market index) are expected to improve over the next year which can lead to a decreased number of defaults in the stock trading industry. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of the Company's trade receivables from customers is as follows:

Days from Transaction Date of Counterparty	2025		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 - 2 days	₱1,464,771	₱5,528,682	₱-
3 - 13 days	1,907,900	10,102,724	38,158
14 - 31 days	1,588,718	2,106,839	-
Over 31 days	97,501,990	104,470,846	1,295,643
	<b>₱102,463,379</b>	<b>₱122,209,091</b>	<b>₱1,333,801</b>

Days from Transaction Date of Counterparty	2024		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 - 2 days	₱2,815,962	₱731,202	₱-
3 - 13 days	300,875	288,020	300,875
14 - 31 days	1,176,377	1,176,377	562,311
Over 31 days	89,087,425	46,373,107	1,384,169
	<u>₱93,380,639</u>	<u>₱48,568,706</u>	<u>₱2,247,355</u>

Counterparty exposure is computed based on the rules provided by SRC 52.1.11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

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

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

As at December 31, 2025 and 2024, trade receivables from customers amounting to ₱102,463,379 and ₱93,380,639, respectively, are secured by collateral comprising of equity securities of listed companies with a total market value of ₱183,140,025 and ₱162,857,241, respectively (see Note 9).

Trade receivables from clearing house are due and collectible after two business days from the transaction date. Accordingly, no provision for ECL was recognized in 2025 and 2024, respectively. Trade receivables from clearing house amounted to ₱1,293,829 and ₱1,522,435 as at December 31, 2025 and 2024, respectively (see Note 9).

#### *Other Financial Assets at Amortized Cost*

The Company's other financial assets at amortized cost consist of cash in banks and refundable deposit. The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For refundable deposit, credit risk is low since the Company only transacted with a reputable company with respect to these financial assets.

It is the Company's policy to measure ECL on other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers factors discussed in Note 3 in assessing ECL on other financial assets at amortized cost.

**Liquidity Risk**

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Company's objectives in effectively managing its liquidity are: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The Company monitors its cash flows, particularly receivables from customers' collections and the funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained with a bank (see Note 7).

The table below summarizes the financial liabilities with maturity profile within one year based on remaining contractual undiscounted cash flows:

	2025	2024
Trade payables	<b>₱88,496,671</b>	₱90,228,669
Other current liabilities*	<b>1,321,719</b>	487,933
	<b>₱89,818,390</b>	₱90,716,602

\*Excluding nonfinancial liabilities amounting to ₱576,442 and ₱617,545 as at December 31, 2025 and 2024, respectively.

**Equity Price Risk**

Equity price risk is the risk that the fair values of quoted equity securities would decrease as a result of the adverse changes in the quoted equity prices as affected by both rational and irrational market forces. The equity price risk exposure of the Company arises mainly from its financial assets at FVPL.

The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

The table below sets forth the impact of changes in PSEi in the Company's unrealized gains or losses on its financial assets at FVPL:

	2025		2024	
Changes in PSEi	<b>16.68%</b>	<b>(16.68%)</b>	(15.34%)	(15.34%)
Changes in trading income at equity portfolio under:				
Other financial institution	<b>₱1,989</b>	<b>(₱1,989)</b>	(₱118,030)	(₱118,030)
Property	<b>756</b>	<b>(756)</b>	(220,655)	(220,655)
Mining	<b>426</b>	<b>(426)</b>	(39,361)	(39,361)
Casino and gaming	<b>244</b>	<b>(244)</b>	(16,762)	(16,762)
Telecommunication	<b>215</b>	<b>(215)</b>	(688)	(688)
Media	<b>120</b>	<b>(120)</b>	(1,324)	(1,324)
Oil	<b>23</b>	<b>(23)</b>	(16,564)	(16,564)
Hotel and leisure	-	-	(79,744)	(79,744)
Holding firms	-	-	(48,385)	(48,385)
Others	<b>1,080</b>	<b>(1,080)</b>	(287,225)	(287,225)
	<b>₱4,853</b>	<b>(₱4,853)</b>	(₱828,738)	(₱828,738)

The sensitivity rates used for estimating the equity price risk represents management's assessment of the reasonably possible change in stock prices in the PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by their specific beta for valuation at the reporting date.

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## 5. Capital Management

The Company's objective in managing capital is to ensure that a stable capital base is maintained in accordance with industry regulations, while maintaining investor, creditor, and market confidence to sustain the future development of the business.

The Company's BOD has the overall responsibility for monitoring capital proportion to risks. The Associated Person designated by the Company monitors compliance with minimum net capital requirements imposed by PSE and SEC.

The Company, being a broker/dealer in securities, is regulated by the PSE and SEC and is subject to the following capital requirements in accordance with the SRC:

### **Required Capitalization for Brokers/Dealers**

In compliance with SRC Rule 28 of the 2015 *Implementing Rules and Regulations of SRC*, trading participants are required to have an unimpaired paid-up capital of ₱100,000,000 for those who will be participating in a registered clearing agency.

However, other broker/dealers not meeting the ₱100,000,000 capitalization and not seeking authorization to engage in market making transaction shall maintain a ₱30,000,000 unimpaired paid-up capital and file surety bond not less than ₱10,000,000 for brokers and not less than ₱2,000,000 for dealers.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱33,500,000 as at December 31, 2025 and 2024. In 2025 and 2024, the Company paid premiums with equivalent surety bond coverage amounting to ₱10,000,000 for brokers and ₱2,000,000 for dealers.

As at December 31, 2025 and 2024, the Company is compliant with the capital requirements.

### **Reserve Fund**

The Company shall annually appropriate a certain minimum percentage of its audited net income and transfer the same to "Appropriated retained earnings". Minimum appropriation of 30%, 20%, and 10% of net income after tax for broker/dealer with unimpaired paid-up capital of between ₱10,000,000 to ₱30,000,000, between ₱30,000,000 to ₱50,000,000, and more than ₱50,000,000, respectively, are prescribed by SRC Rule 49.1 (B).

In 2025 and 2024, the Company appropriated a reserve fund, equivalent to 20% of income after tax given that the Company's unimpaired capital is between ₱30,000,000 and ₱50,000,000, amounting to ₱75,386 and ₱14,548, respectively.

The appropriated retained earnings amounted to ₱1,342,643 and ₱1,267,257 as at December 31, 2025 and 2024.

### **Net Liquid Capital (NLC)**

The Company is required, at all times, to have and maintain a NLC of ₱5,000,000 or 5% of its Aggregate Indebtedness (AI), whichever is higher.

In computing for NLC, all non-allowable assets/equities and collateralized liabilities are deducted and allowable liabilities and equities are added to equity per books. The equity eligible for NLC pertains to the sum of the following:

- Equity per books;
- Liabilities subordinated to the claims of creditors in conformity with SRC Rule 49.1 and in accordance with a prescribed schedule; and
- Deposits for future stock subscription for which an application for increase in capital stock or request for exemption for registration has been filed with SEC.

The eligible equity for NLC shall exclude deferred tax, revaluation reserves, minority interests, and any outside investments in affiliates and associates.

In computing for NLC, the equity eligible for NLC is adjusted by the following:

- Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;
- Deducting fixed assets and assets which cannot be readily converted into cash (less any AI in accordance with SRC Rule 49.1);
- Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by SEC; and
- Deducting long and short securities differences.

AI shall mean the total money liabilities of a broker/dealer arising in connection with any transaction whatsoever and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' accounts having short positions in securities, but excluding the items set out in SRC Rule 49.1 (1) (D).

The Company's NLC met the minimum prescribed amounts as at December 31, 2025 and 2024 as shown below:

	2025	2024
NLC:		
Equity eligible for NLC	<b>₱31,001,164</b>	₱30,047,662
Less ineligible assets	<b>18,942,151</b>	16,805,988
	<b>12,059,013</b>	13,241,674
Required NLC:		
Higher of:		
5% of AI	<b>4,619,820</b>	4,676,393
Minimum amount	<b>5,000,000</b>	5,000,000
	<b>5,000,000</b>	5,000,000
Net risk based capital excess	<b>₱7,059,013</b>	₱8,241,674

#### **Ratio of AI to NLC**

The Company shall not permit its AI to all other persons to exceed 2,000% of its NLC.

The Company's AI consisted of 766% and 706% of its NLC as at December 31, 2025 and 2024, respectively, which is compliant with the requirement.

**RBCA Requirement/Ratio**

The RBCA requirement/ratio refers to the minimum levels of capital to be maintained by firms which are licensed, or securing a broker/dealer license, taking into consideration the firm size, complexity and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting and margin financing risks. The RBCA ratio should be greater than or equal to 1.1. The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR.

The TRCR is the sum of:

- Operational Risk Requirement (ORR);
- Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and
- Position or Market Risk Requirement.

	2025	2024
NLC	<b>₱12,059,013</b>	₱13,241,674
TRCR:		
ORR	<b>1,850,256</b>	2,221,088
Position risk requirement	<b>1,687,761</b>	3,760,815
Counterparty risk	<b>182,986</b>	
	<b>₱3,721,003</b>	₱5,981,903
RBCA ratio	<b>324%</b>	221%

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

**Ratio of Core Equity to ORR**

The Company's core equity shall be at all times greater than its ORR.

Core equity refers to the sum of paid-up capital stock, capital stock dividends distributable, additional paid-in capital, surplus reserves (excluding revaluation reserves or appraisal capital) and opening retained earnings adjusted for all current year movements. Core equity shall exclude treasury shares, unbooked valuation reserves, and other capital adjustments such as unrealized loss on fair value changes.

The Company's ratio of core equity to ORR is as follows:

	2025	2024
Capital stock	<b>₱33,500,000</b>	₱33,500,000
Retained earnings at beginning of year	<b>2,071,573</b>	1,998,831
Core equity	<b>35,571,573</b>	35,498,831
ORR	<b>1,850,256</b>	2,221,088
Ratio of Core Equity to ORR	<b>1,923%</b>	1,598%

As at December 31, 2025 and 2024, the Company is compliant with the required ratio of core equity to ORR.

## 6. Fair Value Measurement

The following table presents the carrying amount and fair value of the Company's asset measured at fair value and the corresponding fair value hierarchy:

		2025			
		Carrying Amount	Fair Value		
Note	Quoted Prices in Active Markets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Asset measured at fair value -</b>					
Financial assets at FVPL	8	P1,754,550	P1,754,550	P-	P-

		2024			
		Carrying Amount	Fair Value		
Note	Quoted Prices in Active Markets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Asset measured at fair value -</b>					
Financial assets at FVPL	8	P10,756,970	P10,756,970	P-	P-

The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on prevailing quoted market prices, or bidding dealer price quotations from active markets as at reporting date.

In 2025 and 2024, there is no transfer between Level 1, Level 2, and Level 3 fair value measurements.

The table below presents the financial assets and liabilities of the Company whose carrying amounts approximate their fair values.

	2025	2024
<b>Financial assets at amortized cost:</b>		
Cash	P2,031,942	P2,780,829
Trade receivables	102,423,407	93,231,732
Refundable deposit	1,990,460	1,903,461
	<b>P106,445,809</b>	<b>P97,916,022</b>
<b>Financial liabilities at amortized cost:</b>		
Trade payables	P88,496,671	P90,228,669
Other current liabilities*	1,321,719	487,933
	<b>P89,818,390</b>	<b>P90,716,602</b>

\*Excluding nonfinancial liabilities amounting to P576,442 and P617,545 as at December 31, 2025 and 2024, respectively.

**Current Financial Assets and Liabilities.** The carrying amounts of cash, trade receivables, trade payables, and other current liabilities (excluding nonfinancial liabilities) approximate their fair values due to their short-term nature.

**Refundable Deposit.** The carrying amount of refundable deposit approximates fair value. The management assessed that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is not significant.

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## 7. Cash

This account consists of:

	2025	2024
Cash on hand	<b>₱29,717</b>	₱28,717
Cash in banks	<b>2,002,225</b>	2,752,112
	<b>₱2,031,942</b>	₱2,780,829

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations. Interest income earned on cash in banks amounted to ₱377 and ₱1,140 in 2025 and 2024, respectively.

In compliance with SRC Rule 49.2.4 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱41,820 as at December 31, 2025 and 2024. The Company's reserve requirement is determined weekly based on SEC's prescribed computation. As at December 31, 2025 and 2024, the Company's reserve bank accounts are adequate to cover its reserve requirements.

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## 8. Financial Assets at FVPL

Financial assets at FVPL amounting to ₱1,754,550 and ₱10,756,970 as at December 31, 2025 and 2024, respectively, pertain to quoted equity securities held by the Company for trading purposes.

Trading gains (losses) recognized on financial assets at FVPL are as follows:

	2025	2024
Realized gain on sale	<b>₱1,160,365</b>	₱3,180,854
Unrealized losses from fair value changes	<b>(553,816)</b>	(210,424)
	<b>₱606,549</b>	₱2,970,430

Dividend income earned from financial assets at FVPL amounted to ₱68,456 and ₱132,441 in 2025 and 2024, respectively.

The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on prevailing quoted market prices or bidding dealer price quotations from active markets as at reporting date (see Note 6).

## 9. Trade Receivables

This account consists of:

	Note	2025	2024
Receivables from customers:			
Third parties		<b>₱102,009,737</b>	₱87,241,516
Related parties	18	<b>453,642</b>	6,139,123
Receivables from clearing house		<b>1,293,829</b>	1,522,435
		<b>103,757,208</b>	94,903,074
Less allowance for ECL on receivables from customers		<b>1,333,801</b>	1,671,342
		<b>₱102,423,407</b>	₱93,231,732

Trade receivable from customers are due within two business days from the reporting period. Details are as follows:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Cash and fully secured accounts:				
More than 250%	<b>₱3,081,561</b>	<b>₱14,323,967</b>	₱634,950	₱28,014,296
Between 200% - 250%	<b>10,002,611</b>	<b>21,179,004</b>	1,583,663	4,865,663
Between 150% - 200%	<b>86,054,580</b>	<b>145,313,871</b>	17,992	45,971
Between 100% - 150%	<b>980,985</b>	<b>1,018,707</b>	83,556,208	122,430,036
Partially secured accounts	<b>2,069,142</b>	<b>1,304,476</b>	7,313,371	7,501,275
Unsecured accounts	<b>274,500</b>	–	274,455	–
	<b>102,463,379</b>	<b>183,140,025</b>	93,380,639	162,857,241
Less allowance for ECL	<b>1,333,801</b>	–	1,671,342	–
	<b>₱101,129,578</b>	<b>₱183,140,025</b>	₱91,709,297	₱162,857,241

Collaterals on receivables from customers pertain to listed equity securities. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

Trade receivables from clearing house are due and collectible after two business days from the transaction date. Accordingly, balances as at December 31, 2025 and 2024 were fully collected in January 2026 and 2025, respectively.

Balance of and movements in the allowance for ECL are as follows:

	2025	2024
Balance at beginning of year	<b>₱1,671,342</b>	₱1,756,294
Reversal	<b>(337,541)</b>	(84,952)
Balance at end of year	<b>₱1,333,801</b>	₱1,671,342

## 10. Other Current Assets

This account consists of:

	2025	2024
Excess tax credits	<b>₱1,010,762</b>	₱1,075,679
Advances to officers and employees	<b>556,539</b>	255,872
Others	<b>129,899</b>	70,976
	<b>₱1,697,200</b>	₱1,402,527

## 11. Property and Equipment

The cost of fully-depreciated property and equipment still in use in the Company's operations, comprising furniture and fixtures and computer equipment, amounted to ₱6,376,731 as at December 31, 2025 and 2024, respectively.

## 12. Exchange Trading Right

Under the PSE rules, all exchange trading rights are pledged at its full value 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 members' contracts. The carrying amount of exchange trading right is ₱13,500,000 as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the latest transacted price of the exchange trading right, as provided by the PSE, is ₱7,700,000. However, no impairment loss was recognized because management has assessed that the value in use of the exchange trading right is higher than its cost, which will be recovered from the future operations of the Company.

## 13. Trade Payables

This account consists of:

	Note	2025	2024
Payables to customers:			
Third parties		<b>₱84,979,682</b>	₱71,617,584
Related parties	18	<b>3,516,989</b>	16,595,162
Payable to clearing house		-	2,015,923
		<b>₱88,496,671</b>	₱90,228,669

Payable to customers are noninterest-bearing and due within two business days from the transaction date. Details are as follows:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
With money balance	<b>₱88,496,671</b>	<b>₱384,989,801</b>	₱88,212,746	₱205,286,160
Without money balance	-	<b>83,082,925</b>	-	54,301,752
	<b>₱88,496,671</b>	<b>₱468,072,726</b>	₱88,212,746	₱259,587,912

#### 14. Other Current Liabilities

This account consists of:

	2025	2024
Accounts payable	P1,176,719	P342,933
Statutory payable	576,442	617,545
Accrued expenses	145,000	145,000
	<b>P1,898,161</b>	<b>P1,105,478</b>

Other current liabilities are unsecured, noninterest-bearing and generally settled within one year.

In 2025, the Company wrote off accounts payable amounting to P820,910.

#### 15. Retirement Benefits

The Company provides for the estimated retirement benefits of qualified employees as required under RA No. 7641. In the absence of a formal retirement plan, under RA No. 7641, an employee who retires shall be entitled to retirement pay equivalent to at least one-half month salary for every year of service, a fraction of at least six months being considered as one whole year.

The components of retirement benefit expense included under "Salaries and other employee benefits" account in the statements of comprehensive income, are as follows (see Note 16):

	2025	2024
Current service cost	P114,073	P124,753
Interest cost	101,608	97,902
	<b>P215,681</b>	<b>P222,655</b>

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

	2025	2024
Balance at beginning of year	P2,193,710	P1,634,565
Retirement benefit expense	215,681	222,655
Remeasurement loss (gain) due to change in financial assumption	(407,828)	336,490
Balance at end of year	<b>P2,001,563</b>	<b>P2,193,710</b>

The balances and movements in cumulative remeasurement losses are as follows:

	2025		
	Cumulative Remeasurement Losses	Deferred Tax (see Note 17)	Net
Balances at beginning of year	P579,354	(P144,839)	P434,515
Remeasurement gain	(407,828)	101,957	(305,871)
Balances at end of year	<b>P171,526</b>	<b>(P42,882)</b>	<b>P128,644</b>

	2024		
	Cumulative Remeasurement Losses	Deferred Tax (see Note 17)	Net
Balances at beginning of year	₱242,864	(₱60,716)	₱182,148
Remeasurement loss	336,490	(84,123)	252,367
Balances at end of year	₱579,354	(₱144,839)	₱434,515

The principal assumptions used to determine the retirement benefit liability are as follows:

	2025	2024
Discount rate	4.63%	6.09%
Salary increase rate	3.00%	3.00%

The sensitivity analysis based on reasonably possible changes of assumptions is as follows:

	Change in Assumption	Effect on Retirement Benefit Liability	
		2025	2024
Discount rate	+1.00%	(₱128,780)	(₱130,716)
	-1.00%	147,684	150,273
Salary increase rate	+1.00%	150,911	153,582
	-1.00%	(133,585)	(135,647)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the retirement benefit liability as a result of reasonable changes in key assumptions occurring at the end of the reporting period, assuming all other assumptions were held constant.

As at December 31, 2025, the maturity analysis of the undiscounted retirement benefit liability is as follows:

Years	Amount
Less than five years	₱766,688
Within:	
Five to 10 years	923,822
10 to 15 years	733,341
15 to 20 years	491,743
More than 20 years	515,282
	₱3,430,876

As at December 31, 2025, the average duration of the retirement benefit liability at the end of the reporting period is 8.67 years.

## 16. Salaries and Other Employee Benefits

This account consists of:

	Note	2025	2024
Salaries and wages		<b>₱2,500,704</b>	₱2,697,755
Other employee benefits		<b>2,333,101</b>	2,735,922
Retirement benefit expense	15	<b>215,681</b>	222,655
		<b>₱5,049,486</b>	<b>₱5,656,332</b>

Salaries and other employee benefits are presented in the statements of comprehensive income as follows:

	2025	2024
Cost of services	<b>₱2,551,988</b>	₱2,998,093
Operating expenses	<b>2,497,498</b>	2,658,239
	<b>₱5,049,486</b>	<b>₱5,656,332</b>

## 17. Income Taxes

The components of income tax expense (benefit) are as follows:

	Note	2025	2024
<b>Reported in Profit or Loss</b>			
Current tax - MCIT		<b>₱98,085</b>	₱87,571
Deferred		<b>168,742</b>	99,964
		<b>₱266,827</b>	<b>₱187,535</b>
<b>Reported in OCI</b>			
Deferred tax expense (benefit) on remeasurement gain (loss) on retirement benefit liability	15	<b>₱101,957</b>	(₱84,123)

The components of the Company's recognized deferred tax assets are as follows:

	2025	2024
NOLCO	<b>₱3,586,849</b>	₱2,497,616
Retirement benefit liability	<b>500,391</b>	548,428
Allowance for ECL on trade receivables	<b>333,450</b>	417,836
Excess of MCIT over RCIT	<b>256,321</b>	229,180
Cumulative fair value changes of financial assets at FVPL	<b>141,686</b>	1,396,336
	<b>₱4,818,697</b>	<b>₱5,089,396</b>

The carryforward benefits of NOLCO as at December 31, 2025, which can be claimed against future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Ending Balance	Year of Expiration
2025	₱-	₱4,356,934	₱4,356,934	2028
2023	3,760,803	-	3,760,803	2026
2021	6,229,660	-	6,229,660	2026
	<b>₱9,990,463</b>	<b>₱4,356,934</b>	<b>₱14,347,397</b>	

In accordance with Revenue Regulations (RR) No. 25-2020 which implements R.A. No. 11494, "Bayanihan to Recover as one Act", net operating losses for taxable year 2021 is allowed to be carried over for the next five consecutive taxable years immediately following the year of such loss.

The carryforward benefits of excess of MCIT over RCIT as at December 31, 2025, which can be claimed against RCIT are as follows:

Year Incurred	Amount Incurred	Incurred	Expired	Ending Balance	Year of Expiration
2025	₱-	₱98,085	₱-	₱98,085	2028
2024	87,571	-	-	87,571	2027
2023	70,665	-	-	70,665	2026
2022	70,944	-	70,944	-	2025
	<b>₱229,180</b>	<b>₱98,085</b>	<b>₱70,944</b>	<b>₱256,321</b>	

The reconciliation of income tax expense based on statutory tax rate and effective tax rate is as follows:

	2025	2024
Income tax expense at statutory tax rate	<b>₱160,940</b>	₱65,069
Increase (decrease) in income tax resulting from:		
Expired excess of MCIT over RCIT	<b>70,944</b>	64,369
Nondeductible expenses	<b>52,151</b>	91,492
Dividend income exempted from income tax	<b>(17,114)</b>	(33,110)
Interest income already subjected to final tax	<b>(94)</b>	(285)
Income tax expense at effective tax rate	<b>₱266,827</b>	₱187,535

## 18. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as follows:

	Nature of Transactions	Amount of Transactions		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
<b>Trade Receivables</b> (see Note 9)						
Key management personnel	Trading of securities	P-	P-	P453,642	P6,139,123	Collectible after 2 days, secured, unimpaired, noninterest-bearing, and generally settled in cash
<b>Trade Payables</b> (see Note 13)						
Key management personnel	Trading of securities	P9,785,910	P17,172,979	P3,516,989	P16,595,162	Payable after 2 days, secured, noninterest-bearing, and generally settled in cash
	Commission revenue	25,980	44,074	-	-	
				P3,516,989	P16,595,162	

### Compensation of Key Management Personnel

In 2025 and 2024, no compensation was given by the Company to its key management personnel.

### Revenue Regulations (RR) No. 34-2020

In 2025 and 2024, the Company did not meet the criteria prescribed in RR No. 34-2020 to file and submit the BIR Form 1709 and to prepare and submit a transfer pricing documentation as prescribed in the said regulation.

## 19. Commitments

The Company, as a Clearing Member, is required to pay monthly contributions to the Clearing and Trade Guaranty Fund (CTGF) maintained by the Securities Clearing Corporation of the Philippines (SCCP) for an amount of 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag. Under the amended SCCP Rule 5.2, the contributions to the CTGF shall be refunded as trade-related assets to the Company upon cessation of business and/or termination of membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

As at December 31, 2025 and 2024, the Company's refundable deposit amounted to P1,990,460 and P1,903,461, respectively.



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Luys Securities Co., Inc.  
28/F LKG Tower 6801  
Ayala Avenue, Makati City

We have audited the accompanying financial statements of Luys Securities Co., Inc. (the Company) as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 20, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has seven stockholders owning 100 or more shares each as at December 31, 2025 and 2024.

**REYES TACANDONG & Co.**

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 20, 2026

Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS  
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Luys Securities Co., Inc.  
28/F LKG Tower 6801  
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Luys Securities Co., Inc. (the Company) as at and for the years ended December 31, 2025 and 2024, and have issued our opinion thereon dated March 20, 2026. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedules are the responsibility of the Company's management. These supplementary schedules as at December 31, 2025 include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk Based Capital Adequacy Requirement Pursuant to SEC Memorandum Circular No. 16;
- Information Relating to the Possession or Control Requirements under Annex F of SRC Rule 49.2;
- Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2;
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit; and
- Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended.

The supplementary schedules are presented for purposes of complying with the Revised SRC Rule 52.1.5, and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

**REYES TACANDONG & Co.**

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 20, 2026

Makati City, Metro Manila

**SCHEDULE I**

**LUYS SECURITIES CO., INC.  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2025**

The Company has no liabilities subordinated to claims of general creditors.

**LUYS SECURITIES CO., INC.**  
**COMPUTATION OF RISK BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO**  
**SEC MEMORANDUM CIRCULAR NO. 16**

**DECEMBER 31, 2025**

Assets	₱128,216,256
Liabilities	92,396,395
Equity as per books	35,819,861
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated Liabilities	-
Unrealized Gain / (Loss) in proprietary accounts	-
Deferred Income Tax	(4,818,697)
Revaluation reserves	-
Deposit for Future Stock Subscription (No application with SEC)	-
Minority Interest	-
Total Adjustments to Equity per books	(4,818,697)
Equity Eligible For Net Liquid Capital	31,001,164
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	-
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	13,500,000
b. Intercompany Receivables	-
c. Fixed Assets, net of accumulated and excluding those used as collateral	-
d. All Other Current Assets	1,697,200
e. Securities Not Readily Marketable	1,654,620
f. Negative Exposure (SCCP)	99,871
g. Notes Receivable (non-trade related)	-
h. Interest and Dividends Receivables outstanding for more than 30 days	-
i. Ineligible Insurance claims	-
j. Ineligible Deposits	1,990,460
k. Short Security Differences	-
l. Long Security Differences not resolved prior to sale	-
m. Other Assets including Equity Investment in PSE	-
Total ineligible assets	18,942,151
Net Liquid Capital (NLC)	12,059,013
Less:	
Operating Risk Requirement	1,850,256
Position Risk Requirement	1,687,761
Credit Risk Requirement	-
Counterparty Risk	182,986
Large Exposure Risk	-
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	-
Total Risk Capital Requirement (TRCR)	3,721,003
Net RBCA Margin (NLC-TRCR)	8,338,010
Liabilities	92,396,395
Add: Deposit for Future Stock Subscription (No application with SEC)	-
Less: Exclusions from Aggregate Indebtedness	-
Subordinated Liabilities	-
Loans and secured securities	-
Loans secured by fixed assets	-
Others	-
Total adjustments to AI	-
Aggregate Indebtedness	92,396,395
5% of Aggregate Indebtedness (AI)	4,619,820
Required Net Liquid Capital (> of 5% of AI or ₱5M)	5,000,000
Net Risk Based Capital Excess / (Deficiency)	7,059,013
Ratio of AI to Net Liquid Capital	766%
RBCA Ratio (NLC/TRCR)	324%

**SCHEDULE III**

**LUYS SECURITIES CO., INC.  
INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS UNDER ANNEX F OF SRC RULE 49.2**

**DECEMBER 31, 2025**

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

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

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

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

**SCHEDULE IV**

**LUYS SECURITIES CO., INC.  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2**

**DECEMBER 31, 2025**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱74,114,183	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱90,841,492
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		
12. Failed to deliver customers' securities not older than 30 calendar days.		1,293,829
13. Others due from clearing house		
<b>Total</b>	<b>₱74,114,183</b>	<b>₱92,135,321</b>
<b>Net Credit (Debit)</b>	<b>(₱18,021,138)</b>	
<b>Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)</b>	<b>₱-</b>	

**SCHEDULE V**

**LUYS SECURITIES CO., INC.  
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED  
SINCE THE DATE OF THE PREVIOUS AUDIT**

**DECEMBER 31, 2025**

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

**SCHEDULE VI**

**LUYS SECURITIES CO., INC.  
RESULTS OF MONTHLY SECURITIES COUNT  
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED  
DECEMBER 31, 2025**

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

LUYS SECURITIES CO., INC.

RESULTS OF MONTHLY SECURITIES COUNT  
 CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED  
 DECEMBER 31, 2025

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIA AMALGAMATED HLDGS	341,400	P-	341,400	P-	-	P-
AB	ATOK-BIG WEDGE CO., INC.	338,150	696,589	338,150	696,589	-	-
ABA	ABACORE CAPITAL HOLDINGS, INC.	1,587,325	412,705	1,587,325	412,705	-	-
ABG	ASIABEST GROUP INTERNATIONAL, INC.	8,650	162,447	8,650	162,447	-	-
ABS	ABS-CBN CORPORATION	95,925	403,844	95,925	403,844	-	-
ABSP	ABS-CBN PHIL. DEPOSIT RECEIPTS	23,595	80,459	23,595	80,459	-	-
AC	AYALA CORPORATION	4,491	2,101,788	4,491	2,101,788	-	-
ACEN	ACEN CORPORATION	5,362,091	14,584,880	5,362,091	14,584,880	-	-
ACPB4	AYALA CORP. CLASS B4 PREF. SHARES	1,500	2,983,500	1,500	2,983,500	-	-
ACR	ALSONS CONSOLIDATED RES.	270,000	126,900	270,000	126,900	-	-
ACRMC	ACR MINING CORPORATION	9,835	-	9,835	-	-	-
AEV	ABOITIZ EQUITY VENTURES INC.	39,980	1,119,440	39,980	1,119,440	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	109,900	900,081	109,900	900,081	-	-
AGIW	ALLIANCE GLOBAL GROUP, INC. WARRANT	200,000	234,000	200,000	234,000	-	-
ALHI	ANCHOR LAND HOLDINGS, INC.	69,100	267,417	69,100	267,417	-	-
ALI	AYALA LAND, INC.	227,194	5,100,505	227,194	5,100,505	-	-
ALIVP	AYALA LAND, INC VOTING PREF (NON-T)	141,856	-	141,856	-	-	-
ALLDY	ALLDY MARTS, INC.	3,590,000	111,290	3,590,000	111,290	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	118,600	154,180	118,600	154,180	-	-
ANI	AGRINURTURE, INC.	6,000	3,240	6,000	3,240	-	-
ANS	A. SORIANO CORPORATION	36,445	524,808	36,445	524,808	-	-
AP	ABOITIZ POWER CORP.	45,700	2,010,800	45,700	2,010,800	-	-
APC	APC GROUP, INC.	7,834,000	830,404	7,834,000	830,404	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	38,451,200	192,256	38,451,200	192,256	-	-
APO	ANGLO-PHILIPPINE HLDGS. CORP.	4,416,494	3,091,546	4,416,494	3,091,546	-	-
APVI	ALTUS PROPERTY VENTURES, INC.	1,541	12,944	1,541	12,944	-	-
APX	APEX MINING CO., INC. "A"	150,089	1,867,107	150,089	1,867,107	-	-
AR	ABRA MINING & INDUSTRIAL CORP.	250,120,000	1,150,552	250,120,000	1,150,552	-	-
ARA	ARANETA PROPERTIES, INC.	79,328	31,731	79,328	31,731	-	-
AREIT	AREIT, INC.	75,400	3,279,900	75,400	3,279,900	-	-
AT	ATLAS CONSOLIDATED MINING	2,314,816	13,958,340	2,314,816	13,958,340	-	-
AUB	ASIA UNITED BANK CORP.	41,264	1,617,549	41,264	1,617,549	-	-
AXLM	AXELUM RESOURCES CORP.	393,000	927,480	393,000	927,480	-	-
BALAI	BALAI NI FRUITAS, INC.	1,830,000	640,500	1,830,000	640,500	-	-
BC	BENGUET CORPORATION "A"	327,716	1,638,580	327,716	1,638,580	-	-
BCB	BENGUET CORPORATION "B"	33,513	161,868	33,513	161,868	-	-
BDO	BDO UNIBANK, INC.	37,984	5,112,646	37,984	5,112,646	-	-
BEL	BELLE CORPORATION	645,955	852,661	645,955	852,661	-	-
BHI	BOULEVARD PROP. HLDGS., INC.	36,685,000	1,430,715	36,685,000	1,430,715	-	-
BKR	BRIGHT KINDLE RES. AND INVMNTS, INC	914,000	594,100	914,000	594,100	-	-
BLOOM	BLOOMBERRY RESORTS CORP.	169,700	431,038	169,700	431,038	-	-
BMM	BOGO MEDELLIN MILLING CO.	940	48,880	940	48,880	-	-
BPI	BANK OF THE PHIL. ISLANDS	79,309	9,207,775	79,309	9,207,775	-	-
BRN	A BROWN COMPANY, INC.	513,560	477,611	513,560	477,611	-	-
BSC	BASIC ENERGY CORP.	6,666,891	780,026	6,666,891	780,026	-	-
C	CHELSEA LOGISTICS & INFRA HLDS CORP	512,400	486,780	512,400	486,780	-	-
CAB	CONCRETE AGGREGATES CORP "B"	1,200	63,480	1,200	63,480	-	-
CAT	CENTRAL AZUCARERA DE TARLAC, INC.	5,000	48,550	5,000	48,550	-	-
CBC	CHINA BANKING CORP.	343,379	19,572,603	343,379	19,572,603	-	-
CDC	CITYLAND DEVELOPMENT CORPORATION	980,387	578,428	980,387	578,428	-	-
CEB	CEBU AIR, INC.	2,000	64,000	2,000	64,000	-	-
CEBCP	CEBU AIR, INC. CONV PREF. SHARES	1,644	57,540	1,644	57,540	-	-
CEI	CROWN EQUITIES, INC.	18,482,000	1,330,704	18,482,000	1,330,704	-	-
CHP	CONCREAT HOLDINGS PHILS., INC.	145,000	158,050	145,000	158,050	-	-
CLI	CEBU LANDMASTERS, INC.	36,830	86,551	36,830	86,551	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CNPF	CENTURY PACIFIC FOOD, INC.	1,500	₱58,500	1,500	₱58,500	-	₱-
CNVRG	CONVERGE ICT SOLUTIONS, INC.	391,200	5,993,184	391,200	5,993,184	-	-
COAL	COAL ASIA HOLDINGS INC.	10,020,000	280,560	10,020,000	280,560	-	-
COSCO	COSCO CAPITAL, INC.	197,963	1,383,761	197,963	1,383,761	-	-
CPG	CENTURY PROPERTIES GROUP, INC.	43,191	29,802	43,191	29,802	-	-
CPM	CENTURY PEAK HLDGS CORP.	43,000	102,770	43,000	102,770	-	-
CREIT	CITICORE ENERGY REIT CORP.	17,000	60,690	17,000	60,690	-	-
CROWN	CROWN ASIA CHEMICALS CORP.	2,000	3,360	2,000	3,360	-	-
CSB	CITYSTATE SAVINGS BANK, INC.	13,271,633	226,414,059	13,271,633	226,414,059	-	-
CTS	CTS GLOBAL EQUITY GROUP, INC.	100,000	36,000	100,000	36,000	-	-
CYBR	CYBER BAY CORPORATION	22,033,490	7,271,052	22,033,490	7,271,052	-	-
DD	DOUBLEDRAGON CORPORATION	56,640	525,619	56,640	525,619	-	-
DDMPR	DDMP REIT, INC.	2,765,000	2,820,300	2,765,000	2,820,300	-	-
DDPR	DOUBLEDRAGON PROPERTIES CORP. PREF.	10,000	970,000	10,000	970,000	-	-
DELM	DEL MONTE PACIFIC LIMITED	36,442	171,277	36,442	171,277	-	-
DHI	DOMINION HOLDINGS, INC.	561,735	780,812	561,735	780,812	-	-
DITO	DITO CME HOLDINGS CORP.	2,370,373	1,611,854	2,370,373	1,611,854	-	-
DIZ	DIZON COPPER SILVER MINES	47,592	237,960	47,592	237,960	-	-
DMC	DMCI HOLDINGS, INC.	243,000	2,561,220	243,000	2,561,220	-	-
DMW	DM WENCESLAO & ASSOCIATES INC.	200	1,000	200	1,000	-	-
DNA	PHILAB HOLDINGS CORP.	60,000	57,200	60,000	57,200	-	-
DNL	D&L INDUSTRIES, INC.	514,000	1,978,900	514,000	1,978,900	-	-
ECVC	EAST COAST VULCAN CORPORATION	13,971,317	3,772,256	13,971,317	3,772,256	-	-
EEI	EEI CORPORATION	437,493	1,242,480	437,493	1,242,480	-	-
EG	IP E-GAMES VENTURES, INC.	4,000,000	37,600	4,000,000	37,600	-	-
EGRN	EVERWOODS GREEN RES. &HLDGS, INC.	5,120,000	-	5,120,000	-	-	-
EIBA	EXPORT & IND. BANK "A"	326,918	-	326,918	-	-	-
ELI	EMPIRE EAST LAND HOLDINGS, INC	4,977,602	517,671	4,977,602	517,671	-	-
EMI	EMPERADOR INC.	3,900	62,400	3,900	62,400	-	-
ENEX	ENEX ENERGY CORP.	179,507	599,553	179,507	599,553	-	-
EURO	EURO-MED LAB. PHILS., INC.	50,000	50,000	50,000	50,000	-	-
EW	EAST WEST BANKING CORP.	39,319	456,100	39,319	456,100	-	-
FAF	FIRST ABACUS FINANCIAL HLDGS.	8,000	5,280	8,000	5,280	-	-
FB	SAN MIGUEL FOOD & BEVERAGE, INC.	8,100	444,500	8,100	444,500	-	-
FDC	FILINVEST DEVELOPMENT CORP.	1,293	5,883	1,293	5,883	-	-
FFI	FILIPINO FUND, INC.	5,625	42,188	5,625	42,188	-	-
FGEN	FIRST GEN CORPORATION	37,700	668,798	37,700	668,798	-	-
FILRT	FILINVEST REIT CORP.	183,752	569,631	183,752	569,631	-	-
FJP	F & J PRINCE HOLDINGS CORP.	68,250	177,450	68,250	177,450	-	-
FJPB	F & J PRINCE HOLDINGS, INC. "B"	62,500	138,125	62,500	138,125	-	-
FLI	FILINVEST LAND, INC.	676,930	521,236	676,930	521,236	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	1,758,129	2,373,474	1,758,129	2,373,474	-	-
FOOD	ALLIANCE SELECT FOODS INTL, INC.	834	309	834	309	-	-
FPH	FIRST PHIL. HOLDINGS CORP.	410	31,570	410	31,570	-	-
FPI	FORUM PACIFIC, INC.	93,000	22,320	93,000	22,320	-	-
FRUIT	FRUITAS HOLDINGS, INC.	120,000	76,800	120,000	76,800	-	-
GEO	GEOGRACE RESOURCES PHILS.	1,371,240	119,298	1,371,240	119,298	-	-
GERI	GLOBAL-ESTATE RESORTS, INC.	491,060	338,831	491,060	338,831	-	-
GLO	GLOBE TELECOM, INC.	2,489	3,942,576	2,489	3,942,576	-	-
GMA7	GMA NETWORK, INC.	244,200	1,321,122	244,200	1,321,122	-	-
GMAP	GMA HOLDINGS, INC. "PDR"	52,300	276,667	52,300	276,667	-	-
GO	GOTESCO LAND "A"	26,107	-	26,107	-	-	-
GOB	GOTESCO LAND "B"	2	-	2	-	-	-
GREEN	GREENERGY HLDGS INC.	1,259,464	226,704	1,259,464	226,704	-	-
GSMI	GINEBRA SAN MIGUEL, INC.	199	58,705	199	58,705	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	1,386	824,670	1,386	824,670	-	-
HI	HOUSE OF INVESTMENTS, INC.	90,900	409,050	90,900	409,050	-	-
HOME	ALLHOME CORP.	465,000	110,205	465,000	110,205	-	-
I	I-REMIT, INC.	300,000	59,700	300,000	59,700	-	-
ICT	INTL CONTAINER TERMINAL SERVS, INC.	10,099	5,726,133	10,099	5,726,133	-	-
IDC	ITALPINAS DEV. CORP.	287,815	250,399	287,815	250,399	-	-
IMI	INTEGRATED MICRO-ELECTRONICS	48,184	167,198	48,184	167,198	-	-
IMP	IMPERIAL RESOURCES "A"	574,500	402,150	574,500	402,150	-	-
INFRA	PHIL. INFRADEV HOLDINGS, INC.	1,094,200	344,673	1,094,200	344,673	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
ION	IONICS CIRCUITS, INC.	1,000	₱1,020	1,000	₱1,020	-	₱-
IPO	IPEOPLE, INC. "A"	57,125	342,750	57,125	342,750	-	-
IS	ISLAND INFORMATION TECH., INC.	8,070,000	992,610	8,070,000	992,610	-	-
JAS	JACKSTONES, INC.	125,600	140,672	125,600	140,672	-	-
JFC	JOLLIBEE FOODS CORPORATION	6,831	1,229,580	6,831	1,229,580	-	-
JGS	JG SUMMIT HOLDINGS, INC.	37,482	886,449	37,482	886,449	-	-
KEEPR	THE KEEPERS HOLDINGS, INC.	850,000	2,108,000	850,000	2,108,000	-	-
KEP	KEPPEL PHILS. PROPS., INC.	4,298	9,456	4,298	9,456	-	-
LBC	LBC EXPRESS HOLDINGS, INC.	5,000	44,000	5,000	44,000	-	-
LC	LEPANTO CONS. MNG. CO. "A"	5,865,458	1,085,110	5,865,458	1,085,110	-	-
LCB	LEPANTO CONS. MNG. CO. "B"	30,044,760	5,618,370	30,044,760	5,618,370	-	-
LFM	LIBERTY FLOUR MILLS, INC.	6,500	219,700	6,500	219,700	-	-
LMG	LMG CORP.	1,560,000	390,000	1,560,000	390,000	-	-
LODE	LODESTAR INVESTMENT CORP.	907,000	317,450	907,000	317,450	-	-
LOTO	PACIFIC ONLINE SYSTEMS CORP.	431,900	733,230	431,900	733,230	-	-
LPZ	LOPEZ HOLDINGS CORP.	12,270	45,644	12,270	45,644	-	-
LTG	LT GROUP, INC.	247,800	3,662,484	247,800	3,662,484	-	-
MA	MANILA MINING CORP. "A"	666,484,704	5,550,314	666,484,704	5,550,314	-	-
MAB	MANILA MINING CORP. "B"	486,780,285	2,829,226	486,780,285	2,829,226	-	-
MAC	MACROASIA CORPORATION	61,200	265,608	61,200	265,608	-	-
MACAY	MACAY HOLDINGS, INC.	24,200	169,158	24,200	169,158	-	-
MAHB	METRO ALLIANCE "B"	48,000	33,120	48,000	33,120	-	-
MARC	MARCVENTURES HOLDINGS, INC.	951,700	666,190	951,700	666,190	-	-
MAXS	MAXS GROUP, INC.	320,600	785,470	320,600	785,470	-	-
MB	MANILA BULLETIN PUBLISHING	3,110,672	510,150	3,110,672	510,150	-	-
MBT	METROPOLITAN BANK & TRUST CO.	1,752	120,012	1,752	120,012	-	-
MC	MARSTEEL CONS, INC "A"	1,400,000	-	1,400,000	-	-	-
MCB	MARSTEEL CONS, INC "B"	8,100,000	-	8,100,000	-	-	-
MED	MEDCO HOLDINGS, INC.	72,000	6,480	72,000	6,480	-	-
MEDIC	MEDILINES DISTRIBUTORS INC.	850,000	221,000	850,000	221,000	-	-
MEG	MEGAWORLD CORPORATION	3,427,412	7,129,017	3,427,412	7,129,017	-	-
MER	MANILA ELECTRIC CO.	4,327	2,483,698	4,327	2,483,698	-	-
MFC	MANULIFE FINANCIAL CORP.	180	338,400	180	338,400	-	-
MFIN	MAKATI FINANCE CORPORATION	191,854	289,700	191,854	289,700	-	-
MG	MILLENNIUM GLOBAL HOLDINGS, INC.	20,000	1,200	20,000	1,200	-	-
MGH	METRO GLOBAL HLDGS CORP	9,000	-	9,000	-	-	-
MHC	MABUHAY HOLDINGS CORP.	2,472,000	284,280	2,472,000	284,280	-	-
MJC	MANILA JOCKEY CLUB, INC.	384,250	487,998	384,250	487,998	-	-
MJIC	MJC INVESTMENT CORP.	2,500	2,500	2,500	2,500	-	-
MM	MERRYMART CONSUMER CORP.	2,951,600	1,180,640	2,951,600	1,180,640	-	-
MMC	MARCOPPER MINING CORP.	104,175	-	104,175	-	-	-
MONDE	MONDE NISSIN CORP.	302,000	1,751,600	302,000	1,751,600	-	-
MRC	MRC ALLIED INDUSTRIES, INC.	249,600	217,152	249,600	217,152	-	-
MREIT	MREIT, INC.	181,600	2,542,400	181,600	2,542,400	-	-
MRSI	METRO RETAIL STORES GROUP, INC.	851,129	978,798	851,129	978,798	-	-
MVC	MABUHAY VINYL CORP.	67,600	350,844	67,600	350,844	-	-
MWC	MANILA WATER CO., INC.	35,700	1,438,710	35,700	1,438,710	-	-
MWIDE	MEGAWIDE CONSTRUCTION CORP.	422,029	1,261,867	422,029	1,261,867	-	-
MYNLD	MAYNILAD WATER SERVICES, INC.	609,000	10,292,100	609,000	10,292,100	-	-
NI	NIHAO MINERAL RES. INTL, INC.	295,910	93,212	295,910	93,212	-	-
NIKL	NICKEL ASIA CORP.	697,813	2,714,493	697,813	2,714,493	-	-
NOW	NOW CORPORATION	1,152,000	783,360	1,152,000	783,360	-	-
NRCP	NATL REINSURANCE CORP.	525,000	404,250	525,000	404,250	-	-
NXGEN	NEXTGENESIS CORPORATION	108,000	-	108,000	-	-	-
OGP	OCEANAGOLD (PHILIPPINES), INC.	50,000	1,610,000	50,000	1,610,000	-	-
OM	OMICO CORPORATION	789,666	79,756	789,666	79,756	-	-
OPM	ORIENTAL PET. & MINERALS "A"	619,260,822	7,431,130	619,260,822	7,431,130	-	-
OPMB	ORIENTAL PET. & MINERALS "B"	428,267,917	5,139,215	428,267,917	5,139,215	-	-
ORE	ORIENTAL PENINSULA RES. GROUP	180,000	66,600	180,000	66,600	-	-
OV	THE PHILODRILL CORP.	954,404,698	8,494,202	954,404,698	8,494,202	-	-
PA	PACIFICA HOLDINGS, INC.	14,000	13,300	14,000	13,300	-	-
PAL	PAL HOLDINGS, INC.	115,769	439,922	115,769	439,922	-	-
PBB	PHILIPPINE BUSINESS BANK	45,042	346,823	45,042	346,823	-	-
PBC	PHIL. BANK OF COMMUNICATIONS	116,038	1,937,835	116,038	1,937,835	-	-
PCOR	PETRON CORPORATION	814,865	2,020,865	814,865	2,020,865	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PCP	PICOP RES., INC.	18,428,730	P-	18,428,730	P-	-	P-
PERC	PETROENERGY RESOURCES CORP.	684,783	2,396,741	684,783	2,396,741	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	29,100	1,105,800	29,100	1,105,800	-	-
PHA	PREMIERE HORIZON ALLIANCE CORP.	66,000	15,642	66,000	15,642	-	-
PHES	PHILIPPINE ESTATES CORP.	833,000	233,240	833,000	233,240	-	-
PHN	PHINMA CORPORATION	47,271	789,426	47,271	789,426	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC.	1,606,000	213,598	1,606,000	213,598	-	-
PIF	FFI PHILIPPINE INDEX FUND, CORP.	510	-	510	-	-	-
PIZZA	SHAKEYS PIZZA ASIA VENTURES, INC.	16,200	110,160	16,200	110,160	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	206,077	3,338,447	206,077	3,338,447	-	-
PMPC	PANASONIC MFG. PHILS. CORP.	29	313	29	313	-	-
PMT	PRIMETOWN PROPERTY GRP	2,000	740	2,000	740	-	-
PNB	PHILIPPINE NATIONAL BANK	338,190	18,397,536	338,190	18,397,536	-	-
PNX	PHOENIX PETROLEUM PHILS., INC.	90,429	377,089	90,429	377,089	-	-
PPC	PRYCE PROPERTIES CORP.	6,600	87,120	6,600	87,120	-	-
PPI	PHILTOWN PROP.,P.DIV.(NON-T)	13,140	-	13,140	-	-	-
PRF3B	PCOR PERPETUAL PREF. SERIES 3 "B"	1,000	1,005,000	1,000	1,005,000	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	241,349	313,754	241,349	313,754	-	-
PRMX	PRIMEX CORP.	598,000	765,440	598,000	765,440	-	-
PSB	PHILIPPINE SAVINGS BANK	10,705	578,070	10,705	578,070	-	-
PSE	PHILIPPINE STOCK EXCHANGE	126,547	25,992,754	126,547	25,992,754	-	-
PTT	PHIL. TELEGRAPH & TEL.	1,304,998	-	1,304,998	-	-	-
PX	PHILEX MINING CORP.	1,511,990	14,968,701	1,511,990	14,968,701	-	-
PXP	PXP ENERGY CORP.	1,279,077	3,044,203	1,279,077	3,044,203	-	-
RCB	RIZAL COMMERCIAL BANKING CORP.	50,178	1,302,119	50,178	1,302,119	-	-
RCBP	RIZAL CMML BANKING CORP.-PREF	1,852	-	1,852	-	-	-
RCR	RL COMMERCIAL REIT, INC.	187,000	1,499,740	187,000	1,499,740	-	-
RFM	RFM CORPORATION	64,052	304,247	64,052	304,247	-	-
RLC	ROBINSONS LAND CORP.	78,150	1,262,904	78,150	1,262,904	-	-
RLT	PHIL. REALTY & HOLDINGS CORP.	1,004,983	109,543	1,004,983	109,543	-	-
ROCK	ROCKWELL LAND CORPORATION	116,659	215,819	116,659	215,819	-	-
ROX	ROXAS HOLDINGS, INC.	1,690	2,451	1,690	2,451	-	-
RPC	REYNOLDS PHILS. CORP.	99,995	-	99,995	-	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	35,790	1,182,860	35,790	1,182,860	-	-
SBS	SBS PHILIPPINES CORPORATION	58,107	226,036	58,107	226,036	-	-
SCC	SEMIRARA MINING AND POWER CORP.	423,000	11,949,750	423,000	11,949,750	-	-
SECB	SECURITY BANK CORPORATION	137,511	9,027,597	137,511	9,027,597	-	-
SFI	SWIFT FOODS, INC.	65,898	3,097	65,898	3,097	-	-
SFIP	SWIFT FOODS, INC. " PREF."	11,709	18,149	11,709	18,149	-	-
SGI	SOLID GROUP, INC.	304,000	386,080	304,000	386,080	-	-
SGP	SYNERGY GRID AND DEVELOPMENT PHILS.	44,300	733,608	44,300	733,608	-	-
SHLPH	SHELL PILIPINAS CORPORATION	24,500	169,785	24,500	169,785	-	-
SHNG	SHANG PROPERTIES, INC.	93,008	329,248	93,008	329,248	-	-
SLF	SUN LIFE FINANCIAL INC.	820	2,820,800	820	2,820,800	-	-
SLI	STA. LUCIA LAND, INC.	70,000	182,000	70,000	182,000	-	-
SM	SM INVESTMENTS CORP.	1,555	1,087,723	1,555	1,087,723	-	-
SMC	SAN MIGUEL CORP.	324,616	26,618,512	324,616	26,618,512	-	-
SMC2I	SAN MIGUEL CORP. SERIES 2-I PREF.	350	26,075	350	26,075	-	-
SMPH	SM PRIME HOLDINGS, INC.	137,696	3,132,584	137,696	3,132,584	-	-
SOC	SOC RESOURCES, INC.	5,854,000	1,065,428	5,854,000	1,065,428	-	-
SPC	SPC POWER CORP.	100	974	100	974	-	-
SPM	SEAFRONT RESOURCES CORP.	740,401	1,747,346	740,401	1,747,346	-	-
SPNEC	SP NEW ENERGY CORP.	9,962,123	11,655,684	9,962,123	11,655,684	-	-
SPT	FFI SPECIAL PURPOSE TRUST	210,000	-	210,000	-	-	-
SSI	SSI GROUP, INC.	231,000	607,530	231,000	607,530	-	-
STI	STI EDUCATION SYSTEMS HLDGS., INC.	230,000	324,300	230,000	324,300	-	-
STN	STENIEL MFG CORP	223,125	486,413	223,125	486,413	-	-
STR	STARMALLS, INC.	800	1,000	800	1,000	-	-
SUN	SUNTRUST RESORT HOLDINGS, INC.	83,500	63,460	83,500	63,460	-	-
T	TKC METAL CORP.	62,000	27,280	62,000	27,280	-	-
TBGI	TRANSPACIFIC BROADBAND GRP	1,860,000	247,380	1,860,000	247,380	-	-
TECH	CIRTEK HOLDINGS PHILS. CORP.	36,035	22,702	36,035	22,702	-	-
TEL	PLDT INC.	1,140	1,436,400	1,140	1,436,400	-	-
TFC	PTFC REDEVELOPMENT CORPORATION	63,030	2,848,956	63,030	2,848,956	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
TFHI	TOP FRONTIER INVESTMENT HLDG., INC.	2,990	₱182,390	2,990	₱182,390	-	₱-
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	212,500	125,375	212,500	125,375	-	-
UBP	UNION BANK OF THE PHILS.	514,628	13,689,105	514,628	13,689,105	-	-
UNI	UNIOIL RES. & HLDGS. CO.	3,448,500	-	3,448,500	-	-	-
UPM	UNITED PARAGON MINING CORP.	115,050,000	667,290	115,050,000	667,290	-	-
UPSON	UPSON INTERNATIONAL CORP.	400,100	280,070	400,100	280,070	-	-
URC	UNIVERSAL ROBINA CORP.	15,942	1,072,897	15,942	1,072,897	-	-
UW	UNIWIDE HOLDINGS, INC.	1,786,000	-	1,786,000	-	-	-
V	VANTAGE EQUITIES, INC.	1,498,250	1,333,443	1,498,250	1,333,443	-	-
VITA	VITARICH CORPORATION	5,000	2,650	5,000	2,650	-	-
VLL	VISTA LAND & LIFESCAPES	914,300	950,872	914,300	950,872	-	-
VMC	VICTORIAS MILLING CO.,	392,224	678,548	392,224	678,548	-	-
VVT	VIVANT CORPORATION	1,700	33,048	1,700	33,048	-	-
WEB	PHILWEB CORPORATION	18,060	111,972	18,060	111,972	-	-
WIN	WELLEX INDUSTRIES, INC.	637,300	165,698	637,300	165,698	-	-
WLCON	WILCON DEPOT, INC.	160,000	1,113,600	160,000	1,113,600	-	-
WPI	WATERFRONT PHILIPPINES, INC.	1,154,500	467,573	1,154,500	467,573	-	-
X	XURPAS INC.	3,185,000	789,880	3,185,000	789,880	-	-
ZHI	ZEUS HOLDINGS, INC.	5,180,000	347,060	5,180,000	347,060	-	-
			₱652,967,301		₱652,967,301		₱-

SCHEDULE VII

**LUYS SECURITIES CO., INC.  
SUPPLEMENTARY SCHEDULE OF  
EXTERNAL AUDITOR FEE-RELATED INFORMATION**

**DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>Total Audit Fees</b>	<b>₱160,000</b>	<b>₱145,000</b>
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>-</b>	<b>-</b>
<b>TOTAL AUDIT AND NON-AUDIT FEES</b>	<b>₱160,000</b>	<b>₱145,000</b>

**SCHEDULE VIII**

**LUYS SECURITIES CO., INC.  
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS  
INDICATORS UNDER REVISED SRC RULE 68**

**DECEMBER 31, 2025**

<b>Ratio</b>	<b>Formula</b>	<b>2025</b>	<b>2024</b>
Current ratio	Total current assets	<b>₱107,848,176</b>	₱108,172,058
	Divided by: Total current liabilities	<b>90,335,909</b>	91,334,147
	<b>Current ratio</b>	<b>1.19:1</b>	1.18:1
Quick ratio	Quick assets	<b>₱106,209,899</b>	₱106,769,531
	Divided by: Total current liabilities	<b>90,335,909</b>	91,334,147
	<b>Quick ratio</b>	<b>1.18:1</b>	1.17:1
Solvency ratio	After-tax income before depreciation	<b>₱376,932</b>	₱72,742
	Divided by: Total liabilities	<b>92,337,472</b>	93,527,857
	<b>Solvency ratio</b>	<b>0.00:1</b>	0.00:1
Debt-to-equity ratio	Total liabilities	<b>₱92,337,472</b>	₱93,527,857
	Divided by: Total equity	<b>35,819,861</b>	35,137,058
	<b>Debt-to-equity ratio</b>	<b>2.58:1</b>	2.66:1
Asset-to-equity ratio	Total assets	<b>₱128,157,333</b>	₱128,664,915
	Divided by: Total equity	<b>35,819,861</b>	35,137,058
	<b>Asset-to-equity ratio</b>	<b>3.58:1</b>	3.66:1
Return on equity	After-tax income	<b>₱376,932</b>	₱72,742
	Divided by: Average total equity	<b>35,478,460</b>	35,226,871
	<b>Return on equity</b>	<b>0.01:1</b>	0.00:1
Return on assets	After-tax income	<b>₱376,932</b>	₱72,742
	Divided by: Average total assets	<b>128,411,124</b>	125,887,491
	<b>Return on assets</b>	<b>0.00:1</b>	0.00:1
Net profit margin	After-tax income	<b>₱376,932</b>	₱72,742
	Divided by: Revenue	<b>8,818,130</b>	8,059,403
	<b>Net profit margin</b>	<b>0.04:1</b>	0.01:1
Interest rate coverage	Income before interest and taxes	<b>₱643,759</b>	₱260,277
	Interest expense	-	-
	<b>Interest coverage ratio</b>	-	-