

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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e	N	a	t	i	o	n	a	l	B	a	n	k)													

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

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a	t	O	n	e	B	o	n	i	f	a	c	i	o	H	i	g	h	S	t	r	e	e	t	,
5	t	h	A	v	e	C	o	r	n	e	r	2	8	t	h	S	t	.	B	r	g	y	.	
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Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

Broker Dealer

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
pnbsitrade@pnb.com.ph	(02) 8526-3678	-
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	03/31	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Manuel Antonio G. Lisbona	lisbonamag@pnb.com.ph	(02) 8573-4545	+63917 540 7803

CONTACT PERSON'S ADDRESS

<p>Unit 2006, 20th Flr. , The PSE at One Bonifacio, High Street, 5th Ave Cor. 28th St., Brgy. Fort Bonifacio BGC, Taguig City</p>
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NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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





SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
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Company Information

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Company Type: Stock Corporation

Document Information

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

PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2025

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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 Securities Regulation Code.

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

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	PNB Securities, Inc.
Address of Principal Place of Business:	Unit 2006, 20th Flr., The PSE at One Bonifacio, High Street, 5 th Ave Cor. 28 th St., BGC Taguig City
Name and Phone Number of Person to contact in Regard to this Report:	
Name: Mr. Manuel Antonio G. Lisbona	Tel. No. (02) 8573-4545

IDENTIFICATION OF ACCOUNTANT	
Name of Independent Auditor whose opinion is contained in this report:	
Name: SyCip GorresVelayo& Co. BOA/PRC Reg. No. 0001	Tel. No. (02) 8891-0307 Fax NoA. (02) 8818-1277
Address: 6760 Ayala Avenue, Makati City	
Ray Francis C. Balagtas Partner CPA Certificate No. 108795 Tax Identification No. 216-950-288 BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026 BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026 PTR No. 10765009, January 2, 2026, Makati City	



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of PNB Securities, Inc. (a wholly owned subsidiary of Philippine National Bank) (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.

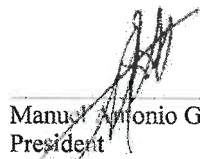
The Board of Directors (BOD) is responsible for overseeing the Company's financial reporting process.

The BOD reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

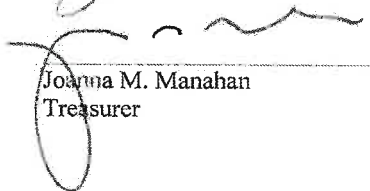
SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion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



Florido P. Casuela
Chairman of the Board



Manuel Antonio G. Lisbona
President



Joanna M. Manahan
Treasurer



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
PNB Securities, Inc.
3rd Floor, PNB Financial Center
President Diosdado Macapagal Boulevard
Pasay City

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial condition 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 (PFRSs) Accounting Standards.

Basis for Opinion

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

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

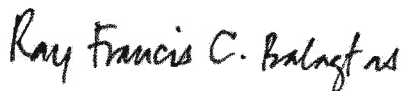


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Section 134-N of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) and Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 134-N of the MORNBFI in Note 28 and Revenue Regulations 15-2010 in Note 29 to the financial statements is presented for purposes of filing with the Bangko Sentral ng Pilipinas and the Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of PNB Securities, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108795-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

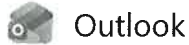
Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765009, January 2, 2026, Makati City

April 7, 2026





Outlook

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **PNB Securities Inc.** (the Company) is responsible for all information and representations contained in the **Annual Income Tax Return** as of and for the calendar year ended **December 31, 2025**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached financial statements as of and for the calendar year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company and are complete and correct in all material respects. Management likewise affirms that:

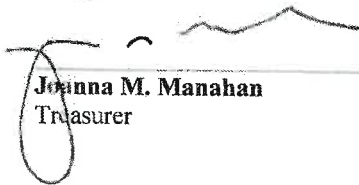
- a. The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue.
- b. Any disparity of figures in the submitted reports arising from the preparation of the financial statements pursuant to Philippine Accounting Standards/Philippine Financial Reporting Standards (PAS/PFRS) and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c. The Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



Florido P. Casuela
Chairman of the Board



Manuel Antonio G. Lisbona
President



Joanna M. Manahan
Treasurer

PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
STATEMENTS OF FINANCIAL CONDITION

	December 31					
	Money Balance	2025 Security Valuation		Money Balance	2024 Security Valuation	
		Long	Short		Long	Short
ASSETS						
Current Assets						
Cash and cash equivalents (Notes 6 and 21)	₱246,879,210			₱238,093,490		
Financial assets at fair value through profit or loss (FVTPL) (Note 7)	2,934,765	₱2,934,765		2,866,333		₱2,866,333
Trade receivables:						
Receivable from customers - cash accounts (Notes 10, 16 and 21)	54,087,788	2,430,133,840		26,085,190		1,445,555,530
Receivable from clearing house (Note 8)	-			8,438,615		
Other receivables (Notes 14 and 21)	1,427,932			1,392,758		
Prepayments and other current assets (Note 11)	4,294,888			3,593,898		
	309,624,583			280,470,284		
Non-current Assets						
Financial assets at fair value through other comprehensive income (FVOCI) (Note 9)	170,000			170,000		
Property and equipment (Note 13)	21,309,773			18,448,257		
Intangible assets (Note 12):						
Exchange trading right	966,625			966,625		
Computer software	126,048			211,565		
Deferred tax assets (Note 20)	-			1,871,034		
Other non-current assets (Note 15)	5,771,796			4,429,564		
	28,344,242			26,097,045		
	₱337,968,825			₱306,567,329		
Securities in Vault, Transfer Office, Clearing House and Philippine Depository & Trust Corp.						
				₱33,061,606,834		₱22,912,990,301

(Forward)



	December 31					
	Money Balance	2025 Security Valuation		Money Balance	2024 Security Valuation	
		Long	Short		Long	Short
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables:						
Payable to customers (Notes 17 and 21)	P84,755,922	P30,628,538,229		P88,761,110	P21,464,568,438	
Payable to clearing house (Note 8)	41,855,723			19,693,223		
Dividends payable - customers	170,304			337,891		
Payable to non-customers	-			2,927		
Other current liabilities (Note 18)	15,062,949			9,741,466		
	141,844,898			118,536,617		
Non-current Liabilities						
Retirement liability (Note 19)	7,974,646			5,790,330		
Deferred Tax Liability (Note 20)	78,658			-		
	8,053,304			5,790,330		
	149,898,202			124,326,947		
Equity						
Share capital (Note 24)	100,000,000			100,000,000		
Retained earnings (Note 24):						
Appropriated	24,066,472			23,484,935		
Unappropriated	64,113,180			58,879,343		
Remeasurement losses on retirement plan (Note 19)	(109,029)			(123,896)		
	188,070,623			182,240,382		
	P337,968,825	P33,061,606,834	P33,061,606,834	P306,567,329	P22,912,990,301	P22,912,990,301

See accompanying Notes to Financial Statements.



PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)

STATEMENTS OF INCOME

	December 31	
	2025	2024
REVENUES		
Commission (Note 21)	₱53,156,854	₱32,606,026
Interest (Notes 6 and 21)	2,337,075	1,342,681
Dividend (Note 7)	488,034	455,520
Research fee income	201,532	1,160,579
Foreign exchange gains - net	314,633	30,719
Trading gain - net (Note 7)	117,732	94,948
Miscellaneous income	3,061,853	2,863,874
	59,677,713	38,554,347
COST OF SERVICES		
Salaries and benefits - operations (Note 19)	8,960,438	8,355,851
Central depository fees	3,358,867	2,356,424
Commission expenses	3,381,451	2,988,439
Stock exchange due and fees	2,984,145	2,314,800
Subscriptions and Periodicals	2,804,801	-
Research fees	349,000	349,000
	21,838,702	16,364,514
GROSS MARGIN	37,839,011	22,189,833
OPERATING EXPENSES		
Salaries and benefits - administrative (Notes 19 and 21)	13,278,015	8,983,278
Service fees	6,113,332	4,521,294
Rent expense (Notes 21 and 22)	1,914,595	3,887,572
Depreciation and amortization (Notes 12 and 13)	1,078,292	1,074,333
Utilities (Note 21 and 22)	1,078,067	1,696,762
Taxes and licenses	1,003,204	486,424
Directors' fees (Note 21)	835,000	500,000
Security, messengerial and janitorial service	785,966	799,733
Postage, telephone and communication	731,407	757,065
Condominium dues and fees	628,891	555,583
Professional fees	310,000	387,290
Office supplies	220,941	238,309
Repairs and maintenance	209,446	235,232
Entertainment, amusement and recreation (Note 20)	131,923	399,522
Advertising and promotions	102,603	65,402
Transportation and travel	82,991	128,636
Meetings and conferences	71,700	17,000
Management Fees	-	1,200,000
Provision for (reversal of) impairment, credit and other losses (Notes 16 and 23)	(1,458,433)	4,578,982
Miscellaneous expense (Note 21)	1,851,773	2,614,111
	28,969,713	33,126,528
INCOME (LOSS) BEFORE INCOME TAX	8,869,298	(10,936,695)
PROVISION FOR INCOME TAX (Note 20)	3,053,924	731,007
NET INCOME (LOSS)	₱5,815,374	(₱11,667,702)

See accompanying Notes to Financial Statements.



PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
NET INCOME (LOSS)	₱5,815,374	(₱11,667,702)
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Changes in remeasurement gains (loss) on retirement plan, net of tax (Note 19)	14,867	2,382,652
TOTAL COMPREHENSIVE INCOME (LOSS)	₱5,830,241	(₱9,285,050)

See accompanying Notes to Financial Statements.



PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)

STATEMENTS OF CHANGES IN EQUITY

	Share Capital (Note 24)	Retained Earnings (Note 24)		Remeasurement Gain (Losses) on Retirement Plan (Note 19)	Total
		Appropriated	Unappropriated		
Balance at January 1, 2025	₱100,000,000	₱23,484,935	₱58,879,343	(₱123,896)	₱182,240,382
Total comprehensive income (loss) for the year	–	–	5,815,374	14,867	5,830,241
Appropriations (Note 24)		581,537	(581,537)		
Balance at December 31, 2025	₱100,000,000	₱24,066,472	₱64,113,180	(109,029)	₱188,070,623
Balance at January 1, 2024	₱100,000,000	₱23,484,935	₱70,547,045	(₱2,506,548)	₱191,525,432
Total comprehensive loss for the year	–	–	(11,667,702)	2,382,652	(9,285,050)
Balance at December 31, 2024	₱100,000,000	₱23,484,935	₱58,879,343	(123,896)	₱182,240,382

See accompanying Notes to Financial Statements.



PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	₱8,869,298	(₱10,936,695)
Adjustments for:		
Provision for (reversal of) impairment and credit losses (Notes 16 and 23)	(1,458,434)	4,578,982
Retirement cost (Note 19)	2,240,483	2,864,565
Interest (Notes 6 and 21)	(2,337,075)	(1,342,681)
Depreciation and amortization (Notes 12 and 13)	1,078,292	1,074,333
Dividend income (Note 7)	(488,034)	(455,520)
Trading gains - net (Note 7)	(68,432)	(94,948)
Foreign exchange losses (gains)	(314,633)	(30,719)
Changes in operating assets and liabilities:		
Decrease (increase) in amounts of:		
Trade receivables	(18,105,549)	(18,333,859)
Other receivables	(14,945)	(290,462)
Prepayments and other current assets [†]	(1,394,362)	(1,094,387)
Other non-current assets	(1,342,232)	(905,260)
Increase (decrease) in amounts of:		
Trade payables	17,989,725	28,765,087
Payable to non-customers	(2,927)	-
Other current liabilities	5,321,485	1,905,680
Other non-current liabilities	-	(1,115,707)
Net cash provided by operations	9,972,660	4,588,409
Dividends received	488,034	455,520
Interest received	2,316,846	1,342,746
Income taxes paid (Note 26)	(452,160)	(265,684)
Net cash provided by operating activities	12,325,380	6,120,991
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Note 13)	(3,854,293)	(153,056)
Net cash used in investing activities	(3,854,293)	(153,056)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON		
CASH AND CASH EQUIVALENTS	314,633	30,719
NET INCREASE IN CASH AND		
CASH EQUIVALENTS	8,785,720	5,998,654
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF YEAR	238,093,490	232,094,836
CASH AND CASH EQUIVALENTS AT		
END OF YEAR (Note 6)	₱246,879,210	₱238,093,490

See accompanying Notes to Financial Statements.



PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)

NOTES TO FINANCIAL STATEMENTS

1. General Information

PNB Securities, Inc. (the Company) was incorporated in the Philippines on January 18, 1991 and commenced operations on April 16, 1991. The Company's principal place of business is located at Unit 2006, 20th Flr., The PSE at One Bonifacio, High Street, 5th Ave Cor. 28th St., Brgy. Fort Bonifacio BGC, Taguig City. The Company is a wholly-owned subsidiary of Philippine National Bank (the Parent Company).

The Company's ultimate parent company, Tangent Holdings Corporation, is incorporated in the Philippines.

The Company is engaged in the trading of shares of stocks listed in the Philippine Stock Exchange, Inc. (PSE) for its own account or for the account of others as stockbroker.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and trading right that have been measured at fair value. The financial statements are presented in Philippine Peso, the Company's functional currency. All values are rounded to the nearest peso unless otherwise stated.

Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Presentation of Financial Statements

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

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

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.



The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial condition only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency on bankruptcy of the Company and all of the counterparties.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments and improvements to PFRS Accounting Standards and Philippine Accounting Standards (PAS) which are effective beginning on or after January 1, 2025. Except as otherwise indicated, the changes in the accounting policies did not have any significant impact on the financial position or performance of the Company.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Parent Company:

- Amendments to PAS 21, *Lack of exchangeability*

Future Changes in Accounting Standards

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*



Deferred effectivity

- *Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policies

Cash and Cash Equivalents

Cash includes petty cash fund and cash in bank. Cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and that are subject to an insignificant risk of changes in value.

Fair Value Measurement

The Company measures financial instruments such as financial assets at FVTPL and FVOCI at fair value at each statement of financial condition date. Also, fair values of financial assets at amortized cost and nonfinancial assets measured at cost are disclosed in Note 4.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. If an asset or a liability measured at fair value has a bid price and an ask price (e.g., an input from a dealer market), the price between the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

The fair value of equity financial instruments that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business of the reporting period.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include comparison to similar investments for which market observable prices exist and discounted cash flow analysis or other valuation models.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and fair value hierarchy.

Financial Instruments - Initial Recognition

Date of recognition

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on trade date. Securities transactions and related commission income and expense are also recorded on trade date. The Company recognizes amounts due from banks and loans and receivables when cash is advanced to the borrowers while financial liabilities are recognized when cash is received by the Company.

Initial recognition of financial instruments

All financial instruments are initially recognized at fair value. Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

'Day 1' difference

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

Financial Instruments - Classification and Subsequent Measurement

Financial assets are measured at FVTPL unless these are measured at FVOCI or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities as amortized cost.

The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Company may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed. Any change in business model shall be properly documented and shall comply with the provisions of the accounting standards.

The Company determines the appropriate classification of the financial assets at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial assets are appropriately classified. Classification of financial assets is determined by both the contractual cash flow characteristics of the financial assets (cash flow characteristics test) and the Company's business model for managing the financial assets (business model test).



The Company first assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test ('solely payments of principal and interest' or SPPI test). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In contrast, contractual terms that introduce a more than insignificant exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL. Only financial assets that pass the SPPI test are eligible to be measured at FVOCI or at amortized cost.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held-for-trading (HFT) and financial assets designated at FVTPL upon initial recognition.

A financial asset is classified as HFT if acquired principally for the purpose of selling in the short term.

Financial assets may be designated by management at FVTPL on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis that it would not be separately recorded.

Financial assets at FVTPL are recorded in the statements of financial condition at fair value. Changes in fair value are recognized as 'Trading gains (losses) - net' in the statements of income. Interest earned on holding debt securities at FVTPL are reported as 'Interest' in the statement of income using the contractual rate. Dividend income is recorded as 'Dividend' when the right to receive payment has been established.

Financial assets at FVOCI

Financial assets at FVOCI include quoted equity securities and private equity securities. After initial measurement, financial assets at FVOCI are subsequently measured at fair value.



Equity securities designated at FVOCI are those that the Company made an irrevocable election to present in other comprehensive income (OCI) the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized at statement of income as 'Dividend' when the right of payment has been established. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the statement of comprehensive income is reclassified to 'Retained earnings' or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

Financial assets at amortized cost

Financial assets at amortized cost are debt financial assets that meet both of the following conditions: (i) these are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. This accounting policy mainly relates to the statement of financial position captions 'Cash and cash equivalents (excluding petty cash fund)', 'Trade receivables', refundable deposits and contributions under 'Other non-current assets' and 'Other receivables', which arise primarily from service revenues and other types of receivables.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest' in the statement of income. Gains and losses are recognized in statement of income when these investments are derecognized or impaired, as well as through the amortization process. The expected credit losses (ECL) are recognized in the statement of income under 'Provision for (recoveries from) impairment, credit and other losses'. The effects of revaluation on foreign currency-denominated debt financial assets are recognized in the statement of income.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are contractual obligations which are either to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company. They are included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified as non-current liabilities.

The Company's financial liabilities at amortized cost consist of trade payables, payable to non-customers and other current liabilities (excluding taxes and payables to government agencies).

Derecognition of Financial Assets and Financial Liabilities

Financial assets

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

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



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

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing recovery. If a write-off is later recovered, any amounts formerly charged are credited to ‘Recoveries’ under ‘Miscellaneous Income’ in the statements of income.

Financial liabilities

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

Financial Assets Instruments - Impairment

The Company recognizes an ECL for all debt financial assets not held at FVTPL. Equity instruments are not subject to impairment under PFRS 9. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The ECL allowance is based on the credit losses expected to arise on a 12-month duration if there has been no significant increase in credit risk (SICR) of the financial assets since origination. Otherwise, if an SICR is observed, then the ECL estimation is extended until the end of the life of the financial asset. The 12-month ECL represents the losses that results from default events on a financial asset which may happen within 12-months after the reporting date. The Lifetime ECL on the other hand represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company calculates ECL either on individual or a collective basis. The Company performs collective impairment by grouping exposures into smaller homogeneous portfolios based on a combination of borrower and account characteristics. Accounts with similar risk attributes (i.e. facility, security, credit rating, months-on-books, utilization and collateral type, etc.) are pooled together for calculation provision based on the ECL models.



The Company assesses on a forward-looking basis the ECL associated with its debt financial instruments carried at amortized cost.

For cash in banks and refundable contributions, the Company applies the general approach in calculating ECL. The loss allowance is based on the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Forward-looking macroeconomic information and scenarios shall consider:

- Factors that may affect the general economic or market conditions in which the Company operates, such as gross domestic product growth rates, foreign exchange rates, inflation rate, etc.
- Changes in government policies, rules and regulations, such as adjustments to policy rates
- Other factors pertinent to the Company, including the proper identification and mitigation of risks such as incidences of loan defaults/losses, etc.

The Company considers a receivable from customers or any other financial assets as past due when any principal and/or interest or installment due are not paid at their contractual due date, in which case the entire outstanding balance shall be considered past due. For securities transactions, the contractual settlement date is two (2) business days after the trade date (“T+2 Settlement”), in accordance with applicable rules, laws, and regulations. Accordingly, any receivable from customers arising from securities transactions that remains unpaid beyond the T+2 contractual settlement period is classified as past due. Once a receivable becomes past due, the entire outstanding balance is treated as past due for credit risk monitoring. Securities owned by customers are held as collateral for receivable from customer.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Treasury exposures are considered in default upon occurrence of a credit event such as but not limited to bankruptcy of counterparty, restructuring, failure to pay on an agreed settlement date, or request for moratorium.

Property and Equipment

Depreciable properties such as building, improvements and office equipment are stated at cost less accumulated depreciation, and any impairment in value.

The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the item of property and equipment to its working condition and location for its intended use. Expenditures incurred after the items of property and equipment have been put into operation, such as repairs and maintenance are normally charged against income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of income.



Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which ranges from one (1) to five (5) years consistent with the policy. The useful life and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

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

Intangible Assets

Exchange trading right

The exchange trading right was acquired, together with the PSE shares, in exchange for the PSE membership seat under the conversion program of PSE (Note 12). The exchange trading right is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment loss, if any. The Company does not intend to sell the exchange trading right in the near future.

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 but is tested annually for any impairment in realizable value. Any impairment loss is recognized directly in the statement of income.

Computer software

Computer software acquired separately is measured on initial recognition at cost. Following initial recognition, software cost is carried at cost less any accumulated amortization and any accumulated impairment losses. The estimated useful life of computer software is five (5) years. The amortization period and the straight-line amortization method used for computer software are reviewed periodically. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Creditable Withholding Taxes

Creditable withholding taxes (CWT) under 'Other current assets' represent prepayments of income tax by the Company through its payors who withhold and pay the same to the Bureau of Internal Revenue (BIR). These are accounted for as assets deductible from income tax due on quarterly and annual income tax returns.

In accordance with Section 2.58(B) of Revenue Regulations No. 2-1998, as amended, the Company obtains from each payor the creditable withholding tax certificate or BIR Form No. 2307 which serves as proof of withholding and is required to be attached to the income tax return.



Value-Added Tax (VAT)

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

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

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. They are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Impairment of Nonfinancial Assets

This accounting policy applies to the Company's computer software and property and equipment.

At each statement of financial condition date, the Company assesses whether there is any indication that its property and equipment, including computer software, may be impaired.

Where an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged against operations in the period in which it arises.

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



Leases - Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option, and the leases of low-value assets recognition exemption and other equipment that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense under 'Rent' on a straight-line basis over the lease term.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new common stock are shown in equity as a deduction, net of tax, from proceeds. All other equity issuance costs are recognized as expense as incurred.

Unappropriated retained earnings represent the free portion of the accumulated profits of the Company. Appropriation of retained earnings is made in accordance with Securities Regulation Code (SRC) Rule 49.1 (B), *Reserve Fund*, of the Securities and Exchange Commission (SEC), and other appropriations.

Equity Reserves

The reserves recorded in equity in the statement of financial condition include:

- 'Remeasurement gains (losses) on retirement plan' pertains to remeasurement comprising actuarial gains (losses) on the present value of the retirement obligation, net of return on plan assets.
- 'Net unrealized gains (losses) on financial assets at FVOCI' comprise changes in fair value of FVOCI investments.

Dividends on Common Share Capital

Cash dividends on common share capital are recognized as a liability and deducted from equity when approved by the Board of Directors (BOD) of the Company. Stock dividends are deducted from retained earnings when approved by the BOD and stockholders of the Company. Dividends for the year that are approved after the statement of financial condition date are dealt with as an event after the statement of financial condition date.

Revenue Recognition

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

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has concluded that it is the principal in all of its revenue arrangements except for its brokerage transactions. The following specific recognition criteria must also be met before revenue is recognized:



Commission

Commission and other service fees are recorded on a transaction date basis as securities transactions occur, which is normally upon acceptance of trade deals. These are computed based on a certain percentage of every trade transaction.

Interest

Interest on interest-bearing financial assets at FVTPL and held-for-trading investments is recognized based on contractual rate. Interest on financial instruments measured at amortized cost and FVOCI are recognized based on effective interest method of accounting to calculate the amortized cost of a financial asset or a financial liability and allocate the interest income or interest expense.

The Company records interest income using the EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. In calculating EIR, the Company considers all contractual terms of the financial instrument (for example, prepayment options), and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The Company adjusts the carrying amount of the financial instrument through 'Interest' in the statements of income based on the original EIR.

Dividend

Dividend income is recognized when the Company's right to receive payment is established.

Processing fees and penalties

Processing fees and penalties are recognized only upon collection or accrued where there is reasonable degree of certainty as to its collectability. These are recognized under 'Miscellaneous income' in the statements of income.

Expense Recognition

Expenses are recognized when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase in liability has occurred and the decrease in economic benefits can be measured reliably. Revenues and expenses that relate to the same transaction or other event are recognized simultaneously.

Stock exchange due and fees

Costs incurred in relation to trading of stocks and facilitation of clearing and settlement of stock transactions are recognized in 'Stock exchange due and fees' in the statement of income.

Other expenses

Expenses encompass losses as well as those expenses that arise in the ordinary course of business of the Company. Expenses are recognized when incurred.



Retirement Benefits

Defined benefit plan

The Company has a noncontributory defined benefit retirement plan covering its employees. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the statement of financial condition date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- a. service cost;
- b. net interest on the net defined benefit liability or asset; and
- c. remeasurements of net defined benefit liability or asset.

Service costs, which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.



Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, 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 the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities. When discounting is used, the increase in the provision due to passage of time is recognized as an interest expense. Provisions are reviewed each reporting date.

Contingent Liabilities and Contingent Assets

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

Income Taxes

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in OCI.

Current tax

Current tax assets and current tax liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the statement of financial condition 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, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carryforward 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 sufficient taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from the excess MCIT over the RCIT and unused NOLCO can be utilized. Deferred tax assets, however, are not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

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



Deferred tax assets and deferred tax liabilities are measured at the tax rates that are applicable to the year 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 statement of financial condition date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority. Current tax and deferred tax relating to items recognized directly in the OCI are also recognized in the OCI and not in the statement of income.

When tax treatments involve uncertainty, the Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. If the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the uncertainty for each uncertain tax treatment using the method the Company expects to better predict the resolution of the uncertainty.

Events after the Statement of Financial Condition Date

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

3. Significant Accounting Judgments and Estimates

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

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are the critical judgments and key assumptions that have significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimates

a. Credit losses on financial assets

The Company estimates the ECL for credit accounts at the end of each reporting period based on days past due for groupings of credit accounts with similar loss patterns. Credit accounts are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the credit accounts adjusted for forward-looking estimates. For cash in banks and refundable contributions, the allowance estimate is determined by obtaining the 12-month point-in-time probability of default (PD) and loss given default (LGD) of the counterparties from market sources and multiplying these inputs with the exposure at default (EAD). The PD is an estimate of the likelihood of default over a given time horizon. The LGD is an estimate of loss arising in the case where a default occurs at a given time. The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principals and interest, whether scheduled by contract or otherwise.



Refer to Notes 6, 8, 10 and 14 for the carrying values of cash and cash equivalents, receivable from clearing house, receivable from customers, and other receivables, respectively.

b. *Recognition of deferred tax assets*

The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company believes that sufficient taxable profit will be generated in the near foreseeable future to allow, at least, the recognized deferred tax assets to be utilized.

Refer to Note 20 for details of the deferred tax assets.

4. Fair Value Measurement

As of December 31, 2025 and 2024 the carrying values of the Company's financial assets and financial liabilities as reflected in the statements of financial condition and related notes approximate their respective fair values.

The methods and assumptions used by the Company in estimating the fair value of its assets and liabilities are as follows:

Cash and cash equivalents - Carrying amounts approximate fair values due to the relatively short-term maturities of these assets.

Financial assets at FVTPL and FVOCI - Fair values are generally based on quoted market prices in active markets. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments.

Other financial assets and financial liabilities at amortized cost - Carrying values approximate fair values since these instruments are liquid and have short-term maturities (less than three months). These financial instruments comprise receivables from clearing house, customers and other brokers, payable to clearing house, customers, and other brokers and other liabilities.

Exchange trading right - Fair value of exchange trading right is based on the price during its most recent sale.

The following tables summarize the carrying amount and fair values of the assets and liabilities, analyzed based on the fair value hierarchy:

	2025				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱2,934,765	₱2,934,765	₱-	₱-	₱2,934,765
Financial assets at FVOCI	170,000	-	170,000	-	170,000
	3,104,765	2,934,765	170,000	-	3,104,765

(Forward)



2025					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets for which fair values are disclosed:					
Non-Financial Assets					
Exchange trading right	P966,625	P-	P-	P8,000,000	P8,000,000
	P966,625	P-	P-	P8,000,000	P8,000,000
2024					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	P2,866,333	P2,866,333	P-	P-	P2,866,333
Financial assets at FVOCI	170,000	-	170,000	-	170,000
	3,036,333	2,866,333	170,000	-	3,036,333
Assets for which fair values are disclosed:					
Non-Financial Assets					
Exchange trading right	P966,625	P-	P-	P8,000,000	P8,000,000
	P966,625	P-	P-	P8,000,000	P8,000,000

There have been no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurement in 2025 and 2024.

5. Financial Risk Management Policies and Objectives

Introduction

Risk is inherent to the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. The Company commits to control risk exposure by setting up information system that measures all relevant forms of risk. Given this information base, the next step is to estimate the value of its exposure to the various risks. The Company's Risk Management Framework is prepared based on the Enterprise Risk Management (ERM) Framework of the Parent Company.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk Management Objectives

The Company's risk management objectives are as follows:

- Institutionalize the risk management process;
- Define and disseminate the Company's risk philosophy and objectives;
- Develop a risk management infrastructure;
- Identify, measure, analyze, and manage risks inherent in all broker-dealer activities; and
- Assist risk-taking business and operating units in understanding and measuring risk-return profiles.



Risk Management Function

The basic risk management function in the Company has the BOD on top of three separate and distinct responsibilities, namely: the Audit Committee, the Line Management, and the Risk Management Group (RMG).

BOD

Compliance with the principles of good corporate governance shall start with the BOD. It shall be the BOD's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company and its shareholders. The BOD shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

Audit Committee

Audit is an essential part of the risk management system. The BOD has formed a board level Audit Committee, which is responsible for overseeing the activities of, and serves as a direct link with, the external and internal auditors. The internal auditor of the Parent Company monitors the internal control process and provides independent assessment of system integrity.

The Audit Committee has the following duties and responsibilities:

- Performs oversight financial management functions specifically in the areas of credit, market, liquidity, operation and crisis management;
- Pre-approves all audit plans, scope, and frequency one month before the conduct of external audit;
- Performs direct interface functions with the internal and external auditors; and
- Elevates to international standards the accounting and auditing processes, practices and methodologies.

Line Management

The Company's Line Management consists of the President and the Operations Head which covers various areas under their direct responsibility and oversight functions on the Company's operations, all within limits provided by the By-Laws. As the Management Committee of the Board, it has the responsibility of promoting the highest standards of ethics and integrity, in words and action, within the entity. Under the senior management are other Risk Taking Personnel in the Front Office and Back Office.

Risk Management Group

Due to the Company's very lean organization, it does not have its own Risk Management staff. Hence, it makes use of the Parent Company's RMG in overseeing its risk management process. The RMG of the Parent Company assists the Company in all its risk management responsibilities and ensures that the Company complies with these responsibilities.

The Compliance Officer/Risk Overseer

The compliance function is delegated to the Compliance Officer/Risk Overseer of the Company.

Following are the duties and responsibilities of the Compliance Officer/Risk Overseer:

- Monitors compliance with the provisions and requirements of the Company's Corporate Governance Manual;
- Appears before the SEC upon summon on similar matters that need to be clarified by the same;
- Determines violation/s of the Corporate Governance Manual and recommends penalty for violation thereof for further review and approval of the BOD; and



- Issues a certification every 30th day of January of the following year on the extent of the Company's compliance with the Corporate Governance Manual for the completed year, explaining the reason/s of the latter's deviation from the same.

ERM Framework

The Company adopts ERM Fundamental Concepts. Basically, the ERM is the integrated process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on an organization's capital and earnings. It expands the process to include not just risks associated with accidental losses, but also financial, strategic, operational and other risks. The Company's BOD is required to review and report on the adequacy of risk management processes in the organization.

a. Credit risk

Credit risk is the non-recovery of credit exposures (on- and off-balance sheet exposures). Managing credit risk also involves monitoring of migration risk, concentration risk, country risk and settlement risk. Credit risk to a broker-dealer normally arises from unsettled customer and principal trades, loans and other dues, free deliveries, securities lending and borrowing, margin lending and underwriting arrangements.

Maximum exposure to credit risk before collateral held or credit enhancements

The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers are subjected to credit verification procedures. In accordance with Risk-Based Capital Adequacy (RBCA) requirement, a limit is imposed to avoid large exposures on single client or counterparty, single debt issue and single equity relative to particular issuer company and its group of companies. As a result, the maximum credit risk, before taking into account the fair value of any collateral and netting agreements, is limited to the amounts reflected in the statements of financial condition.

Collateral and other credit enhancements

The securities purchased by the customers serve as the collateral. Management monitors the market value of collateral and the exposures on a daily basis.

In addition, the Securities Clearing Corporation of the Philippines (SCCP) requires collateral on negative exposure, which is computed based on outstanding unsettled trades calculated at current market price and compared with the original value of the trades calculated at their original contracted price. Negative exposure has to be covered by collateral such as cash, PSE index securities and PSE shares.

The following table shows the aging analysis of the Company's receivable from customers (gross of allowance for credit losses):

	2025	2024
Trade date (T) to T + 1 of counterparty	₱53,090,932	₱25,927,635
T+2 to T+12 of counterparty	974,132	2,249
Beyond T + 12 of counterparty	22,325,247	23,916,262
	₱76,390,311	₱49,846,146

As at December 31, 2025 and 2024, the allowance recognized on these receivables amounted to ₱22.3 million and ₱23.7 million, respectively (Note 16).



Risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The following tables show the concentration by industry of the Company's financial assets:

2025				
	Cash and cash equivalents*	Receivables**	Other non- current assets***	Total
Financial intermediaries	₱246,864,210		-	₱246,864,210
				11,744,554
Corporate	-	8,037,318	3,707,236	
Consumer	-	69,780,926		69,780,926
	246,864,210	77,818,244	3,707,236	328,389,690
Less: Allowance for credit and impairment losses	-	22,302,524	-	22,302,524
	₱246,864,210	₱55,515,720	₱3,707,236	₱306,087,166

*Excludes petty cash fund.

**Includes trade and other receivables.

***Includes refundable deposits and refundable contributions

2024				
	Cash and cash equivalents*	Receivables**	Other non- current assets***	Total
Financial intermediaries	₱238,083,490	₱518,400	₱609,280	₱239,211,170
Corporate	-	15,182,172	3,349,770	18,531,942
Consumer	-	43,976,948		43,976,948
	238,083,490	59,677,520	3,959,050	301,720,060
Less: Allowance for credit and impairment losses	-	23,760,957	-	23,760,957
	₱238,083,490	₱35,916,563	₱3,959,050	₱277,959,103

*Excludes petty cash fund.

**Includes trade and other receivables.

***Includes refundable deposits and refundable contributions.

The Company's credit exposure by geographic location is concentrated in the Philippines.

The Company is also subject to daily calculation of Counterparty Risk Requirement (CRR) by the SEC. The Company calculates its CRR for any of the following counterparty exposures:

- a. Unsettled customer trades (arising from customer-to-broker agency relationship);
- b. Unsettled principal trades (arising from broker-to-broker or broker-to-exchange/clearing agency relationship);
- c. Loans and other dues;
- d. Securities lending and borrowing; and
- e. Other exposures as may be determined by the PSE or SEC.



Credit quality per class of financial assets

The tables below show the credit quality per class of financial assets (gross of allowance for credit losses) of the Company:

	2025				Total
	Stage 1		Stage 3		
	High Grade	Standard Grade	Substandard Grade	Impaired	
Cash and cash equivalents (excluding petty cash fund)	₱246,864,210	₱-	₱-	₱-	₱246,864,210
Financial Assets at FVTPL	2,934,765	-	-	-	2,934,765
Loans and receivables:					
Trade receivables:					
Receivable from customers - cash accounts		50,609,824	25,769,016	11,471	76,390,311
Receivables from clearing house	-	-	-	-	-
Other receivables	1,427,932	-	-	-	1,427,932
Private Equity Securities	-	-	170,000	-	170,000
Other non-current assets*	3,707,236	-	-	-	3,707,236
	₱254,934,143	₱50,609,824	₱25,939,016	₱11,471	₱328,389,689

*Includes refundable deposits and refundable contributions

	2024				Total
	Stage 1		Stage 3		
	High Grade	Standard Grade	Substandard Grade	Impaired	
Cash and cash equivalents (excluding petty cash fund)	₱238,083,490	₱-	₱-	₱-	₱238,083,490
Financial Assets at FVTPL	2,866,333	-	-	-	2,866,333
Loans and receivables:					
Trade receivables:					
Receivable from customers - cash accounts	25,927,635	127,912	23,783,587	7,012	49,846,146
Receivables from clearing house	8,438,615	-	-	-	8,438,615
Other receivables	1,392,758	-	-	-	1,392,758
Private Equity Securities	-	-	170,000	-	170,000
Other non-current assets*	3,959,050	-	-	-	3,959,050
	₱280,667,881	₱127,912	₱23,953,587	₱7,012	₱301,720,059

*Includes refundable deposits and refundable contribution

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

Loans and receivables

- a. High grade - current receivables or accounts that fall within T+2 and with high probability of collection due to apparent ability of the counterparty to settle the obligation.



- b. Standard grade - accounts that are beyond the T+2 but the corresponding collateral valuation is sufficient to cover the overdue amount.
- c. Substandard - accounts that are beyond the T+2 and partially secured by collateral.

Financial assets at FVTPL and FVOCI

- a. High grade - PSE shares and those listed companies that are included in the computation of the PSE index (PSEi) and securities issued by the government and private corporation of good credit standing.
- b. Standard grade - shares of listed companies not included in the PSEi but are tradeable.
- c. Substandard grade - shares of listed companies under suspension by the PSE and unquoted equity securities.

b. *Liquidity risk*

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Company's inability to meet its obligations when they come due without incurring unacceptable losses or costs.

The Company manages liquidity risk by preparing daily projected and actual cash flows. Controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. The Company seeks to ensure liquidity through a combination of active management of liabilities, a liquid asset portfolio composed substantially of deposits reserves, and the securing of money market lines and the maintenance of repurchase facilities to address any unexpected liquidity situations.

The undrawn credit facility of the Company as of December 31, 2025 and 2024 amounted to is ₱150.0 million (Note 21).

In addition, the Company's liquidity position is assessed and managed by maintaining limits on ratio of aggregate indebtedness (AI) to net liquid capital (NLC), which should not exceed 2,000.0%. Net liquid capital is the equity of the Company adjusted for allowance for market decline, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets.

The NLC of the Company as of December 31, 2025 and 2024 is ₱154.0 million and ₱150.0 million, respectively (Note 24).

Analysis of financial assets by remaining contractual maturities

The tables below show the maturity profile of the Company's financial assets based on the contractual undiscounted cash flows:



	2025				Total
	Within 1 month	1 month to 3 months	3 months to 1 year	More than 1 year	
Cash and cash equivalents	₱246,905,168	₱-	₱-	₱-	₱246,905,168
Financial assets at FVTPL	2,934,765	-	-	-	2,934,765
Loans and receivables:					
Trade receivables:					
Receivable from customers - cash account	76,390,311	-	-	-	76,390,311
Receivable from clearing house	-	-	-	-	-
Other receivables	-	-	-	1,427,932	1,427,932
Financial assets at FVOCI:					
Private equity securities	-	-	-	170,000	170,000
Other non-current assets*	-	-	-	3,707,236	3,707,236
	₱326,230,244	₱-	₱-	₱5,305,168	₱331,535,412

*Includes refundable deposits and refundable contributions

	2024				Total
	Within 1 month	1 month to 3 months	3 months to 1 year	More than 1 year	
Cash and cash equivalents	₱238,206,518	₱-	₱-	₱-	₱238,206,518
Financial assets at FVTPL	2,866,333	-	-	-	2,866,333
Loans and receivables:					
Trade receivables:					
Receivable from customers - cash account	49,846,146	-	-	-	49,846,146
Receivable from clearing house	8,438,615	-	-	-	8,438,615
Other receivables	-	-	-	1,392,758	1,392,758
Financial assets at FVOCI:					
Private equity securities	-	-	-	170,000	170,000
Other non-current assets*	-	-	-	3,959,050	3,959,050
	₱299,357,612	₱-	₱-	₱5,521,808	₱304,879,420

*Includes refundable deposits and refundable contributions

c. *Market risk*

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument owned by the Company may change as a result of changes in equity prices, market rates of government and private securities and other market changes. The Company's market risk originates from (a) equity securities held as a principal or in proprietary or dealer account which are locally traded and listed at the PSE and (b) golf club shares at Forest Hills Golf and Country Club Class C. In accordance with RBCA requirement, limit is important for all debt and equity positions.

Investment securities are subject to market risk or position risk requirement of the SEC. The Company's position risk requirement as of December 31, 2025 and 2024 amounted to nil.

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual stocks.



The following table sets forth the impact of changes in PSEi on the market value of investment securities as of December 31, 2025 and 2024:

	2025		2024	
Changes in PSEi	16.68%	(16.68%)	18.84%	(18.84%)
Effect on trading income on financial assets at FVTPL	(P27,921)	P27,921	P165,947	(P165,947)

d. *Interest rate risk*

Interest rate risk arises from the possibility that changes in the interest rates will affect future cash flows of the financial instruments.

Interest-bearing financial assets of the Company are cash and cash equivalents with fixed interest rates. Potential changes in interest rates do not have a significant effect on the potential earnings of the Company.

6. Cash and Cash Equivalents

This account consists of:

	2025	2024
Petty cash fund	P15,000	P10,000
Cash in banks (Note 21)	114,905,595	125,637,310
Cash equivalents (Note 21)	131,958,615	112,446,180
	P246,879,210	P238,093,490

In compliance with SRC Rule 49.2 covering customer protection and custody of securities, the Company maintains a special reserve bank account (included in 'Cash equivalents') for trade-related settlement with its customers amounting to P89.9 million and P81.9 million as of December 31, 2025 and 2024, respectively. The Company's reserve requirement is determined weekly based on the SEC's prescribed computations.

As at December 31, 2025 and 2024, cash and cash equivalents include the amounts of P0.20 million and P3.1 million, respectively, representing proceeds from the sale of customers' investments (corresponding noninterest-bearing liability is presented under 'Payable to customers'). Instead of being settled on their due dates, the customers opted to retain such amounts in the Company's possession to fund their subsequent trading transactions.

Cash in banks earn interest at the respective bank deposit rates ranging from 0.01% to 0.04% in 2025 and 2024.

Changes in the gross carrying amount of cash and cash equivalents did not contribute to significant changes to ECL.



7. Financial Assets at Fair Value Through Profit or Loss

As of December 31, 2025 and 2024, financial assets at FVTPL pertain to the Company's investments in quoted equity securities. Quoted equity securities amounted to ₱2.9 million as of December 31, 2025 and 2024.

Dividend income recognized from financial assets at FVTPL amounted to ₱0.5 million both in 2025 and 2024.

Realized gains from the Company's trading activities amounting to P0.05 million in 2025 and nil in 2024, respectively, are presented under 'Trading gains (losses) - net' in the statements of income. In 2025 and 2024, the Company recognized unrealized market gains (losses) amounting to ₱0.07 million and ₱0.09 million, respectively.

8. Receivable from and Payable to Clearing House

Outstanding balances of receivable from and payable to clearing house amounted to nil million and ₱ 41.85 million, respectively, as at December 31, 2025 and ₱8.4 million and ₱19.6, respectively, as at December 31, 2024. These were subsequently collected or settled in January 2026 and 2025, respectively. Changes in the gross carrying amount of receivable from clearing house did not contribute to significant changes to ECL.

9. Financial assets at FVOCI

This account represents golf club shares acquired in 2001 with a market value of ₱0.2 million as of December 31, 2025 and 2024.

10. Receivable from Customers - Cash Accounts

This account consists of:

	2025			2024		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
More than 250%	₱47,328,981	₱2,414,606,582	₱-	₱19,338,566	₱1,434,300,067	₱-
Between 200% and 250%	3,273,656	6,917,922	-	22,583	52,990	-
Between 150% and 200%	6,276	9,900	-	2,520	4,575	-
Between 100% and 150%	911	1,296	-	5,287,010	5,901,384	-
Between 0% and 100%	25,769,016	8,598,140	-	25,188,455	5,296,514	-
Unsecured accounts	11,471	-	-	7,013	-	-
	76,390,311	2,430,133,840	-	49,846,147	1,445,555,530	-
Less: Allowance for credit losses (Note 16)	22,302,523	-	-	23,760,957	-	-
	₱54,087,788	₱2,430,133,840	₱-	₱26,085,190	₱1,445,555,530	₱-



11. Prepayments and Other Current Assets

This account consists of:

	2025	2024
Prepaid taxes	₱3,482,183	₱2,923,507
Deferred benefit	549,521	446,285
Prepaid taxes and licenses	164,781	104,451
Supplies on hand	141,595	169,655
Others	6,808	–
	4,344,888	3,643,898
Less: Allowance for impairment losses (Note 16)	50,000	50,000
	₱4,294,888	₱3,593,898

Prepaid taxes pertain to creditable withholding taxes withheld by customers from commission and overpayment of regular income tax.

Deferred benefit pertains to health care premiums paid for employees and its dependents.

Supplies on hand includes accountable forms such as buy/sell confirmation slips, check vouchers, official receipts, buy/sell tickets, debit/credit memos, mailing envelopes and other office supplies.

Prepaid taxes and licenses are payments in advance by the Company in pursuit of its regular business. This includes brokers/dealer's license, real property taxes and business permit.

Others include payments made in advance for employee insurance.

12. Intangible Assets

Exchange Trading Right

Under the PSE rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts due to other members of the exchange arising out of or in connection with the present or future members' contracts.

Republic Act (RA) No. 8799 entitled SRC, prescribed the conversion of the PSE into a stock corporation effective August 8, 2001, pursuant to a conversion plan approved by the SEC.

The conversion plan has the following salient features, among others:

- the existing 184 member-brokers as of August 8, 2001 are eligible to subscribe to the shares and to retain access to the trading facilities of the PSE;
- each member shall subscribe to 50,000 shares at a par value of ₱1.00;
- the balance of the members' contribution amounting to ₱277.4 million shall be treated as additional paid-in capital;
- separation of ownership of the PSE from access to trading;
- issuance of certificate of trading rights;
- policy of imposing a moratorium on the issuance of new trading rights; and
- transferability of trading rights.



The PSE, however, did not issue shares of stock for the value of its donated assets. As of that date, the donated asset consisting of real property located in Makati City, is subject to restrictions on their transferability.

As a result of the conversion plan and on the basis of the relative fair values of the PSE shares and the exchange trading right as of the time of the demutualization, the Company's membership in PSE, originally amounting to ₱2.0 million was bifurcated into (a) investment in PSE shares, classified as FVOCI investments and (b) exchange trading right.

As of December 31, 2024 and 2023, the Company does not own PSE shares.

As of December 31, 2024 and 2023, the carrying values of the investment in PSE shares recorded under exchange trading right amounts to ₱1.0 million.

As of December 31, 2025 and 2024 the latest transacted price of the exchange trading right (as provided by the PSE) amounted to ₱8.0 million.

Computer Software

Changes in computer software are as follows:

	2025	2024
Balance at beginning of year	₱211,565	₱321,363
Amortization	(85,517)	(109,798)
Balance at end of year	₱126,048	₱211,565

There were no disposals and transfers in 2025 and 2024.

13. Property and Equipment

The movements in the Company's property and equipment follow:

	2025			Total
	Building	Furniture, Fixtures & Equipment	Building Improvements	
Cost				
Balance at beginning of the year	₱20,765,554	₱7,384,308	₱876,429	₱29,026,291
Addition	-	441,990	3,412,303	3,854,293
Balance at end of the year	20,765,554	7,826,298	4,288,732	32,880,584
Accumulated Depreciation				
Balance at beginning of the year	4,628,501	5,674,172	275,361	10,578,034
Depreciation	415,311	498,035	79,431	992,777
Balance at end of the year	5,043,812	6,172,207	354,792	11,570,811
Net Book Value	₱15,721,742	₱1,654,091	₱3,933,940	₱21,309,773



	2024			
	Building	Furniture, Fixtures & Equipment	Building Improvements	Total
Cost				
Balance at beginning of the year	₱20,765,554	₱7,231,252	₱876,429	₱28,873,235
Additions	–	153,056	–	153,056
Balance at end of the year	20,765,554	7,384,308	876,429	29,026,291
Accumulated Depreciation				
Balance at beginning of the year	4,213,190	5,161,376	238,933	9,613,499
Depreciation	415,311	512,796	36,428	964,535
Balance at end of the year	4,628,501	5,674,172	275,361	10,578,034
Net Book Value	₱16,137,053	₱1,710,136	₱601,068	₱18,448,257

14. Other Receivables

This account consists of:

	2025	2024
Employee and general-purpose loans	784,941	213,175
Judiciary docket fee receivable	479,719	–
Accrued interest receivable (Note 21)	21,866	1,637
Due from related party (Note 21)	–	₱518,400
Others	141,406	659,546
	₱1,427,932	₱1,392,758

15. Other Non-current Assets

This account consists of:

	2025	2024
Refundable contributions	₱3,634,163	₱3,349,770
Deferred benefits	1,525,669	122,500
Input VAT	499,717	341,932
Refundable deposits	73,073	609,280
Creditable output VAT	39,174	6,082
	₱5,771,796	₱4,429,564

Deferred benefit pertains to employee share in the Company's car plans for executives.

On, March 13, 2018, the SEC resolved to approve SCCP's proposed amendments to SCCP Rule 5.2, making the Clearing Members' contributions to the CTGF refundable upon cessation of their business and/or termination of their membership with SCCP, provided that all liabilities owing to SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.



16. Allowance for Impairment and Credit Losses

A reconciliation of the allowance for impairment and credit losses follows:

	2025		2024	
	Trade receivables (Note 10)	Prepayments and other current assets (Note 11)	Trade receivables (Note 10)	Prepayments and other current assets (Note 11)
Balance at beginning of the year	₱23,760,956	₱50,000	₱19,181,974	₱50,000
Provision for credit losses	(1,458,433)	–	4,578,982	–
Balance at end of the year	₱22,302,523	₱50,000	₱23,760,956	₱50,000

With the foregoing level of allowance for impairment and credit losses, management believes that the Company has sufficient allowance to cover any losses that the Company may incur from the non-collection or non-realization of its receivables.

17. Trade Payables

This account consists of:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
With money balances	₱84,755,922	₱1,530,807,087	₱88,761,110	₱2,656,860,540
No money balances	–	29,097,731,142	–	18,807,707,898
	₱84,755,922	₱30,628,538,229	₱88,761,110	₱21,464,568,438

18. Other Current Liabilities

This account consists of:

	2025	2024
Accrued expenses	₱5,993,441	₱2,987,927
Accounts payable	2,923,872	–
Payable to PAL shareholders	1,511,761	1,511,761
VAT payable	1,402,501	956,278
Withholding taxes payable	1,105,977	600,000
Trading fees payable	100,549	316,222
Stock transaction tax payable	7,387	322,421
Other employee benefits	193,430	140,301
Other payables	1,824,031	2,906,556
	₱15,062,949	₱9,741,466

Accrued expenses pertain to accruals for audit fee, services of agency, telephone and other charges.

Payable to Philippine Airlines (PAL) shareholders pertains to Voluntary Tender Offer of PAL in 2014 which are to be released to tendering shareholders pending their compliance with documentary requirements.



Other payables consist of subscriptions payable, advances to supplier, clearing house fee, central depository fees payables and mandatory employee benefit contributions.

19. Retirement Plan

The Company has a funded and noncontributory retirement plan covering its regular employees. Under this retirement plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The plan is managed by PNB Trust Banking Group (TBG) and is administered by the Company's President.

As of December 31, 2025 and 2024 the Company has 14 regular employees.

Under the existing regulatory framework, RA No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however, that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Company's annual contribution to the retirement plan consists of a payment covering the current service cost, amortization of the unfunded actuarial accrued liability and interest on such unfunded actuarial liability.

The costs of defined benefit retirement plan as well as the present value of the retirement liability are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The date of the latest actuarial valuation report is December 31, 2025.

The principal actuarial assumptions used in determining retirement liability as of December 31, 2025 and 2024 are shown below:

	2025	2024
Discount rate	6.33%	6.11%
Salary increase rate	10.00%	10.00%

The amounts of retirement cost included in 'Salaries and benefits' in the statements of income follow:

	2025	2024
Current service cost	₱1,886,694	₱1,909,073
Past service cost	-	516,617
Net interest expense	353,789	438,875
	₱2,240,483	₱2,864,565



The net defined benefit liability recognized in the Company's statements of financial condition follows:

	2025											
	Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2025	Current service cost	Net interest	Past Service Cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in interest cost)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal	Contribution by employer	December 31, 2025
Present value of defined benefit obligation	₱15,041,143	₱1,886,694	₱919,014		₱2,805,708	₱-	₱-	₱252,010	(₱451,676)	(₱199,666)	₱-	₱17,647,185
Fair value of plan assets	(9,250,813)	-	(565,225)	-	(565,225)	-	143,499	-	-	143,499	-	(9,672,539)
Net defined benefit liability (asset)	₱5,790,330	₱1,886,694	₱353,789	-	₱2,240,483	₱-	₱143,499	₱252,010	(₱451,676)	(₱56,167)	₱-	₱7,974,646

	2024											
	Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2024	Current service cost	Net interest	Past Service Cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in interest cost)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal	Contribution by employer	December 31, 2024
Present value of defined benefit obligation	₱15,933,456	₱1,909,073	₱968,754	₱516,617	₱3,394,444	(₱1,115,707)	₱-	(₱3,118,704)	(₱52,346)	(₱3,171,050)	₱-	₱15,041,143
Fair value of plan assets	(8,715,115)	-	(529,879)	-	(529,879)	1,115,707	(5,819)	-	-	(5,819)	(1,115,707)	(9,250,813)
Net defined benefit liability (asset)	₱7,218,341	₱1,909,073	₱438,875	₱516,617	₱2,864,565	₱-	(₱5,819)	(₱3,118,704)	(₱52,346)	(₱3,176,869)	(₱1,115,707)	₱5,790,330

Actual return on plan assets amounted to ₱421,726 and ₱535,698 in 2025 and 2024, respectively.

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The Company does not expect to contribute to the retirement fund in 2026.



The fair values of plan assets by each class as at the statements of financial condition dates are as follows:

	2025	2024
Assets		
Cash and cash equivalents	₱1,467,349	₱1,366,019
Financial assets at FVTPL	8,170,413	7,850,017
Accrued interest receivable	41,258	41,258
Other receivables	1,783	1,783
	9,680,803	9,259,077
Liabilities		
Accrued expenses	7,047	7,047
Due to BIR	1,217	1,217
	8,264	8,264
	₱9,672,539	₱9,250,813

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the statements of financial condition dates, assuming all other assumptions were held constant:

	2025		2024	
	Possible fluctuations	Increase (Decrease)	Possible fluctuations	Increase (Decrease)
Discount rate	-1.0%	₱2,244,679	-1.0%	₱1,936,098
	+1.0%	(1,850,821)	+1.0%	(1,603,146)
Salary increase rate	-1.0%	(1,785,788)	-1.0%	(1,543,129)
	+1.0%	2,102,203	+1.0%	1,808,526

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than one year	₱95,042	₱49,263
More than 1 year to 5 years	2,950,009	2,614,597
More than 5 years to 10 years	20,771,270	21,836,950
More than 10 years to 15 years	12,631,753	1,936,916
More than 15 years	167,071,052	111,837,740

20. Income Taxes

Provision for income tax consists of:

	2025	2024
Current		
Regular	₱693,372	₱405,604
Final	452,160	265,684
	1,145,532	671,288
Deferred	1,908,392	59,719
	₱3,053,924	₱731,007



Under Philippine tax laws, the Company is subject to value added tax and other taxes (presented as “Taxes and licenses” in the statements of income), as well as income taxes.

Income taxes include the corporate income tax, discussed below, and final taxes paid which represents 20.0% final withholding tax on gross interest income earned from demand and savings accounts. These income taxes, as well as the deferred tax benefits and provisions, are presented as ‘Provision for (benefit from) income tax’ in the statements of income.

Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, provides for a regular corporate income tax (RCIT) rate of 25%.

The minimum corporate income tax (MCIT) is imposed at 2% of gross income. Net operating loss carry-over (NOLCO) and excess MCIT, if any, may be carried forward and applied against future regular income tax in accordance with applicable tax regulations.

RA No. 9504 provides that a corporation subject to tax under sections 27(A) and 28(A)(1) of the National Internal Revenue Code, may elect a standard deduction in an amount not exceeding forty percent (40.0%) of its gross income. Such election when made in the return shall be irrevocable for the taxable year for which the return is made.

Current tax regulations provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1.0% of net revenue for service companies. EAR expenses of the Company in 2025 and 2024 amounted to ₱0.1 million and ₱0.4 million respectively.

The components of net deferred tax assets (liabilities) reported in the statements of financial condition follow:

	2025	2024
Deferred tax assets		
Net retirement liability	₱-	₱1,447,583
Accrued leave benefits	-	335,059
Allowance for impairment and credit losses	-	96,072
Net unrealized losses on financial assets at FVTPL	-	-
	-	1,878,714
Deferred tax liabilities		
Net unrealized forex gain	(78,658)	(7,680)
	(₱78,658)	₱1,871,034



In 2025, the Company derecognized deferred tax asset related to the net remeasurement loss on retirement plan amounting ₱0.04 million, which were directly charged to other comprehensive income.

In 2024, the Company recognized deferred tax asset related to the remeasurement loss on retirement plan amounting ₱0.07 million, which were directly charged to other comprehensive income.

Details of the NOLCO and MCIT follow:

NOLCO

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2024	₱6,291,170	₱3,618,276	₱2,672,894	2027
2023	1,125,660	1,125,660	–	2026
2022	2,544,552	2,544,552	–	2025
	₱9,961,382	₱7,288,488	₱2,672,894	

MCIT

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2025	₱693,373	₱–	₱693,373	2028
2024	405,604	–	405,604	2027
2023	324,497	–	324,497	2026
2022	183,010	183,010	₱–	2025
	₱1,606,484	₱183,010	₱1,423,474	

Unrecognized deferred tax assets

The Company did not recognize deferred tax assets on the following temporary differences since based on their assessment, the related tax benefits will not be realized in the future:

	2025	2024
Allowance for impairment and credit losses	₱22,352,523	₱23,376,668
Net retirement liability	7,974,646	–
NOLCO	2,672,894	9,961,382
MCIT	1,423,474	913,111
Accrued leave benefits	1,803,122	–
	₱36,226,659	₱34,251,161

A reconciliation of the statutory income tax to provision for income tax follows:

	2025	2024
Statutory income tax	₱2,217,324	(₱2,734,174)
Tax effects of:		
Tax-exempt and tax-paid income	(238,862)	(469,733)
Movements in other unrecognized deferred tax asset	1,075,462	2,781,900
Non-deductible expenses	–	1,153,014
	₱3,053,924	₱731,007



21. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individual or corporate entities. The Company's related parties include:

- Key management personnel, close family members of key management personnel, and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members;
- Parent Company; and
- Affiliates or other related parties that are indirectly connected to the Company which are under common control or significant influence.

In the ordinary course of business, the Company transacts with related parties. These transactions are done in the normal course of the Company's operations and are recorded in the same manner as transactions entered into with third parties and shall be settled in cash.

The significant transactions and outstanding balances of the Company with the Parent Company and other related parties follow:

Category	December 31, 2025		Nature, Terms and Conditions
	Amount/ Volume	Outstanding Balance	
Parent Company			
Cash and cash equivalents		₱211,929,679	Savings deposit and reserve bank accounts with
Deposits/placements	₱12,491,821,564		– interest rates ranging from 0.01% to 0.04%;
Withdrawals/others	12,440,614,775		– unsecured, no allowance for credit losses
Interest income	2,278,579		–Interest from cash and cash equivalents
Service fees	814,882		–Payment for various service fees rendered by the Parent Company, included under 'Service fees'
Rent	1,769,490		–Office space rental (January 2025 to September 2025)
Utilities	547,525		–Common area maintenance charges (CAMC) for leased office spaces
Domestic bills purchase line	150,000,000		–Undrawn credit facility granted by the Parent Company
Other Related Parties			
Receivable from customers		84	Outstanding receivables resulting from customers' buying transactions
Buying transactions	422,652,115		Buying trade transactions
Other receivables		269,228	Employee and general-purpose loans
Payable to customers		211,002	Outstanding payable resulting from customers' selling transactions

(Forward)



December 31, 2025			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Selling transactions	₱390,286,689		Selling trade transactions
Commission	2,066,694		Commissions earned from trading transactions
Directors' fees	835,000		Fees paid to directors
Affiliates			
Other Agent Selling			
Commission	56,222		TPs fees from participating in IPOs
Rent	55,080		Parking Rental Fee
December 31, 2024			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Parent Company			
Cash and cash equivalents		₱160,722,890	Savings deposit and reserve bank accounts with interest rates ranging from 0.01% to 0.04%; unsecured, no allowance for credit losses
Deposits/placements	₱11,030,851,571		
Withdrawals/others	11,071,652,179		
Due from related party		-	
Payable to customers		-	Outstanding payable resulting from customers' selling transactions
Selling transactions	6,934,065		Selling trade transactions
Buying transactions	999,725		Buying trade transactions
Commission	19,834		Fees from trading transactions
Interest income	1,307,022		Interest from cash and cash equivalents
Service fees	775,485		Payment for various service fees rendered by the Parent Company, included under 'Service fees'
Rent	3,717,712		Office space rental
Utilities	1,181,904		Common area maintenance charges (CAMC) for leased office spaces
Domestic bills purchase line	150,000,000		Undrawn credit facility granted by the Parent Company
Other Related Parties			
Receivable from customers			- Outstanding receivables resulting from customers' buying transactions
Buying transactions	223,701,566		Buying trade transactions
Other receivables		64,030	Employee and general-purpose loans
Payable to customers		1,137,409	Outstanding payable resulting from customers' selling transactions

(Forward)



December 31, 2024			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Selling transactions	₱206,520,733		Selling trade transactions
Commission	1,092,427		Commissions earned from trading transactions
Directors' fees	500,000		Fees paid to directors
Affiliates			
Other Receivable		518,400	Remaining Rent advances and Security Deposit receivable from PNB Holdings Corp.
Other Agent Selling			
Commission	47,154		TPs fees from participating in IPOs
Rent	72,125		Parking Rental Fee

'Salaries and benefits - administrative' includes salaries and benefits of seconded officers amounting to ₱1.3 million and ₱1.2 million in 2025 and 2024, respectively. The short-term employee benefits of the key management personnel amounted to ₱0.7 million in 2025 and 2024.

Transactions with Retirement Plans

On December 20, 2012, the SEC issued Memorandum Circular No. 12 providing the guidelines on the disclosure of transactions with retirement benefit funds. Under the said circular, a reporting entity shall disclose information about any transaction with a related party (retirement fund, in this case) and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

Under PFRS Accounting Standards, certain post-employment benefit plans are considered as related parties. The pension plan of the employees of the Company is being managed by the Trust Banking Group of its Parent Company. The total carrying amount and fair value of the pension plan's assets as of December 31, 2025 and 2024 are disclosed in Note 19.

The following table shows the outstanding balance of the related party transactions of the Company with the pension plan of its employees as of December 31, 2025 and 2024:

Related party	Nature of Transaction	2025		2024	
		Statement of Financial Condition	Statement of Income	Statement of Financial Condition	Statement of Income
Parent Company	Cash and cash equivalents	₱922,356	₱-	₱60,426	₱-
	Investments in Unit Investment Trust Fund	1,758,031	-	1,781,611	-
	Trust fee payable	4,874	-	7,047	-
	Trust fee expense	-	26,178	-	28,771



22. Leases

Lease Agreement

In 2024, the Company renewed the lease agreement with its Parent Company. The lease term is for a period of eleven (11) months covering March 11, 2024 to March 31, 2025 and extended until September 30, 2025.

For both 2025 and 2024, during the period of lease, the Company shall also pay common area maintenance charges (CAMC). The Company records CAMC under 'Utilities'.

Also, the Company entered into an operating lease agreement for the lease of photocopying machines located in the office. The Company opted not to recognize right-of-use assets and lease liabilities on low-value assets and short-term leases. Rent expense in 2025 pertain to amounts paid by the Company for leased machines and premises.

Set out below are the amounts recognized in the statement of income:

	2025	2024
Rent expense – short-term lease	₱1,769,490	₱3,717,712
Utilities relating to short-term leases	547,525	1,181,904
	₱2,317,015	₱4,899,616

Discount rate

Payments for leases of various office spaces are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Future minimum rentals payable under the lease agreements as follows:

	2025	2024
Less than one year	₱–	₱607,889
More than one year but less than five years	–	–
	₱–	₱607,889

23. Provisions and Contingencies

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not presented in the financial statements. The Company and its legal counsel believe that any losses arising from these contingencies which are not specifically provided for will not have a material adverse effect on the financial statements.

As at December 31, 2025 and 2024, the Company did not recognize any provisions for contingencies.



24. Offsetting of Financial Assets and Liabilities

The Company is required to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.

2025						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Financial assets						
Receivable from:						
Customers - cash accounts	₱76,390,311	₱-	₱76,390,311	₱1,722,197	₱2,430,133,840	₱-
Clearing house	-	-	-	-	-	-
	₱76,390,311	₱-	₱76,390,311	₱1,722,197	₱2,430,133,840	₱-
Financial liabilities						
Payable to:						
Customers	₱84,755,922	₱-	₱84,755,922	₱1,722,197	₱-	₱83,033,725
Clearing house	41,855,723	-	41,855,723	-	-	41,855,723
	₱126,611,645	₱-	₱126,611,645	₱1,722,197	₱-	₱124,889,448
2024						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Financial assets						
Receivable from:						
Customers -cash accounts	₱49,846,147	₱-	₱49,846,147	₱9,502,746	₱1,445,555,530	₱-
Clearing house	8,438,615	-	8,438,615	8,438,615	-	-
	₱58,284,762	₱-	₱58,284,762	₱17,941,361	₱1,445,555,530	₱-
Financial liabilities						
Payable to:						
Customers	₱88,761,110	₱-	₱88,761,110	₱9,502,746	₱-	₱70,819,749
Clearing house	19,693,223	-	19,693,223	8,438,615	-	11,254,608
	₱108,454,333	₱-	₱108,454,333	₱17,941,361	₱-	₱82,074,357

The amounts disclosed in column (d) include those rights to offset amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. This includes amounts related to financial collateral both received and pledged, whether cash or non-cash collateral, excluding the extent of over-collateralization.



25. Equity

Capital Management

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains healthy capital ratios to support its business and maximize shareholder's value.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes from the previous years.

The details of the Company's share capital as at December 31, 2025 and 2024 follow:

	Shares	Amount
Authorized share capital - P100 par value	2,000,000	P200,000,000
Issued and outstanding	1,000,000	100,000,000

The Company considers total equity as its Capital.

Regulatory Qualifying Capital

The Amended Implementing Rules and Regulation (IRR) of the SRC effective February 28, 2004 include, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker-dealers as follows: (a) to allow a net capital of P2.5 million or 2.5% of aggregate indebtedness (AI), whichever is higher, for broker-dealers dealing only in proprietary shares and not holding securities; (b) to allow the SEC to set a different net capital requirement for those authorized to use the Risk-Based Capital Adequacy (RBCA) model; and (c) to require unimpaired paid-up capital of P100.0 million for broker-dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; P10.0 million plus a surety bond for existing broker dealers not engaged in market making transactions; and P2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

RBCA ratio of a broker dealer, computed by dividing the NLC by the Total Risk Capital Requirement (TRCR), should not be less than 110.0%. NLC and TRCR are computed based on the existing SRC. NLC consists of total equity adjusted for allowance for market decline accounts, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the AI of every stockbroker should not exceed 2,000.0% of its NLC and at all times shall have and maintain NLC of at least P5.0 million or 5.0% of the AI, whichever is higher.



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

As at December 31, 2025 and 2024 the Company is in compliance with the RBCA ratio. The RBCA ratio of the Company as of December 31, 2025 and 2024 are shown in the table below:

	2025	2024
Equity eligible for NLC	₱188,070,623	₱180,369,348
Less: Ineligible assets	34,197,543	30,700,697
NLC	₱153,873,080	₱149,668,651
Operational risk	₱7,255,537	₱10,811,474
Position risk	4,366,319	1,003,217
Counterparty risk	76	-
TRCR	₱11,621,932	₱11,814,691
AI	₱149,898,202	₱124,326,947
5.0% of AI	₱7,494,910	₱6,216,347
Required NLC	7,494,910	6,216,347
Net risk-based capital excess	146,378,170	143,452,304
Ratio of AI to NLC	97.4%	83.1%
RBCA ratio	1,324.0%	1,266.8%

When the aggregate indebtedness exceeds 1,700.0% of NLC and when RBCA ratio is less than 120.0%, which are critical levels, the Company must notify the SEC in writing of such occurrence within 24 hours. The SEC may, after the receipt of the notice, direct the Company in the conduct of its operations and/or impose conditions, if necessary. The Company is given 10 days to effect its proposal and, pending actual implementation, must notify the SEC of its daily NLC position.

Meanwhile, if operational risk becomes greater than core equity, the Company is allowed to continue operations provided a capital build up plan is submitted and realized within 90 calendar days from time of breach.

As at December 31, 2025 and 2024, the Company's core equity amounted to ₱188 million and ₱182 million, respectively.

Following are the definition of terms used in the above computation:

Ineligible assets

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

Operational risk requirement

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



Position risk requirement

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

Counterparty risk requirements

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

AI

This is 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, the market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short positions in securities, but subject to certain exclusions.

Appropriated Retained Earnings

In addition, SRC Rule 49.1 (B), *Reserve Fund*, of SEC Memorandum Circular No.16 requires that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to 'Appropriated retained earnings'. Minimum appropriation shall be 30.0%, 20.0% and 10.0% of profit after tax for broker dealers with unimpaired paid up capital of between ₱10.0 million to ₱30.0 million, between ₱30.0 million to ₱50.0 million and above ₱50.0 million, respectively. In compliance with the said rule, the Company appropriated retained earnings amounting to nil in 2024 and 2023.

On May 28, 2009, the SEC approved the PSE's Rules Governing Trading Rights and Trading Participants. These rules superseded the dated Membership Rules of the PSE. Section 8 (c) of Article 3 of the said rule requires that trading participants shall have a minimum unimpaired capital of ₱20.0 million effective December 31, 2009, and ₱30.0 million effective December 31, 2010 and onwards. This applies only to trading participants who opted to defer compliance with the ₱100.0 million unimpaired capital requirements. As of December 31, 2025 and 2024, the Company is in compliance with the current rule having unimpaired capital of ₱100.0 million in both years.

Cash Dividends

In 2025 and 2024, the Company did not declare dividends.

26. Notes to Statements of Cash Flows

The Company applied tax credits (e.g., carryforward of prior year excess credits, creditable withholding taxes, and excess of MCIT over RCIT) amounting to ₱0.7 million and ₱0.4 million against income tax payable in 2025 and 2024, respectively.



27. Approval of the Release of the Financial Statements

The accompanying financial statements of the Company were authorized for issue by the Company’s BOD on April 7, 2026.

28. Supplementary Information Required Under Section 134-N of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI)

Section 134-N of the MORNBFI provides for disclosure requirements to the audited financial statements, which are to be presented either (i) on specific notes to the financial statements, or (ii) in a separate note containing supplementary information as required by the BSP. This supplementary information is not a required disclosure under PFRS Accounting Standards.

In compliance with the requirements set forth by Section 134-N of the MORNBFI, hereunder are the supplementary information applicable to the Company:

Financial performance indicators

The following basic ratios measure the financial performance of the Company:

	2025	2024
Return on average equity	3.14%	(6.24%)
Return on average assets	1.80%	(3.93%)

The following formulas were used to compute the indicators:

Performance Indicator	BSP Prescribed Formula
Return on Average Equity	$\frac{\text{Net Income (or Loss) after Income Tax} \times 100}{\text{Average Total Capital Accounts}}$ <p style="text-align: center;">Where: Average Total Capital Accounts = Current calendar/fiscal year-end Total capital accounts balance + $\frac{\text{previous calendar /fiscal year-end Total capital accounts balance}}{2}$ </p>
Return on Average Assets	$\frac{\text{Net Income (or Loss) after Income Tax} \times 100}{\text{Average Total Assets}}$ <p style="text-align: center;">Where: Average Total Assets = Current calendar/fiscal year-end Total assets balance + $\frac{\text{previous calendar /fiscal year-end Total assets balance}}{2}$ </p>



29. Supplementary Information Required Under Revenue Regulations (RR) 15-2010

The Company reported and/or paid the following types of taxes during the year:

Taxes and Licenses

For the taxable year ended December 31, 2025, taxes and licenses of the Company consist of:

Business permits	P651,327
SEC license	73,109
Salaries and benefit tax	102,281
Real property tax	50,781
Community tax	11,000
Others	114,706
	P1,003,204

Withholding Taxes

Details of total remittances of withholding taxes in 2025 and amount outstanding as of December 31, 2025 are as follows:

	Amount remitted in 2025	Withholding tax payable as of December 31, 2025
Withholding taxes on compensation and benefits	P2,304,065	P384,674
Expanded withholding taxes	779,459	60,143
Final withholding taxes	1,844,682	426,124
Final withholding vat	608,753	204,539
Final income taxes withheld on fringe benefits	102,281	30,497
	P5,639,240	P1,105,977

Value added tax (VAT)

Details of the Company's net sales/receipts, output VAT and input VAT accounts are as follows:

- a. The Company is a VAT - registered Company with output VAT declaration of P6.78 million for the year based on the amount reflected in the net sales/receipts of P56.47 million.

Details of output VAT declared in 2025 are as follows:

Revenue:	
Commission income	P52,678,027
Gain on Sale on Marketable Securities	49,300
Other agent selling commission	478,827
Research fee income	201,532
Miscellaneous income	3,061,853
	56,469,539
Output VAT rate	12.0%
	P6,776,345



b. Input VAT

Balance at January 1, 2025	₱341,932
Current year's domestic purchases	
Domestic Purchases	1,788,857
Claims for tax credit/refund and other adjustments	(1,631,072)
<u>Balance at December 31, 2025</u>	<u>₱499,717</u>





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Philippines

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Fax: (632) 8819 0872
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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Director
PNB Securities, Inc.
3rd Floor, PNB Financial Center
President Diosdado Macapagal Boulevard
Pasay City

We have audited the accompanying financial statements of PNB Securities, Inc. (a wholly owned subsidiary of Philippine National Bank) as of December 31, 2025 and for the year then ended, on which we have rendered the attached report dated April 7, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Company has one (1) stockholder owning one hundred (100) or more shares.

SYCIP GORRES VELAYO & CO.

Ray Francis C. Balagtas
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108795-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765009, January 2, 2026, Makati City

April 7, 2026



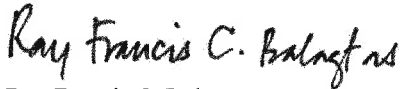
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
PNB Securities, Inc.
3rd Floor, PNB Financial Center
President Diosdado Macapagal Boulevard
Pasay City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of PNB Securities, Inc. (a wholly owned subsidiary of Philippine National Bank) as of December 31, 2025 and 2024 and for the years then ended, and have issued our report dated April 7, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule (SRC) 68 and SRC Rule 52.1, and are not part of the basic financial statements. These 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 information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108795-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

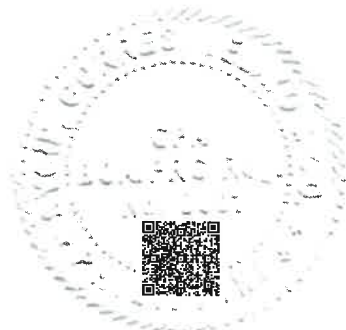
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10765009, January 2, 2026, Makati City

April 7, 2026



PNB SECURITIES, INC.

INDEX TO THE SUPPLEMENTARY SCHEDULES

- Annex A: Supplementary Schedules Required by Securities Regulation Code 52.1
- 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 SRC Rule 49.2 - Annex 49.2-A
 - Computation for determination of reserve requirements under SRC Rule 49.2 - Annex 49.2-B
 - A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit
 - Results of monthly securities count conducted pursuant to SRC Rule 52.1.10 as of balance sheet date

PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2025

There are no liabilities subordinated to claims of general creditors.

PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT
PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16
DECEMBER 31, 2025

Assets	₱337,968,825
Liabilities	149,898,202
Equity, per books	188,070,623
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	
Equity Eligible For Net Liquid Capital	188,070,623
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	966,625
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated depreciation and excluding those used as collateral	21,435,821
d. All Other Current Assets	2,240,638
e. Securities Not Readily Marketable	170,000
f. Negative Exposure (SCCP)	130,480
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	9,253,979
Total ineligible assets	34,197,543

Net Liquid Capital (NLC)	₱153,873,080
Less:	
Operational Risk Requirement	7,255,537
Position Risk Requirement	4,366,319
Counterparty Risk	76
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)	11,621,932
Net RBCA Margin (NLC-TRCR)	142,251,148
Liabilities	149,898,202
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	
Total adjustments to AI	
Aggregate Indebtedness	149,898,202
5% of Aggregate Indebtedness	7,494,910
Required Net Liquid Capital (> of 5% of AI or P5M)	7,494,910
Net Risk-based Capital Excess / (Deficiency)	146,378,170
Ratio of AI to Net Liquid Capital	97.4%
RBCA Ratio (NLC / TRCR)	1,324.0%

PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER SRC RULE 49.2 - ANNEX 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 the 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 the 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>

PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER SRC RULE 49.2 - ANNEX 49.2-B
DECEMBER 31, 2025

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱93,658,599	
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.	41,729,339	
5. Credit balances in firm accounts, which are attributable to principal sales to customers.	-	
6. Market value of stock dividends stock splits and similar distribution receivable outstanding over 30 calendar days old.	-	
7. Market value of the short security count differences over 30 calendar days old.	-	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	-	
9. Market value of securities, which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	-	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱58,615,801
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make deliver on customers' securities failed to delivery.		-
12. Failed to delivery customers' securities not older than 30 calendar days.		
13. Others—sales/purchases of marketable securities		-
Total	₱135,387,938	₱58,615,801
Net Credit (Debit)	₱76,772,137	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱76,772,137	

PNB SECURITIES, INC.
(A Wholly Owned Subsidiary of Philippine National Bank)
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 control structure and its operations that we considered to be material weaknesses.

PNB SECURITIES, INC.
Inventory Report By Location - Summarized

10007820(10007820) - ZURBANO, AL(ZURAL001)

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
2GO	2GO GROUP, INC.	3,400	2,362		5,762	13.5000	77,787.00
AAA	ASIA AMALGAMATED HOLDINGS			468,400	468,400		
AB	ATOK-BIG WEDGE MNG. CO., INC. "A"			107,192	107,192	2.0600	220,815.52
ABA	ABACORE CAPITAL HOLDINGS, INC			228,768,360	228,768,360	0.2600	59,479,773.60
ABS	ABS-CBN CORPORATION		600	1,712,923	1,713,523	4.2100	7,213,931.83
AC	AYALA CORPORATION		95	125,507	125,602	468.0000	58,781,736.00
ACE	ACESITE (PHILS) HOTEL CORPORATION			1,550	1,550	1.2000	1,860.00
ACEN	ACEN CORPORATION			34,564,685	34,564,685	2.7200	94,015,943.20
ACENA	ACEN CORP SERIES A PREF SHARE			468,700	468,700	1,010.0000	473,387,000.00
ACENB	ACEN CORP SERIES B PREFERRED SHARES			405,600	405,600	1,070.0000	433,992,000.00
ACPAR	AYALA CORPORATION PREF CLASS A			151,380	151,380	2,540.0000	384,505,200.00
ACPB3	AC CLASS "B" SERIES 3 PREF SHARES			215,230	215,230	1,988.0000	427,877,240.00
ACPB4	AYALA CORP. CLASS B SERIES 4 PREF			331,860	331,860	1,989.0000	660,069,540.00
ACR	ALSON CONSOLIDATED RESOURCES			14,621,000	14,621,000	0.4700	6,871,870.00
AEV	ABOITIZ EQUITY VENTURES, INC.	6,480	200	1,080,465	1,087,145	28.0000	30,440,060.00
AGI	ALLIANCE GLOBAL GROUP, INC.			1,307,040	1,307,040	8.1900	10,704,657.60
AGIW	ALLIANCE GLOBAL GROUP, INC. WARRANT			32,000	32,000	1.1700	37,440.00
ALCO	ARTHALAND CORPORATION	6,525		3,747,500	3,754,025	0.4200	1,576,690.50
ALCPD	ARTHALAND CORPORATION PREF. "D"			82,000	82,000	485.0000	39,770,000.00
ALCPF	ARTHALAND CORP SERIES F PREF SHARES			14,500	14,500	500.0000	7,250,000.00
ALHI	ANCHOR LAND HOLDINGS INC			6,000	6,000	3.8700	23,220.00
ALI	AYALA LAND, INC.	2,125		11,808,110	11,810,235	22.4500	265,139,775.75
ALLDY	ALLDAY MARTS, INC.	5,125,000		466,311,625	471,436,625	0.0310	14,614,535.38
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP		100,000	3,293,500	3,393,500	1.3000	4,411,550.00
ALTER	ALTERENERGY HOLDINGS CORPORATION			2,115,000	2,115,000	0.8400	1,776,600.00
AMC	ALASKA MILK CORPORATION	1,000			1,000		
ANI	AGRINURTURE, INC		62,700	9,904,500	9,967,200	0.5400	5,382,288.00
ANS	A. SORIANO CORPORATION "A"	311		130,751	131,062	14.4000	1,887,292.80
AP	ABOITIZ POWER CORPORATION			477,600	477,600	44.0000	21,014,400.00
APC	APC GROUP, INC.		3,000	2,273,000	2,276,000	0.1060	241,256.00
APL	APOLLO GLOBAL CAPITAL, INC.			316,987,300	316,987,300	0.0050	1,584,936.50
APO	ANGLO PHIL. HOLDINGS CORP.			59,885	59,885	0.7000	41,919.50
APVI	ALTUS PROPERTY VENTURES, INC.			3,286	3,286	8.4000	27,602.40
APX	APEX MINING CO., INC. "A"			4,323,513	4,323,513	12.4400	53,784,501.72
AR	ABRA MNG. & IND'L. CORP.			864,400,000	864,400,000	0.0046	3,976,240.00
ARA	ARANETA PROPERTIES, INC.	1,500		213,438	214,938	0.4000	85,975.20
AREIT	AREIT, INC.			8,273,680	8,273,680	43.5000	359,905,080.00
ASIA	ASIATRUST DEVELOPMENT BANK, INC.	200			200		

PNB SECURITIES, INC.
Inventory Report By Location - Summarized
As of December 31, 2025
10007820(10007820) - ZURBANO, AL(ZURAL001)

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
ASLAG	RASLAG CORP.			1,246,000	1,246,000	0.8200	1,021,720.00
AT	ATLAS CONS. MINING & DEV. "A"			1,452,905	1,452,905	6.0300	8,761,017.15
ATI	ASIAN TERMINALS, INC.			30,059	30,059	34.5000	1,037,035.50
ATN	ATN HOLDINGS, INC. "A"			481,000	481,000	0.4950	238,095.00
ATNB	ATN HOLDINGS, INC. "B"			80,000	80,000	0.4950	39,600.00
AUB	ASIA UNITED BANK CORPORATION			175,860	175,860	39.2000	6,893,712.00
AXLM	AXELUM RESOURCES CORP			2,159,500	2,159,500	2.3600	5,096,420.00
BALAI	BALAI NI FRUITAS, INC.			222,000	222,000	0.3500	77,700.00
BC	BENGUET CORP. "A"			384,901	384,901	5.0000	1,924,505.00
BCB	BENGUET CORP. "B"		100	1,075,700	1,075,800	4.8300	5,196,114.00
BCOR	BERJAYA PHILIPPINES, INC.			11,000	11,000	9.0000	99,000.00
BDO	BDO UNIBANK, INC.	900		486,097	486,997	134.6000	65,549,796.20
BEL	BELLE CORPORATION	2,000	499	2,774,722	2,777,221	1.3200	3,665,931.72
BF	BANCO FILIPINO SAV & MORT		186		186		
BHI	BOULEVARD HOLDINGS, INC.		100,000	10,680,000	10,780,000	0.0390	420,420.00
BKR	BRIGHT KINDLE RESOURCES & INVESTMEN			951,200	951,200	0.6500	618,280.00
BLOOM	BLOOMBERRY RESORTS CORPORATION			13,888,100	13,888,100	2.5400	35,275,774.00
BMM	BOGO-MEDELLIN MILLING CO., INC.			240	240	52.0000	12,480.00
BNCOM	BANK OF COMMERCE			5,325,650	5,325,650	9.2000	48,995,980.00
BPI	BANK OF PHIL. ISLANDS	121	738	170,935	171,794	116.1000	19,945,283.40
BRN	A BROWN COMPANY, INC.		45,042	1,628,659	1,673,701	0.9300	1,556,541.93
BRNP	A BROWN COMPANY PREFERRED SERIES A			4,914,600	4,914,600	97.0000	476,716,200.00
BRNPB	A BROWN CO INC. SERIES B PREFERRED SHARE			3,866,850	3,866,850	100.4000	388,231,740.00
BRNPC	A BROWN CO INC. SERIES C PREFERRED SHARE			2,613,000	2,613,000	105.5000	275,671,500.00
BSC	BASIC ENERGY CORPORATION	31,000	9,048	6,355,883	6,395,931	0.1170	748,323.93
C	CHELSEA LOGISTICS HOLDING CORP.			7,682,400	7,682,400	0.9500	7,298,280.00
CA	CONCRETE AGGREGATES CORP "A"			1,000	1,000	48.3500	48,350.00
CAB	CONCRETE AGGREGATES CORP. "B"			500	500	52.9000	26,450.00
CAL	CALATA CORPORATION	906,065			906,065		
CAT	CENTRAL AZUCARERA DE TARLAC, INC.			500	500	9.7100	4,855.00
CBC	CHINA BANK CORPORATION			145,987	145,987	57.0000	8,321,259.00
CDC	CITYLAND DEV. CORP.			711,469	711,469	0.5900	419,766.71
CEB	CEBU AIR, INC.			519,690	519,690	32.0000	16,630,080.00
CEBCP	CEBU AIR INC PREFERRED SHARES			76,505	76,505	35.0000	2,677,675.00
CEI	CROWN EQUITIES, INC.			12,673,280	12,673,280	0.0720	912,476.16
CEU	CENTRO ESCOLAR UNIVERSITY			123,964	123,964	15.7000	1,946,234.80
CHP	CONCREAT HOLDINGS PHILIPPINES, INC.			3,606,689	3,606,689	1.0900	3,931,291.01
CIC	CONCEPCION INDUSTRIAL CORPORATION			1,100	1,100	13.6000	14,960.00
CLI	CEBU LANDMASTERS, INC.			3,199,490	3,199,490	2.3500	7,518,801.50
CLIA1	CEBU LANDMASTERS, INC PREFERRED SER. A1			81,250	81,250	1,000.0000	81,250,000.00

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CLIA2	CEBU LANDMASTERS, INC. SER. A2			11,300	11,300	1,073.0000	12,124,900.00
CMT	SOUTHEAST ASIA CEMENT HOLDINGS	10,600			10,600		
CNPF	CENTURY PACIFIC FOOD, INC.			89,150	89,150	39.0000	3,476,850.00
CNVRG	CONVERGE INFORMATION AND COMUNICATI			5,614,500	5,614,500	15.3200	86,014,140.00
COAL	COAL ASIA HOLDINGS, INC.			103,800,000	103,800,000	0.0280	2,906,400.00
COL	COL FINANCIAL GROUP, INC.			635,000	635,000	1.4200	901,700.00
COSCO	COSCO CAPITAL, INC.	2,000		2,683,800	2,685,800	6.9900	18,773,742.00
CPG	CENTURY PROPERTIES GROUP INC.	1,000		14,154,600	14,155,600	0.6900	9,767,364.00
CPGPB	CENTURY PROP GROUP, INC SERIES B			6,000	6,000	102.0000	612,000.00
CPM	CENTURY PEAK HOLDINGS CORP.			59,080	59,080	2.3900	141,201.20
CREC	CITICORE RENEWABLE ENERGY CORP.			159,468,001	159,468,001	4.2800	682,523,044.28
CREIT	CITICORE ENERGY REIT CORP.			32,250,460	32,250,460	3.5700	115,134,142.20
CROWN	CROWN ASIA CHEMICALS CORPORATION			256,000	256,000	1.6800	430,080.00
CTS	CTS GLOBAL EQUITY GROUP, INC.			3,330,600	3,330,600	0.3600	1,199,016.00
CYBR	CYBER BAY CORPORATION			7,327,800	7,327,800	0.3300	2,418,174.00
DD	DOUBLE DRAGON PROPERTIES CORP.			794,650	794,650	9.2800	7,374,352.00
DDMPR	DDMP REIT INC, INC.			1,491,023,236	1,491,023,236	1.0200	1,520,843,700.72
DDPR	DOUBLEDAGON PROPERTIES PREF			766,950	766,950	97.0000	74,394,150.00
DELM	DEL MONTE PACIFIC LIMITED			28,088	28,088	4.7000	132,013.60
DFNN	DIVERSIFIED FINL NTWK, INC.			145,000	145,000	0.8000	116,000.00
DGTL	DIGITAL TELECOMMUNICATIONS	14,000	2,000		16,000		
DHI	DOMINION HOLDINGS, INC.			102,225	102,225	1.3900	142,092.75
DITO	DITO CME HOLDINGS CORP			15,037,800	15,037,800	0.6800	10,225,704.00
DIZ	DIZON COPPER-SILVER MINES			50,426	50,426	5.0000	252,130.00
DMC	DMCI HOLDINGS, INC.	600		5,137,885	5,138,485	10.5400	54,159,631.90
DMW	D.M. WENCESLAO & ASSOCIATES, INC			65,300	65,300	5.0000	326,500.00
DNA	PHILAB HOLDINGS CORP.			738,420	738,420		
DNL	D & L INDUSTRIES, INC.			4,561,694	4,561,694	3.8500	17,562,521.90
DWC	DISCOVERY WORLD CORPORATION			408,800	408,800	1.0800	441,504.00
ECP	EASYCALL COMMUNICATIONS, INC.			648,750	648,750	2.6000	1,686,750.00
ECVC	EAST COAST VULCAN CORPORATION			405,000	405,000	0.2700	109,350.00
EEI	ENGINEERING EQUIPMENT INC.			1,385,252	1,385,252	2.8400	3,934,115.68
EEIPB	EEI CORPORATION PREF. SERIES "B"			315,150	315,150	98.4000	31,010,760.00
EG	IP E-GAMES VENTURES INC			171,980,000	171,980,000		
EGRN	EVERWOODS GREEN RESOURCES AND HLDGS	10,000	110,000	91,495,000	91,615,000		
EIBA	EXPORT & INDUSTRY BANK			5,463,795	5,463,795		
EIBB	EXPORT & INDUSTRIAL BANK -B			400,000	400,000		
ELI	EMPIRE EAST LAND INC.	20,780	114,747	4,822,848	4,958,375	0.1040	515,671.00
EMI	EMPERADOR INC.			47,100	47,100	16.0000	753,600.00
ENEX	ENEX ENERGY CORP.			45,471	45,471	3.3400	151,873.14
ETON	ETON PROPERTIES PHILS INC.			52,144,998	52,144,998		

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EURO	EURO-MED LAB. PHIL., INC.				195,394	1.0000	195,394.00
EW	EAST WEST BANKING CORPORATION				281,386	11.6000	3,264,077.60
FAF	FIRST ABACUS FINANCIAL HOLDINGS				55,000	0.6600	36,300.00
FB	SAN MIGUEL FOOD AND BEVERAGES INC.				245,240	55.0000	13,488,200.00
FCG	FIGARO COFFEE GROUP, INC.				5,155,005	0.5800	2,989,902.90
FDC	FILINVEST DEV. CORP.	2,000	2,000		686,566	4.5500	3,142,075.30
FDCPA	FDC SERIES A PREFERRED SHARES				5,000	1,010.0000	5,050,000.00
FDCPB	FDC SERIES B PREFERRED SHARES				1,500	1,004.0000	1,506,000.00
FFI	FILIPINO FUND, INC				88,739	7.5000	665,542.50
FGEN	FIRST GEN CORPORATION				1,124,469	17.7400	19,948,080.06
FILRT	FILINVEST REIT, CORP				22,278,046	3.1000	69,061,942.60
FJP	F&J PRINCE HOLDINGS CORP.				39,700	2.6000	103,220.00
FLI	FIL-INVEST LAND, INC.	29,391	5,000		11,296,305	0.7700	8,724,635.92
FMETF	FIRST METRO PHIL EQUITY EXCHANGE TR				43,844	101.0000	4,428,244.00
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.				2,191,809	1.3500	2,958,942.15
FOOD	ALLIANCE SELECT FOODS INTN'L, INC.				462,000	0.3700	170,940.00
FPH	FIRST PHIL. HOLDINGS				73,885	77.0000	5,689,145.00
FPI	FORUM PACIFIC, INC.				479,000	0.2400	114,960.00
FRUIT	FRUITAS HOLDINGS, INC.				1,480,000	0.6400	947,200.00
GBH	GLOBAL BUSINESS HOLDINGS, INC.		57		57		
GEO	GEOGRACE RESOURCES	3,000			16,344,120	0.0870	1,422,199.44
GERI	GLOBAL-ESTATE RESORTS, INC.	500			1,654,547	0.6900	1,141,982.43
GHP	GUOCO HOLDINGS PREFERRED	2,200			2,200		
GLO	GLOBE TELECOM				125,884	1,584.0000	199,400,256.00
GMA7	GMA NETWORK, INC.				2,699,300	5.4100	14,603,213.00
GMAP	GMA PDR				1,343,000	5.2900	7,104,470.00
GO	GOTESCO LAND, INC.				463,000		
GOB	GOTESCO LAND, INC.-B				3,656,000		
GPH	GRAND PLAZA HOTEL CORPORATION				573	5.7900	3,317.67
GREEN	GREENERGY HOLDINGS INCORPORATED				5,313,914	0.1800	956,504.52
GSMI	GINEBRA SAN MIGUEL, INC.				801,270	295.0000	236,374,650.00
GTCAP	GT CAPITAL HOLDINGS, INC.				100,064	595.0000	59,538,080.00
GTCAPP	GT CAPITAL HODLINGS, INC.-PREFERRED	10,410			10,410		
GTPPB	GTCAP PREF SERIES B				11,025	1,000.0000	11,025,000.00
HI	HOUSE OF INVESTMENTS, INC.				152,000	4.5000	684,000.00
HLCM	HOLCIM PHILIPPINES, INC.	10			10	3.8700	38.70
HOME	ALL HOME CORP		2		8,744,200	0.2370	2,072,375.87
HTI	HAUS TALK, INC.				45,000	1.1000	49,500.00
HVN	GOLDEN MV HOLDINGS, INC.				1,760	1,000.0000	1,760,000.00
I	IREMIT	1			114,228	0.1990	22,731.57
ICT	INTL CONTAINER TERMINAL SER.				97,378	567.0000	55,213,326.00

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IDC	ITALPINAS DEVELOPMENT CORPORATION			144,339	144,339	0.8700	125,574.93
IMI	INTEGRATED MICRO-ELECTRONICS, INC.			467,766	467,766	3.4700	1,623,148.02
IMP	IMPERIAL RES., INC. "A"			8,100	8,100	0.7000	5,670.00
INFRA	PHILIPPINE INFRADEV HOLDINGS INC.			941,000	941,000	0.3150	296,415.00
ION	IONICS, INC.			2,608,450	2,608,450	1.0200	2,660,619.00
IPM	IPM HOLDINGS, INC.			17,000	17,000	1.5700	26,690.00
IPO	IPEOPLE, INC.			35,286	35,286	6.0000	211,716.00
IS	ISLAND INFO AND TECH INC.			5,930,000	5,930,000	0.1230	729,390.00
JAS	JACKSTONES, INC.			34,000	34,000	1.1200	38,080.00
JFC	JOLLIBEE FOODS CORP.	100		384,813	384,913	180.0000	69,284,340.00
JFCPB	JOLLIBEE FOODS CORPORATIO			18,165	18,165	994.0000	18,056,010.00
JGS	JG SUMMIT HOLDINGS, INC.	3,000		1,128,751	1,131,751	23.6500	26,765,911.15
KEEPR	THE KEEPERS HOLDINGS, INC			13,200,320	13,200,320	2.4800	32,736,793.60
KEP	KEPPEL PHILIPPINES PROPERTIES, INC.			22,679	22,679	2.2000	49,893.80
KPPI	KEPWELTH PROPERTY PHILS, INC.			10,000	10,000	1.1900	11,900.00
LAND	CITY & LAND DEVELOPERS, INC.	36	203	278,439	278,678	0.5300	147,699.34
LC	LEPANTO CONS. MNG. "A"		2,187	34,867,573	34,869,760	0.1850	6,450,905.60
LCB	LEPANTO CONS. MNG. - B			13,818,616	13,818,616	0.1870	2,584,081.19
LFM	LIBERTY FLOUR MILLS			13	13	33.8000	439.40
LIB	LIBERTY TELECOMMUNICATIONS	6,000			6,000		
LMG	LMG CORPORATION			10,000	10,000	0.2500	2,500.00
LODE	LODESTAR INVESTMENT HOLDINGS CORP.			870,000	870,000	0.3500	304,500.00
LOTO	PACIFIC ONLINE SYSTEMS CORPORATION			631,200	631,200	1.7000	1,073,040.00
LPC	LFM PROPERTIES CORPORATION			83,658	83,658	0.0410	3,429.98
LPZ	LOPEZ HOLDINGS CORPORATION	600	16,900	611,670	629,170	3.7200	2,340,512.40
LSC	LORENZO SHIPPING CORPORATION	2,000	3,506,000	87,312	3,595,312	0.6100	2,193,140.32
LTG	LT GROUP, INC.			9,554,925	9,554,925	14.7800	141,221,791.50
MA	MANILA MINING CORP. "A"		233,400	469,532,875	469,766,275	0.0073	3,429,293.81
MAB	MANILA MINING CORP. - B		29,400	109,243,386	109,272,786	0.0072	786,764.06
MAC	MACROASIA CORPORATION			3,403,346	3,403,346	4.3400	14,770,521.64
MAHB	METRO ALLIANCE HLDGS. B			63,000	63,000	0.6900	43,470.00
MARC	MARCVENTURES HOLDINGS INC.			1,924,715	1,924,715	0.7000	1,347,300.50
MAXS	MAX'S GROUP, INC.			517,900	517,900	2.4500	1,268,855.00
MB	MANILA BULLETIN PUBLISHING			845,168	845,168	0.1640	138,607.55
MBC	MANILA BROADCASTING COMPANY			1,500	1,500	5.0300	7,545.00
MBT	METROPOLITAN BANK & TRUST CO.		13	763,521	763,534	68.5000	52,302,079.00
MC	MARSTEEL CONS. INC. "A"			6,700,000	6,700,000		
MCB	MARSTEEL CONS. INC. "B"			1,000,000	1,000,000		
MED	MEDCO HOLDINGS, INC.			3,699,000	3,699,000	0.0900	332,910.00
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED			173,285,500	173,285,500	0.2600	45,054,230.00
MEG	MEGAWORLD CORPORATION	62,250	18,900	73,052,591	73,133,741	2.0800	152,118,181.28

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MER	MANILA ELECTRIC CO. "A"	916	2,094	225,126	228,136	574.0000	130,950,064.00
MFC	MANULIFE FINANCIAL CORP.			3,323	3,323	1,880.0000	6,247,240.00
MFIN	MAKATI FINANCE CORP.			3,287	3,287	1.5100	4,963.37
MG	MILLENIUM GLOBAL HOLDINGS, INC.			1,130,000	1,130,000	0.0600	67,800.00
MGH	METRO GLOBAL HOLDINGS CORPORATION			111,500	111,500		
MHC	MABUHAY HOLDINGS CORP.			597,000	597,000	0.1150	68,655.00
MJC	MANILA JOCKEY CLUB, INC.			88,722	88,722	1.2700	112,676.94
MJIC	MJC INVESTMENT CORP.			38,700	38,700	1.0000	38,700.00
MM	MERRYMART CONSUMER CORP			102,563,200	102,563,200	0.4000	41,025,280.00
MON	MONDRAGON INT'L. PHIL.	618,562			618,562		
MONDE	MONDE NISSIN CORPORATION			15,734,800	15,734,800	5.8000	91,261,840.00
MPI	METRO PACIFIC INVESTMENTS CORP.		1,995		1,995	5.1800	10,334.10
MRC	MRC ALLIED INC.			2,722,300	2,722,300	0.8700	2,368,401.00
MREIT	MREIT, INC.			4,182,400	4,182,400	14.0000	58,553,600.00
MRP	MELCO RESORT AND ENTERTAINMENT (PHI)	28,500			28,500	7.2500	206,625.00
MRSGL	METRO RETAIL STORES GROUP, INC.			2,310,200	2,310,200	1.1500	2,656,730.00
MVC	MABUHAY VINYL CORPORATION			18,400	18,400	5.1900	95,496.00
MWC	MANILA WATER COMPANY, INC.			523,200	523,200	40.3000	21,084,960.00
MWIDE	MEGAWIDE CONSTRUCTION CORPORATION			2,978,931	2,978,931	2.9900	8,907,003.69
MWP5	MEGAWIDE CONSTRUSCTION CORP PREF 5			47,970	47,970	103.0000	4,940,910.00
MWP6A	MWIDE PERPETUAL SERIES 6A PREFERRED			1,936,450	1,936,450	100.0000	193,645,000.00
MWP6B	MWIDE PERPETUAL SERIES 6B PREFFERED			743,600	743,600	100.2000	74,508,720.00
MWP6C	MWIDE PERPETUAL SERIES 6C			2,820,300	2,820,300	103.8000	292,747,140.00
MWP7A	MWIDE CONSTRUCTION CORP SERIES 7A			1,749,790	1,749,790	100.4000	175,678,916.00
MWP7B	MWIDE CONSTRUCTION CORP SERIES 7B			1,234,080	1,234,080	105.0000	129,578,400.00
MYNLD	MAYNILAD WATER SERVICES, INC.			3,773,100	3,773,100	16.9000	63,765,390.00
NI	NI HAO MINERAL RESOURCES INTL			375,000	375,000	0.3150	118,125.00
NIKL	NICKEL ASIA CORPORATION			3,002,642	3,002,642	3.8900	11,680,277.38
NOW	NOW CORPORATION			1,816,500	1,816,500	0.6800	1,235,220.00
NRCP	NATIONAL REINSURANCE CORP.			848,269	848,269	0.7700	653,167.13
NXGEN	NEXTGENESIS CORPORATION			26,400	26,400		
OGP	OCEANAGOLD (PHILIPPINES), INC.			524,700	524,700	32.2000	16,895,340.00
OM	OMICO MNG.			486,000	486,000	0.1010	49,086.00
OPM	ORIENTAL PETROLEUM "A"			27,607,714	27,607,714	0.0120	331,292.57
OPMB	ORIENTAL PETROLEUM "B"			24,370,759	24,370,759	0.0120	292,449.11
ORE	ORIENTAL PENINSULA			396,000	396,000	0.3700	146,520.00
OV	PHILODRILL CORPORATION "A"	583,600		34,491,900	35,075,500	0.0089	312,171.95
PA	PACIFICA HOLDINGS, INC.			35,650	35,650	0.9500	33,867.50
PAL	PAL HOLDINGS INC.		1,581,818	3,624,911,476	3,626,493,294	3.8000	13,780,674,517.20

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PAX	PAXYS, INC.			2,400	2,400	2.6100	6,264.00
PBB	PHILIPPINE BUSINESS BANK			100,689	100,689	7.7000	775,305.30
PBC	PHIL. BANK OF COMMUNICATIONS-A			3	3	16.7000	50.10
PCOR	PETRON CORPORATION	90,405	41,827	6,513,045	6,645,277	2.4800	16,480,286.96
PCP	PICOP RESOURCES, INC.			19,693,790	19,693,790		
PERC	PETRO ENERGY RES. CORP.			3,213,889	3,213,889	3.5000	11,248,611.50
PGOLD	PUREGOLD PRICE CLUB, INC.			777,740	777,740	38.0000	29,554,120.00
PHA	PREMIERE HORIZON ALLIANCE CORPORATI		20,000	10,794,000	10,814,000	0.2370	2,562,918.00
PHC	PHILCOMSAT HOLDINGS CORP.			59,000	59,000	1.8400	108,560.00
PHES	PHILIPPINE ESTATES CORPORATION			99,000	99,000	0.2800	27,720.00
PHN	PHINMA CORPORATION	4		53,852	53,856	16.7000	899,395.20
PHR	PH RESORTS GROUP HOLDINGS, INC.			8,263,000	8,263,000	0.1330	1,098,979.00
PIP	PEPSI -COLA PRODUCT PHILS INC.	154,000			154,000	1.7000	261,800.00
PIZZA	Shakeys Pizza Asia Ventures, Inc.			221,000	221,000	6.8000	1,502,800.00
PLC	PREMIUM LEISURE CORP.		4,000	39	4,039	0.7100	2,867.69
PLUS	DIGIPLUS INTERACTIVE CORP.			695,563	695,563	16.2000	11,268,120.60
PMPC	PANASONIC MFG PHIL CORP			5,200	5,200	10.8000	56,160.00
PMT	PRIMETOWN PROP. GROUP			57,200	57,200		
PNB	PHIL. NATIONAL BANK	7,230	13,488	5,169,033	5,189,751	54.4000	282,322,454.40
PNC	PHIL. NATIONAL CONST. CORP.			1,000	1,000		
PNX	PHOENIX PETROLEUM INC.			234,202	234,202	4.1700	976,622.34
PNX3B	PHOENIX PETROLEUM PHILS, INC. 3B			3,100	3,100	24.9500	77,345.00
PNX4	PHOENIX PETROLEUM PHILS. PREF 4			524,735	524,735	177.9000	93,350,356.50
PPC	PRYCE COPORATION			15,700	15,700	13.2000	207,240.00
PPI	PHILTOWN PROPERTIES, INC.	65,053			65,053		
PRC	PHIL. RACING CLUB	75		121,568	121,643	6.6000	802,843.80
PREIT	PREMIERE ISLAND POWER REIT CORPORAT			233,000	233,000	1.0200	237,660.00
PRF3B	PETRON CORP. PREF. SERIES 3B			224,345	224,345	1,005.0000	225,466,725.00
PRF4A	PETRON CORP SERIES 4A PREFERRED			705,380	705,380	979.5000	690,919,710.00
PRF4B	PETRON CORP SERIES 4B PREFERRED			453,340	453,340	995.0000	451,073,300.00
PRF4C	PETRON CORP SERIES 4C PREFERRED			521,260	521,260	1,009.0000	525,951,340.00
PRF4D	PETRON CORPORATION SERIES 4D PREF			667,310	667,310	990.0000	660,636,900.00
PRF4E	PETRON CORPORATION SERIES 4E PREF			369,435	369,435	1,000.0000	369,435,000.00
PRIM	PRIME MEDIA HOLDINGS, INC.			274,047	274,047	1.3000	356,261.10
PRIMP	PRIME MEDIA HOLDINGS INC. PREFERRED	300,280			300,280		
PRMX	PRIMEX CORPORATION			20,000	20,000	1.2800	25,600.00
PSB	PHILIPPINE SAVINGS BANK			15,074	15,074	54.0000	813,996.00
PSE	PHIL. STOCK EXCHANGE, INC.		132	23,837	23,969	205.4000	4,923,232.60
PTT	PTT CORP.	9,667		702,666	712,333		
PX	PHILEX MINING CORP.	4,399	368	2,187,907	2,192,674	9.9000	21,707,472.60

PNB SECURITIES, INC.
Inventory Report By Location - Summarized
As of December 31, 2025
10007820(10007820) - ZURBANO, AL(ZURAL001)

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
PXP	PXP ENERGY CORPORATION	467		641,344	641,811	2.3800	1,527,510.18
RCB	RIZAL COMMERCIAL BANKING CORP			107,751	107,751	25.9500	2,796,138.45
RCI	ROXAS AND COMPANY INC.			40,916	40,916	2.6800	109,654.88
RCR	RL REIT COMMERCIAL , INC.			22,143,100	22,143,100	8.0200	177,587,662.00
REG	REP. GLASS CORPORATION "A"			50,250	50,250	2.3000	115,575.00
RFM	RFM CORPORATION	18,666	2,873	501,839	523,378	4.7500	2,486,045.50
RLC	ROBINSONS LAND CORP. - B			1,105,476	1,105,476	16.1600	17,864,492.16
RLT	PHIL. REALTY HOLDINGS CORP.			13,908,350	13,908,350	0.1090	1,516,010.15
ROCK	ROCKWELL LAND CORPORATION	4,765	3,744	148,293,206	148,301,715	1.8500	274,358,172.75
ROX	ROXAS HOLDINGS, INC.	1,000		166,750	167,750	1.4500	243,237.50
RPC	REYNOLDS PHILIPPINE CORP.	30,000	532,027		562,027		
RRHI	ROBINSONS RETAIL HOLDINGS, INC.			517,760	517,760	33.0500	17,111,968.00
SBS	SBS PHILIPPINES CORPORATION			8,016	8,016	3.8900	31,182.24
SCC	SEMIRARA MINING CORPORATION			1,649,870	1,649,870	28.2500	46,608,827.50
SDP	SIME DARBY PILIPINAS, INC		1,000		1,000		
SECB	SECURITY BANK CORP.			650,667	650,667	65.6500	42,716,288.55
SECBP	SECURITY BANK PREFERRED	76,608			76,608		
SEVN	PHILIPPINE SEVEN CORP.			7,426	7,426	37.0000	274,762.00
SFI	SWIFT FOODS, INC.	4,500	1,590	32,506,052	32,512,142	0.0470	1,528,070.67
SFIP	SWIFTS FOOD, INC.-PREFERRED			37,154	37,154	1.5500	57,588.70
SGI	SOLID GROUP, INC.			597,000	597,000	1.2700	758,190.00
SGP	SYNERGY GRID & DEV'T. PHILS., INC.			32,544,600	32,544,600	16.5600	538,938,576.00
SHLPH	PILIPINAS SHELL PETROLEUM CORPORATI			1,132,780	1,132,780	6.9300	7,850,165.40
SHNG	SHANG PROPERTIES INC		14,078	226,080	240,158	3.5400	850,159.32
SLF	SUN LIFE FINANCIAL INC.			745	745	3,440.0000	2,562,800.00
SLI	STA. LUCIA LAND, INC.			120,000	120,000	2.6000	312,000.00
SM	SM INVESTMENTS CORPORATION			31,601	31,601	699.5000	22,104,899.50
SMC	SAN MIGUEL CORPORATION "A"	91	242	413,846	414,179	82.0000	33,962,678.00
SMC2I	SAN MIGUEL CORPO -PREF 2I			1,951,360	1,951,360	74.5000	145,376,320.00
SMC2L	SAN MIGUEL CORP-PREF SERIES 2L			9,509,650	9,509,650	77.6500	738,424,322.50
SMC2N	SAN MIGUEL CORP-PREF SERIES 2N			4,102,300	4,102,300	80.5000	330,235,150.00
SMC2O	SAN MIGUEL CORP-PREF SERIES 2O			10,733,950	10,733,950	81.0000	869,449,950.00
SMC2P	SMC SERIES 2 PEF SHARES - 2P			2,988,900	2,988,900	77.0000	230,145,300.00
SMC2Q	SMC SERIES 2 PEF SHARES - 2Q			1,218,300	1,218,300	77.8000	94,783,740.00
SMC2R	SMC SERIES 2 PEF SHARES - 2R			737,200	737,200	77.5000	57,133,000.00
SMC2S	SMC SERIES 2 PEF SHARES - 2S			9,682,970	9,682,970	77.8000	753,335,066.00
SMC2T	SMC SERIES 2 PEF SHARES - 2T			2,487,630	2,487,630	76.5000	190,303,695.00
SMC2U	SMC SERIES 2 PEF SHARES - 2U			2,204,800	2,204,800	76.0000	167,564,800.00
SMPH	SM PRIME HOLDINGS, INC.	1,000	2,826	1,500,586	1,504,412	22.7500	34,225,373.00
SOC	SOUTH CHINA RESOURCES			491,000	491,000	0.1820	89,362.00
SPC	SPC POWER CORPORATION			255,900	255,900	9.7400	2,492,466.00
SPM	SEAFRONT RESOURCES CORP.			9,340	9,340	2.3600	22,042.40
SPNEC	SP NEW ENERGY CORPORATION			14,795,846	14,795,846	1.1700	17,311,139.82
SSI	SSI GROUP, INC.			219,000	219,000	2.6300	575,970.00
STI	STI EDUCATION SYSTEM HOLDINGS,INC.			1,544,905	1,544,905	1.4100	2,178,316.05
STN	STENIEL MANUFACTURING CORP.	50,875	21,875		72,750	2.1800	158,595.00

PNB SECURITIES, INC.
Inventory Report By Location - Summarized
As of December 31, 2025
10007820(10007820) - ZURBANO, AL(ZURAL001)

CODE	STOCK NAME	VAULT	TRANSFER OFFICE	P D T C	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
STR	STARMALLS, INC.			120,500	120,500	1.2500	150,625.00
SUN	SUNTRUST RESORT HOLDINGS, INC.			1,000,200	1,000,200	0.7600	760,152.00
SWM	SANITARY WARES MFG., CORP.		20,000		20,000		
T	TKC STEEL CORPORATION			641,000	641,000	0.4400	282,040.00
TBGI	TRANSPACIFIC BROADBAND GRP INTL INC			1,735,000	1,735,000	0.1330	230,755.00
TCB2C	CIRTEK HOLDINGS PREF SUBSERIES 2C			4,354,900	4,354,900	13.0000	56,613,700.00
TCB2D	CIRTEK HOLDINGS PREFS SUBSERIES 2D			6,152,210	6,152,210	8.2600	50,817,254.60
TECH	CIRTECK HOLDINGS PHILIPPINES CORP.			1,122,435	1,122,435	0.6300	707,134.05
TEL	PLDT INC.	20		184,442	184,462	1,260.0000	232,422,120.00
TELU	PLDT (10% PREF) SERIES U	10			10		
TFHI	TOP FRONTIER INVESTMENT HOLDINGS, I			56,532	56,532	61.0000	3,448,452.00
TOP	TOP LINE BUSINESS DEVELOPMENT CORP.		75,200,000	1,020,000	76,220,000	1.6000	121,952,000.00
TUGS	HARBOR STAR SHIPPING SERVICES, INC.			2,198,000	2,198,000	0.5900	1,296,820.00
UBP	UNION BANK OF THE PHILS.	435	8	167,368	167,811	26.6000	4,463,772.60
UNI	UNIOIL RES. & HOLDINGS CO.			5,731,000	5,731,000		
UP	UNIVERSAL RIGHTFIELD PROP.	110,000	8,017,000		8,127,000		
UPM	UNITED PARAGON MINING CORP.		1,000,000	152,393,750	153,393,750	0.0058	889,683.75
UPSON	UPSON INTERNATIONAL CORP.			135,000	135,000	0.7000	94,500.00
URC	UNIVERSAL ROBINA CORP.			3,786,518	3,786,518	67.3000	254,832,661.40
UW	UNIWIDE HOLDINGS, INC.	1,027,000			1,027,000		
V	VANTAGE EQUITIES, INC.			487,624	487,624	0.8900	433,985.36
VITA	VITARICH CORPORATION	1,000	4,000	5,493,300	5,498,300	0.5300	2,914,099.00
VLL	VISTA LAND & LIFESCAPES INC.			4,956,590	4,956,590	1.0400	5,154,853.60
VLL2A	VLL SERIES 2A PREFERRED SHARES			500	500	91.9500	45,975.00
VLL2B	VLL SERIES 2B PREFERRED SHARES			50,000	50,000	90.0000	4,500,000.00
VMC	VICTORIAS MILLING CO., INC.	3,047		5,566,466	5,569,513	1.7300	9,635,257.49
VREIT	VISTAREIT, INC.			49,427,000	49,427,000	1.3700	67,714,990.00
VVT	VIVANT CORPORATION			2,500	2,500	19.4400	48,600.00
WEB	PHILWEB CORPORATION			576,080	576,080	6.2000	3,571,696.00
WHI	WISE HOLDINGS, INC. "A"		2,778		2,778		
WIN	WELLEX INDUSTRIES, INC.			222,000	222,000	0.2600	57,720.00
WLCON	WILCON DEPOT, INC.			1,121,900	1,121,900	6.9600	7,808,424.00
WPI	WATERFRONT PHILS., INC.			1,764,260	1,764,260	0.4050	714,525.30
X	XURPAS INC.			1,326,900	1,326,900	0.2480	329,071.20
XCBC	COSMOS BOTTLING CORP.	2,000			2,000		
XG	NEXGEN ENERGY CORP.			37,000	37,000	3.1800	117,660.00
ZHI	ZEUS HOLDINGS INC			22,630,000	22,630,000	0.0670	1,516,210.00
		9,461,280	90,855,142	9,787,675,551	9,887,991,973		33,061,606,834.38

There is no discrepancy in the results of the securities count conducted.

PNB SECURITIES, INC.

ANNEX A.7

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS IN TWO COMPARATIVE PERIODS UNDER REVISED SRC RULE 68 AS OF DECEMBER 31 2025 AND 2024

	2025	2024
Current ratio ^(a)	218.28%	236.61%
Solvency ratio ^(b)	4.60%	(8.52%)
Debt-to-equity ratio ^(c)	79.70%	68.22%
Asset-to-equity ratio ^(d)	179.70%	168.22%
Profitability ratios		
Return on average asset ^(e)	1.80%	(3.93%)
Return on average equity ^(f)	3.14%	(6.24%)
Return on average capital ^(g)	5.82%	(11.67%)

(a) Current ratio is measured as current assets divided by current liabilities.

(b) Solvency ratio is measured as the sum of net income and depreciation divided by total liabilities.

(c) Debt to equity ratio is measured as total liabilities divided by total equity.

(d) Asset to equity ratio is measured as total assets divided by total equity.

(e) Return on average assets is derived by dividing net income over average total assets.

(f) Return on average equity is derived by dividing net income over average equity.

(g) Return on average capital is derived by dividing net income over average capital.