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REGINA CAPITAL DEVELOPMENT CORPORATION

**FINANCIAL STATEMENTS
DECEMBER 31, 2025**



Regina Capital Development Corporation

MEMBER: PHILIPPINE STOCK EXCHANGE

Unit 1809-1810 PSE Tower 5th Avenue corner 28th Street Bonifacio Global City, Taguig City
Tel. Nos.: (632) 848-5482 to 84 Fax No.: (632) 820-8375 Trading Floor Nos.: (632) 891-9413 to 17
Website: www.reginacapital.com Email: rcdc@reginacapital.com

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

SECURITIES AND EXCHANGE COMMISSION

Philippine International Convention Center
Pasay City

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

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

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

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

Teodoro Santamaria and Co., the independent auditors appointed by the stockholders, has audited the financial statements of the company for the years ended 2025 and 2024, 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.

Victor S. Limlingan
Chairman of the Board

Marita A. Limlingan,
President and Chief Executive Officer

Luis Gerardo A. Limlingan
Treasurer

Signed this 4 day of MAY 2026.

Your Private Broker.



TEODORO SANTAMARIA AND Co.
CERTIFIED PUBLIC ACCOUNTANTS

Suite 2108 Cityland 10 Tower 1
156 H.V. Dela Costa St.
Salcedo Village 1226
Makati City, Philippines

Tel : (632) 8812 - 4202

(632) 8553 - 4845

Email: tscocpas@gmail.com

Trust Service Commitment

Supplemental Written Statement Accompanying
Report of Independent Auditors

The Board of Directors and Stockholders
Regina Capital Development Corporation
Unit 1809-1810 PSE Tower
5th Avenue Cor. 28th Street
Bonifacio Global City, Taguig City

We have audited the financial statements of **Regina Capital Development Corporation** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated May 4, 2026.

In compliance with Revised SRC Rule 68 we are stating that the above Company has a total number of eight (8) stockholders, six (6) owning one hundred (100) or more shares each.

TEODORO SANTAMARIA AND CO.

By: Rachel Lydia T. Santamaria

Partner

CPA License No. 083524

Valid until December 9, 2026

BOA/PRC Registration No. 5593 (Firm)

Valid until September 26, 2027

BOA/PRC Registration No. 5593/P-001 (Individual)

Valid until September 26, 2027

SEC Accreditation No. 5593-SEC (Firm)

Valid until 2025 Financial Statements of SEC
covered institutions

SEC Accreditation No. 83524-SEC (Individual)

Valid until 2025 Financial Statements of SEC
covered institutions

BIR A.N. 08-008055-000-2025 (Firm)

Valid until March 11, 2028

BIR A.N. 08-008055-001-2025 (Individual)

Valid until March 11, 2028

T.I.N. 102-921-088

PTR No. 10768479 / Makati City

January 06, 2026

May 4, 2026

Makati City, Philippines



TEODORO SANTAMARIA AND Co.
CERTIFIED PUBLIC ACCOUNTANTS

Suite 2108 Cityland 10 Tower 1
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Salcedo Village 1226
Makati City, Philippines

Tel : (632) 8812 - 4202

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Trust Service Commitment

Independent Auditors' Report

The Board of Directors and Stockholders
Regina Capital Development Corporation
Unit 1809-1810 PSE Tower
5th Avenue Cor. 28th Street
Bonifacio Global City, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Regina Capital Development Corporation** (the Company), which comprise the statements of financial position as at **December 31, 2025 and 2024**, and the statements of comprehensive income, statements of changes in capital deficiency and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We have conducted the audit 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, 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.

Report on Supplemental Information required by the Bureau of Internal Revenue

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 Revenue Regulations 15-2010 in Note 24 of the Notes to Financial Statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Report on Supplementary Information required by the Securities and Exchange Commission

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in the attached Schedules 1 to 7 is presented for the purpose of filing with the Securities and Exchange Commission as required under the Revised Securities Regulation Code, (SRC Rules), and is not a required part of the basic financial statements. Such information is the responsibility of the management and 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.

TEODORO SANTAMARIA AND CO.


By: **Rachel Lydia T. Santamaria**

Partner

CPA License No. 083524

Valid until December 9, 2026

BOA/PRC Registration No. 5593 (Firm)

Valid until September 26, 2027

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PTR No. 10768479 / Makati City

January 06, 2026

May 4, 2026

Makati City, Philippines

REGINA CAPITAL DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

Notes	December 31		Market Value of Securities			
	2025	2024	December 31, 2025		December 31, 2024	
	2025	2024	Long	Short	Long	Short
	(In Philippine Peso)					
<u>Assets</u>						
Current assets						
Cash and cash equivalents	4	622,774,719	794,668,191			
Trade and other receivables	5	53,570,451	84,899,163	21,005,679,673		44,088,906,693
Financial assets at fair value						
through profit or loss	6	8,822,202	13,360,143	8,822,202		13,360,143
Other current assets	7	35,899,990	23,094,036			
Total current assets		721,067,362	916,021,533			
Non-current assets						
Financial assets at fair value						
through other comprehensive income	8	6,270,000	6,270,000	-		-
Property and equipment, net	9	25,493,026	26,238,249			
Exchange trading right	10	1,226,830	1,226,830			
Refundable deposits	23	3,820,596	3,556,111			
Deferred tax assets - net	21	11,778,615	9,283,507			
Deferred charges - MCIT	21	1,036,182	548,432			
Total non-current assets		49,625,249	47,123,129			
Total assets		770,692,611	963,144,662			
Securities						
In box, with Philippine Depository and Trust Corp., transfer offices and clearing house				27,511,333,656		50,938,025,453
- forward -						

- brought forward -

	Notes	December 31		Market Value of Securities			
				December 31, 2025		December 31, 2024	
		2025	2024	Long	Short	Long	Short
		(In Philippine Peso)					
Liabilities and Equity							
Current liabilities							
Trade payables	11	554,218,746	756,117,539	6,496,831,781		6,835,758,617	
Due to a stockholder	13	691,420	691,420				
Other current liabilities	12	7,470,562	6,791,737				
Total current liabilities		562,380,728	763,600,696				
Non-current liabilities							
Retirement benefits liability	14	3,803,560	3,532,998				
Total non-current liabilities		3,803,560	3,532,998				
Total liabilities		566,184,288	767,133,694				
Equity							
Share capital	15	100,000,000	100,000,000				
Retained earnings	15						
Appropriated		20,499,420	19,499,684				
Unappropriated		76,741,501	69,243,882				
Reserves		7,267,402	7,267,402				
Total equity		204,508,323	196,010,968				
Total liabilities and equity		770,692,611	963,144,662	27,511,333,656	27,511,333,656	50,938,025,453	50,938,025,453

See accompanying notes to financial statements.

REGINA CAPITAL DEVELOPMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	For the years ended December 31	
		2025	2024
(In Philippine Peso)			
Revenue			
Commissions from stock brokerage services	16	34,418,575	34,935,685
Cost of services	17	12,019,240	9,458,164
<hr/>			
Gross profit		22,399,336	25,477,521
Interest income	4	19,454,445	12,138,274
Gain/(loss) in changes in fair value of financial asset at fair value through profit or loss:	6		
Realized		1,702,043	1,593,533
Unrealized		(1,154,131)	129,607
Other Income	18	15,566	26,692
Operating expenses	19	(34,915,012)	(31,697,571)
<hr/>			
Profit before income tax		7,502,246	7,668,056
Income tax benefit	21	(2,495,108)	(799,045)
<hr/>			
Net income		9,997,355	8,467,101
Other comprehensive income/(loss):			
<i>Not to be reclassified to profit or loss in subsequent subsequent periods: periods (net of deferred income tax)</i>			
Net unrealized gain/(loss) on financial assets at FVOCI, net of tax	8	-	-
Reversal of deferred tax liability on disposal of financial assets at FVOCI	8	-	-
<hr/>			
Total comprehensive income		9,997,355	8,467,101

See accompanying notes to financial statements.

REGINA CAPITAL DEVELOPMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY

	Reserves			Retained Earnings		Total
	Share Capital (Note 15)	Net unrealized gain on financial assets at FVOCI (Note 8)	Remeasurement gains/(losses) on retirement benefits (Note 14)	Unappropriated (Note 15)	Appropriated (Note 15)	
			(In Philippine Peso)			
Balances as of January 1, 2024	100,000,000	4,055,625	3,211,777	63,123,491	18,652,974	189,043,867
Total comprehensive income	-	-		8,467,101	-	8,467,101
Appropriations per SRC Rule 49.1 (b) (Note 15)	-	-	-	(846,710)	846,710	-
Cash dividends (Note 15)				(1,500,000)		(1,500,000)
Balances as of December 31, 2024	100,000,000	4,055,625	3,211,777	69,243,882	19,499,684	196,010,968
Total comprehensive income	-	-		9,997,355	-	9,997,355
Appropriations per SRC Rule 49.1 (b) (Note 15)	-	-	-	(999,735)	999,735	-
Cash dividends (Note 15)	-	-	-	(1,500,000)	-	(1,500,000)
Balances as of December 31, 2025	100,000,000	4,055,625	3,211,777	76,741,501	20,499,420	204,508,323

See accompanying notes to financial statements.

REGINA CAPITAL DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS

	Notes	For the years ended December 31	
		2025	2024
(In Philippine Peso)			
Cash flows from operating activities			
Profit before income tax		7,502,246	7,668,056
Adjustments for:			
Retirement benefit costs	14	337,450	323,853
Depreciation and amortization	9	8,049,167	3,776,774
Unrealized loss in changes in fair value of financial assets at fair value through profit or loss	6	1,154,131	(129,607)
Interest income	4	(19,454,445)	(12,138,274)
Operating loss before working capital changes		(2,411,450)	(499,198)
Decrease/(Increase) in:			
Trade and other receivables		31,328,712	179,401,917
Financial assets at fair value through profit or loss		3,383,810	(5,048,701)
Other current assets		(12,805,954)	1,578,828
Refundable deposits	23	(264,485)	(238,376)
(Decrease)/Increase in:			
Trade payables		(201,898,793)	376,994,359
Other current liabilities		678,825	(539,310)
Cash (absorbed by)/generated from operations		(181,989,335)	551,649,519
Interest received		19,454,445	12,138,274
Income tax paid		(487,750)	(548,432)
Retirement benefits paid		(66,888)	-
Net cash (used in)/provided by operating activities		(163,089,528)	563,239,361
Cash flows from investing activity			
Acquisition of property and equipment, net	9	(7,303,944)	(247,939)
Net cash used in investing activity		(7,303,944)	(247,939)
Cash flows from financing activity			
Payment of cash dividends	15	(1,500,000)	(1,500,000)
Net cash used in financing activity		(1,500,000)	(1,500,000)
Net (decrease)/increase in cash and equivalents		(171,893,472)	561,491,422
Cash and cash equivalents, January 1		794,668,191	233,176,769
Cash and cash equivalents, December 31	4	622,774,719	794,668,191

See accompanying notes to financial statements.

REGINA CAPITAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

(Amounts in Philippines Peso, unless otherwise stated.)

1. Corporate Information

REGINA CAPITAL DEVELOPMENT CORPORATION (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 6, 1989. The Company is a licensed broker/dealer of securities with the Philippine SEC and a holder of exchange trading right in the Philippine Stock Exchange (PSE). The Company is engaged in the business of financing and investing securities brokerage.

The Company's registered address is located at Unit 1809-1810 PSE Tower, 5th Avenue Cor. 28th Street, Bonifacio Global City, Taguig City 1634.

The accompanying financial statements of the Company were authorized and approved for issuance by the Board of Directors (BOD) on May 4, 2026.

2. Summary of Material Accounting Policy Information

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

Basis of Preparation and Statement of Compliance

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

Moreover, the statements of financial position contain some additional information in line with the requirements of Section 52.1 of the *2015 Implementing Rules and Regulations of Securities Regulation Code*.

Bases of Measurement

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

The financial statements of the Company have been prepared on a historical cost basis, except for financial assets at FVPL and FVOCI. Historical cost is generally based on the fair value of the consideration given in exchange of an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses observable market data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes to financial statements:

- Note 6, Financial Assets at FVPL
- Note 8, Financial Assets at FVOCI
- Note 23, Fair Value Measurement

Adoption of New and Revised IFRS Accounting Standards

Effective in 2025, the Company adopted the following new and revised PFRS Accounting Standards and Interpretations that are mandatory for the annual reporting period beginning on or after 1 January 2025.

- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

The Company has adopted the amendments to IAS 21 Lack of Exchangeability for the first time for the annual reporting period commencing 1 January 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would take place at a measurement date and at a spot exchange rate. The adoption of these amendments did not have a material impact on the financial position or performance of the Company as of cut-off date. The amendments were applied prospectively from 1 January 2025. No adjustments to opening retained earnings were required.

- *Amendments to IAS 1 and IFRS 7 – Supplier Finance Arrangements*

Effective 1 January 2025, the Company adopted amendments to IAS 7 and IFRS 7 concerning supplier finance arrangements. These amendments require entities to provide both qualitative and quantitative disclosures about these arrangements. Disclosures have been updated to reflect the impact of these arrangements on liabilities and cash flows.

- *Other Amendments*
Amendments to the SASB standards to enhance international applicability were also adopted effective 1 January 2025 but did not significantly impact the financial statements.

New Accounting Standards Issued But Not Yet Effective

In accordance with IAS 8:30, entities must disclose information about new standards that have been issued but are not yet effective.

- *IFRS 18 Presentation and Disclosures in Financial Statements*
Issued in April 2024, IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with early application permitted. It replaces IAS 1 and introduces new categories for income and expenses (operating, investing, financing) and mandates disclosure of management-defined performance measures. The Company is evaluating the potential impact of IFRS 18 on its financial statement presentation and required disclosures.
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures*
IFRS 19, issued in May 2024 and effective for periods starting on or after 1 January 2027, allows eligible subsidiaries to use reduced disclosure requirements. The Company is assessing whether it qualifies for IFRS 19, which could lead to fewer disclosures in the financial statement notes.
- *Amendments to IAS 21 – Translation to a Hyperinflationary Currency (Effective 1 January 2027)*
The amendments relate to the translation of financial statements from a functional currency not subject to hyperinflation into a reporting currency that is.
- *Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (Effective 1 January 2026)*
These amendments clarify the "solely payments of principal and interest" (SPPI) criterion for financial assets, particularly those with non-recourse features or ESG-linked features.

The Company is in the process of evaluating the impact of these standards and amendments but does not expect them to have a material effect on the financial statements upon adoption.

Financial Assets and Liabilities

Recognition and Measurement

Date of Recognition

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

Initial Recognition and Measurement

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.

Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2025 and 2024, the Company does not have financial liabilities at FVPL.

Financial Assets at FVPL

Financial assets at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not "solely for payment of principal and interest" assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Company may, at initial recognition, designate a financial asset meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

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

As at December 31, 2025 and 2026, the Company's investments in quoted equity securities are classified under this category (see Note 6).

Financial Assets at Amortized Cost

Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

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

amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Company's cash and cash equivalents, trade and other receivables and refundable deposits are classified under this category (see Notes 4, 5 and 23).

Financial Assets at FVOC

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, even if the asset is sold or impaired. The cumulative fair value adjustment is transferred to retained earnings when the asset is sold.

As at December 31, 2025 and 2024, the Company designated its investment in proprietary shares and investment in shares of stocks as financial assets at FVOCI (see Note 8).

Financial Liabilities at Amortized Cost

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

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

As at December 31, 2025 and 2024, the Company's trade payables, payable to agents and accrued expenses, and due to a stockholder are classified under this category (see Notes 11, 12 and 13).

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount.

Impairment of Financial Assets at Amortized Cost

The Company records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date.

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

Derecognition

Financial Assets

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

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

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

Financial Liabilities

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

Offsetting

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

Classification of Financial Instrument Between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Other Current Assets

Advances

Advances refers to advances to employees and officers. These are advances made by the Company to employees and officers to fund for working capital expenditures. These are subject to liquidation and are measured at transaction price less impairment in value, if any.

Creditable Withholding Taxes (CWTs)

CWTs represent the amount withheld by the Company's customers in relation to its income. CWTs can be utilized as payment for income taxes in the same year the revenue was collected provided that these are properly supported by certificates of creditable tax withheld at source. CWTs are stated at face amount less impairment in value, if any. Unapplied CWTs will be carried forward in the next financial year.

Prepayments

Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally recognized in profit or loss in the year 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 additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property and equipment have different estimated useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation is computed using the straight-line method over the following estimated useful lives of the property and equipment:

Asset Type	Number of Years
Office condominium unit	20
Transportation equipment	5
Furniture and fixtures	2 to 5

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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Fully depreciated and amortized assets are retained in the accounts until these are no longer in use and no further depreciation and amortization are credited or charged to current operations.

Exchange Trading Right

Exchange trading right is an intangible asset with indefinite useful life and is tested for impairment annually. Exchange trading right is not amortized but is carried at cost less accumulated impairment losses, if any. The assumption that the exchange trading right remains to be an intangible asset with an indefinite life is reviewed annually to determine whether this continues to be supportable as such. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight-line basis unless a more appropriate amortization method is warranted. Any impairment losses determined are recognized in profit or loss.

Gains or losses arising from the derecognition of exchange trading right are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss in the period of derecognition.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, except for the exchange trading right where test of impairment is done annually. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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

Value-added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT except receivables that are stated with the amount of VAT included.

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

Equity

Capital Stock

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

Other Comprehensive Income

This pertains to cumulative unrealized fair value gains on financial assets at FVOCI and accumulated actuarial gains on the Company's retirement benefits liability arising from experience adjustments and changes in financial assumptions. Unrealized fair value gains and losses on financial assets at FVOCI and remeasurements of retirement benefits liability, and the corresponding deferred tax components, are recognized immediately in other comprehensive income and are included in equity. These are not reclassified to profit or loss in subsequent periods.

Retained Earnings

Retained earnings represent the cumulative balance of net income, net of dividend declaration. Unappropriated retained earnings represent the unrestricted portion available for dividend declaration. Appropriated retained earnings represent the restricted portion which is

intended for the reserve fund in compliance with the SRC Rule 49.1(B).

Revenue Recognition

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

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. If the Company determines that it is the principal in its revenue transactions, revenue is recognized] at the full amount of the consideration received or receivable. Otherwise, revenue recognized is the net consideration and does not include the amount collected on behalf of the principal. The Company has assessed that it acts as agent in its brokerage transactions. The Company acts as a principal in its income from other sources.

Revenue from brokerage transactions consists of commissions. These are recorded on trade date basis as trade transactions occur.

The following specific recognition criteria must also be met for other revenue outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

Trading Gain (Loss) on Sale of Financial Assets at FVPL

Trading gain (loss) on sale of financial assets at FVPL includes gain or loss from changes in fair value and disposal of financial assets at FVPL. Unrealized gains or losses are recognized in profit or loss upon remeasurement of the financial assets at FVPL at each reporting date. Gains or losses from sale of FVPL are recognized in profit or loss upon confirmation of trade deals.

Interest Income

Interest income is recognized as it accrues on a time proportion basis using the effective interest method.

Dividend Income

Dividend is recognized as income when received or the right to receive the dividends is established.

Other Income

Income from other sources is recognized when earned.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. These are charged to profit or loss in the period when these are incurred.

Cost of Services

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

Operating Expenses

Operating expenses constitute costs of administering the business and costs incurred to sell and market the services.

Employee Benefits

Short-term Benefits

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

Retirement Benefits

Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit obligations is performed annually by a qualified actuary.

The Company recognizes current service costs and interest expense on the retirement benefits liability in profit or loss.

The Company determines the interest expense on retirement benefits liability by applying the discount rate to the retirement benefits liability at the beginning of the year, taking into account any changes in the liability during the period as a result of benefit payments.

Remeasurements of the retirement benefits liability, which consist of actuarial gains and losses are recognized immediately in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

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

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax

Current tax assets and liabilities 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 have been enacted or substantively enacted as at the reporting date.

Deferred Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carry-over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises 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 profit nor taxable statements of comprehensive income.

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

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

Deferred tax is recognized in statements of comprehensive income except to the extent it relates to a business combination, or items directly recognized to equity or in OCI.

Offsetting

Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related Party Relationship and Transaction

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

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

Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's financial position at the reporting date that are adjusting events reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments, Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

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

Assessing the Company's Business Model

Classification and measurement of financial assets depends on the results of the "solely for payments of principal and interests" and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed. The Company monitors financial assets measured at FVPL or amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

Assessing the ECL on Trade and Other Receivables

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

The Company uses a provision matrix to calculate ECL for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and number of days outstanding. The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor

affecting each customer segment [i.e., PSE index (PSEi)]. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECL on the Company's trade and other receivables is disclosed in Note 18.

The carrying amount of trade and other receivables are disclosed in Note 5.

Impairment of Receivables

The company reviews its loss allowances for receivables and impairment of receivables based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Assessing the ECL on Other Financial Assets at Amortized Cost

The Company determines the allowance for ECL using general approach. The Company calculates ECL for its other financial assets at amortized cost at initial recognition by considering the occurrences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

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

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

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

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2025 and 2024.

The carrying amounts of other financial assets at amortized cost are disclosed in Notes 4, 5 and 23.

Estimating the Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 23 for further disclosures.

Estimating the Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimates are based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amount and timing of recording of depreciation and amortization expense for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of the Company's property and equipment in 2025 and 2024.

The carrying amount of property and equipment is disclosed in Note 9.

Estimating the Useful Life and Assessing the Impairment of the Exchange Trading Right

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

No impairment loss on exchange trading right was recognized in 2025 and 2024. The carrying amount of exchange trading right is disclosed in Note 10.

Assessing the Impairment of Nonfinancial Assets

The Company assesses impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

No impairment loss was recognized on the Company's other current assets and property and

equipment in 2025 and 2024. The carrying amounts of these assets are disclosed in Notes 7 and 9, respectively.

Determining the Retirement Benefit Costs

The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts.

These assumptions are described in Note 14 to the financial statements and include, among others, discount rates and salary increase rates.

Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement liability.

The carrying amount of retirement benefits liability and the cumulative remeasurement adjustments on retirement benefits liability, net of deferred tax, recognized in equity is disclosed in Note 14.

Assessing the Recognition of Deferred Tax Assets

The carrying amounts of deferred tax assets at each reporting date are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized within the period allowed by the tax regulation. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenue and expenses.

The amount of deferred tax assets recognized by the Company are disclosed in Note 17.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	10,000	10,000
Cash in banks	84,528,243	70,475,316
Cash equivalents	538,236,476	724,182,875
Total	622,774,719	794,668,191

Cash in banks and cash equivalents earn interest at prevailing bank deposit and short-term placement rates. Related interest income amounted to P19.4 million and P12.1 million in 2025 and 2024, respectively.

Cash equivalents pertain to special reserve bank accounts for the exclusive benefit of the Company's customers in compliance with SRC Rule 49.2-1 covering customer protection and custody of securities.

The determination of cash reserve requirement is done weekly based on the SEC's prescribed computation. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

5. Trade and Other Receivables

This account consists of:

	2025	2024
Receivable from:		
Customers	44,526,584	37,424,495
Clearing house	11,424,553	48,925,535
Interest receivable	-	946,435
Others	585,631	569,016
	56,536,769	87,865,481
Less allowance for credit losses on receivables from customers	2,966,318	2,966,318
	53,570,451	84,899,163

On August 24, 2023, the migration to the shortened T+2 settlement cycle in accordance with the Securities Clearing Corporation of the Philippines (SCCP) Memo No. 01-0623 took effect. As at December 31, 2025 and 2024, trade receivables are due within two business days from the transaction date.

Receivables from customers are as follows:

	2025		2024	
	Money Balance	Security Valuation Long	Money Balance	Security Valuation Long
Receivables from:				
Fully secured accounts:				
More than 250%	2,621,155	20,965,056,784	15,878,814	44,067,642,660
Between 200% and 250%	13,910	32,470	260	39,428
Between 150% and 200%	351,244	536,308	5,808	6,661
Between 100% and 150%	1,869,056	1,872,750	82,934	3,217,816
Partially secured accounts	38,378,371	38,181,360	21,392,834	18,000,127
Unsecured accounts	1,292,849	-	63,845	-
	44,526,584	21,005,679,673	37,424,495	44,088,906,693
Less allowance for credit losses	2,966,318	-	2,966,318	
	41,560,266	21,005,679,673	34,458,177	44,088,906,693

Collaterals on receivables from customers are listed equity securities amounting to P21.006 and P44.088 billion as at December 31, 2025 and 2024, respectively. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices, from active markets as at the reporting date.

Receivables from clearing house are due and collectible after two business days from the transaction date in 2025 and 2024.

Allowance for credit losses pertains to specific provisions on past due receivables from customers. Movement in the allowance for credit losses is as follows:

	2025	2024
Balance, January 1	2,966,318	2,966,318
Net provision (reversal of allowance) for credit loss	-	-
Balance, December 31	2,966,318	2,966,318

The Company was granted a permanent Alternative Trading System (ATS) license by the SEC to trade receivables using the trade platform of Trade and Services Related Securities Dealing and Quotation (TRESDAQ). As at December 31, 2025 and 2024, the Company has no significant receivable trading transaction.

6. Financial Assets at FVPL

This account consists of listed shares in PSE acquired principally for the purpose of selling or repurchasing in the near term and a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets at FVPL amounted to P8.8 million and P13.4 million as at December 31, 2025 and 2024, respectively.

The fair value of the financial assets at FVPL is determined based on its quoted market prices available for active market as at December 31, 2025 and 2024. These are measured using Level 1 category (see Note 23).

The movement of financial assets at FVPL follows:

	2025	2024
Balance	13,360,143	8,181,835
Buying/ Selling,	(3,383,810)	5,048,701
Changes in fair value	(1,154,131)	129,607
Balance	8,822,202	13,360,143

Reconciliation between cost and the fair value of financial assets at FVPL follows:

	2025	2024
Cost	9,846,726	13,230,536
Fair value adjustment	(1,024,524)	129,607
Fair value	8,822,202	13,360,143

Trading gains (losses) on financial assets at FVPL consist of:

	2025	2024
Unrealized (loss)/ gain	(1,154,131)	129,607
Realized gain on sale	1,702,043	1,593,533

No dividend income was earned in 2025 and 2024.

7. Other Current Assets

This account consists of:

	2025	2024
Advances	23,610,256	12,001,312
CWTs	12,086,659	10,527,983
Prepayments and others	203,075	564,741
	35,899,990	23,094,036

Advances refers to advances to employees and officers that are unsecured and are normally settled through salary deduction.

Prepayments and others pertain mainly to prepaid insurance, prepaid rent and membership fees.

8. Financial Assets at FVOCI

Financial assets at FVOCI pertains to propriety shares amounting to P6.3 million as at December 31, 2025 and 2024.

Movements in this account are as follows:

	2025	2024
Balance, January 1	6,270,000	6,270,000
Unrealized gain/(loss) on fair value changes	-	-
Balance, December 31	6,270,000	6,270,000

The cumulative unrealized fair value gain on financial assets at FVOCI recognized in other comprehensive income follows:

	Cumulative Unrealized Fair Value Gain/(Loss)	Net Deferred Tax	Net
Balance as at January 1, 2025	5,407,500	(1,351,875)	4,055,625
Net unrealized loss	-	-	-
Balance as at December 31, 2025	5,407,500	(1,351,875)	4,055,625
Balance as at January 1, 2024	5,407,500	(1,351,875)	4,055,625
Net unrealized loss	-	-	-
Balance as at December 31, 2024	5,407,500	(1,351,875)	4,055,625

The management has tried to find the fair value of the FVOCI, but none are found in the quoted market price or in any site with published rates; therefore, the cost was used as the fair value.

9. Property and Equipment

The composition of and movements in this account are as follows:

	Office Condominium Units	Transportation Equipment	Furniture and Fixtures	Total
Cost				
January 1, 2024	39,907,404	6,727,769	3,087,021	49,722,194
Additions	-	-	247,939	247,939
December 31, 2024	39,907,404	6,727,769	3,334,960	49,970,134
Additions	127,170	-	3,400,000	3,527,170
December 31, 2025	40,034,574	6,727,769	6,734,960	53,497,304
Accumulated depreciation				
January 1, 2024	13,477,538	4,478,210	1,999,362	19,955,110
Depreciation	2,525,784	633,025	617,965	3,776,774
December 31, 2024	16,003,322	5,111,235	2,617,327	23,731,884
Depreciation	2,525,784	1,286,182	460,428	4,272,394
December 31, 2025	18,529,106	6,397,417	3,077,755	28,004,278
Net book value				
December 31, 2025	21,505,468	330,352	3,657,205	25,493,026
December 31, 2024	23,904,082	1,616,534	717,633	26,238,249

The cost of fully depreciated and amortized property and equipment still in use by the Company amounted to P3.8 million as at December 31, 2025 and 2024.

10. Exchange Trading Right

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

The carrying amount of exchange trading right amounted to P1.2 million as at December 31, 2025 and 2024. The latest transacted price for the sale of trading right in the PSE was Seven Million Seven Hundred Thousand Pesos (P7,700,000) as approved by the PSE Board of Directors on September 17, 2025, while the latest transacted price was P8,000,000 in 2024.

11. Trade Payables

This account consists of:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Payable to customers:				
With money balance	508,990,663	6,262,932,560	685,650,472	6,835,758,617
Without money balance	-	233,899,221.20	-	-
	508,990,663	6,496,831,781	685,650,472	6,835,758,617
Payable to clearing house	22,849,251	-	69,993,406	-
Others	22,378,832	-	473,661	-
	554,218,746	6,496,831,781	756,117,539	6,835,758,617

On August 24, 2023, the migration to the shortened T+2 settlement cycle in accordance with SCCP Memo No. 01-0623 took effect. As at December 31, 2025 and 2024, payable to clearing house is due after two business days from the transaction date.

Payable to customers pertain to segregated bank balances received and held for customers in the course of its regulated trading activities. These are noninterest-bearing.

Payable to clearing house is due after two business days from the transaction date both in 2025 and 2024. Accordingly, balances as at December 31, 2025 were fully paid on January 6, 2026.

Others mainly pertains to payable to third parties for certain services to be settled within the following month.

12. Other Current Liabilities

	2025	2024
Statutory payable	2,787,856	3,157,557
Payable to agents	2,850,242	2,412,926
Accrued expenses	1,832,464	1,221,254
	7,470,562	6,791,737

Statutory payable consists of payable to government agencies such as Bureau of Internal Revenue (BIR), Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth) and Home Development Mutual Fund (HDMF) and are normally settled in the following month.

Payable to agents pertains to fees that are payable to stockbroker agents for their services and commissions which will be settled within one year.

Accrued expenses consist mainly of utilities expenses and outside services incurred by the Company. These are normally settled in the next financial year.

13. Related Party Transactions

The Company has transactions with its stockholder as described below:

Related Party	Nature of Transactions	Amount of Transaction		Outstanding Balance	
		2025	2024	2025	2024
Due to a stockholder	Consultancy fee	-	-	-	-
	Cash advances	-	-	691,420	691,420

Consultancy fee pertains to operational and business development support services. The consultancy fee is classified as part of "Outside services" account under "Administrative expenses" in the statements of comprehensive income. The balance of due to a stockholder is unsecured, noninterest-bearing and payable on demand and in cash.

Compensation of key management personnel, consisting of salaries and other benefits, amounted to P2.4 million and P3.5 million in 2025 and 2024, respectively.

The Company did not meet the criteria prescribed in RR No. 34-2020 to file and submit the Related Party Transaction Form or the BIR Form 1709 together with the Annual Income Tax Return. Accordingly, the Company is not also required to prepare and submit a transfer pricing documentation as prescribed in the said regulation.

14. Retirement Benefits Liability

The Company has an unfunded, noncontributory defined benefit retirement plan covering substantially all of its regular employees. This plan provides for a retirement benefit equal to 100% of plan salary for every year of credited service. Benefits are paid in lump sum upon retirement or separation in accordance with the terms of the plan. The defined benefit retirement plan is determined using the projected unit credit method. There was no plan amendment, curtailment or settlement for the years ended December 31, 2025 and 2024.

Contribution and costs are determined in accordance with actuarial valuation made for the plan. The latest actuarial valuation study of the retirement plan by an independent actuary using the projected unit credit method as at December 31, 2019. The Company did not obtain an actuarial valuation as at December 31, 2025 because the management believes that the difference between the retirement liability as determined by an actuarial valuation and retirement liability recorded is not significant.

The principal assumptions used to determine retirement benefits of the Company are as follows:

	2025	2024
Discount rate	6.53%	6.58%
Salary projection rate	4.00%	4.00%

The movements in the retirement benefits liability are as follows:

	2025	2024
Balance at beginning of year	3,532,998	3,209,145
Retirement benefits cost	337,450	323,853
Benefits paid	(66,888)	-
Balance at end of year	3,803,560	3,532,998

The retirement benefits cost recognized as part of "Salaries and other employee benefits" under "Cost of services" account in the statements of comprehensive income is as follows:

	2025	2024
Current service cost	115,634	115,921
Interest cost	221,816	207,932
	337,450	323,853

Remeasurement Gain

The cumulative remeasurement gain on retirement benefits liability recognized in other comprehensive income as at December 31, 2025 and 2024:

	Cumulative Remeasurement Gain	Net Deferred Tax	Net
Balance as at beginning and end of year	3,211,777	-	3,211,777

The maturity analysis of the undiscounted benefit payments for more than five years amounted to P11,419,448 and P11,187,017 as of December 31, 2025 and 2024, respectively.

The average duration of the retirement benefits liability as of December 31, 2025 and 2024 is 15 and 13 years, respectively.

15. Share Capital and Retained Earnings

Share capital is composed of:

	2025	2024
Authorized - Par value, P1,000 per share: 200,000 shares: <u>P200,000,000</u>		
Issued and outstanding 100,000 shares	100,000,000	100,000,000
	100,000,000	100,000,000

As at December 31, 2025 and 2024, the Company has eight (8) stockholders, six (6) of which own more than 100 shares each of the Company’s capital stock in 2025 and 2024.

Retained Earnings

Cash Dividend

On December 5, 2025, and November 8, 2024, the Company’s BOD approved the declaration of cash dividends amounting to P1.5 million to its stockholders of record as of December 31, 2025, and 2024. The Company’ paid dividends amounting to P1.5 million on December 31, 2025 and 2024.

Appropriation

The Company shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to appropriated retained earnings. Minimum appropriation of 30%, 20% and 10% of profit after tax for broker/dealers with unimpaired paid up capital of between P10.0 million to P30.0 million, between P30.0 million to P50.0 million, and more than P50.0 million, respectively, are prescribed by SRC Rule 49.1 (B).

In compliance with SRC Rule 49.1 (B), the Company appropriated a reserve fund amounting to P999,735 and P846,710 in 2025 and 2024, respectively, which is equivalent to 10% of audited net income. This represent the reserve fund established solely to comply with the requirements of the SRC rule. No portion of the appropriated retained earnings pertains to any other purpose. The total appropriated retained earnings amounted to P20,499,420 in 2025 and P19,499,684 in 2024. Moreover, the entire balance of appropriated retained earnings pertains solely to compliance with the said regulatory requirements.

16. Revenue

Commission revenue amounted to P34,418,575 in 2025 and P34,935,685 in 2024.

17. Cost of Service

This account consists of the following:

	2025	2024
Commission expense	6,552,358	4,168,036
Dues and subscriptions	2,500,079	2,687,166
Salaries and other employee benefits	2,966,802	2,602,962
Total	12,019,240	9,458,164

Breakdown of Salaries and other employee benefits – Cost of service

	Note	2025	2024
Rice and sugar subsidy		603,341	629,443
Employees benefit		701,008	564,900
13th month pay		478,158	455,100
Demin-transportation		645,004	423,558
Employee retirement cost	14	337,450	323,853
Demin-meal expenses		201,840	206,108
Total		2,966,802	2,602,962

18. Other Income

Other income pertains to miscellaneous income which amounted to P15,556 in 2025 and P26,692 in 2024.

19. Operating Expenses

The breakdown of operating expenses follows:

	Notes	2025	2024
Transportation and travel		10,806,397	7,843,904
Salaries and wages		5,322,957	5,801,284
Depreciation		4,272,394	3,776,774
Professional fees		2,532,899	2,433,757
Subscription and periodicals		1,873,304	1,769,604
Repairs and maintenance		1,827,458	2,602,361
Representation		1,161,816	1,382,614
Directors fees		1,120,000	1,120,000
Meeting and conferences		973,718	943,986
Taxes and licenses		742,652	304,411
Condominium dues and fees		688,959	525,981
Postage, telephone and communication		376,011	450,765
Utilities		321,883	272,781
Company outing		243,040	308,820
Gas and oil		232,253	407,008
Christmas giveaways		226,023	153,141
Insurance		223,461	171,415
Bank charges		104,547	392,145
Membership dues		130,875	139,357
Amortization-intangible assets		110,268	31,696
Office supplies		82,505	145,642
Security, messengerial and janitor		86,196	81,000
Donations and charitable contributions		60,000	-
Computer software (net of amort)		53,571	3,125
Advertising and promotion		48,000	77,358
Transfer fees		23,728	39,367
Rent		4,257	3,498
Other charges		3,185	5,017
Trainings and seminars		3,125	10,571
Fines and penalties		-	145,000
Miscellaneous		1,259,529	355,189
Total		34,915,012	31,697,571

Breakdown of salaries and wages -Operations

Note	2025	2024
Salaries and wages	4,904,869	5,402,708
SSS contribution	313,048	292,985
Philhealth contribution	77,341	77,991
HDMF fund contribution	27,700	27,600
Total	5,322,957	5,801,284

20. Capital Management

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

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

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

Required Capitalization for Broker/Dealers

SRC Rule 28.1 provides the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker/dealers. One of the requirements includes unimpaired paid-up capital of P100.0 million for broker/dealers, which are either first-time registrants who will be participating in a registered clearing agency upon the effectivity of the rule or those acquiring the business of existing broker/dealer firms.

On May 28, 2009, the SEC approved the PSE's *Rules Governing Trading Rights and Trading Participants*, which supersede the *Membership Rules* of the PSE. Section 8(c) of Article III of the said rules requires trading participants to have a minimum unimpaired paid-up capital, as defined by the SEC, of P30.0 million effective December 31, 2010 and onwards.

As at December 31, 2025 and 2024, the Company is compliant with the capital requirement. Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to P100.0 million as at December 31, 2025 and 2024.

Net Liquid Capital (NLC)

The Company is required, at all times, to have and maintain a NLC of at least P5.0 million or 5% of its Aggregate Indebtedness (AI), whichever is higher.

In computing for NLC, all nonallowable assets/equities, and collateralized liabilities will be deducted and allowable liabilities and equities are added to equity per books.

The equity eligible for NLC pertains to the sum of the following:

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

The equity eligible for NLC shall exclude deferred income tax, revaluation reserves and any outside investment in affiliates and associates.

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

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

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

Ratio of AI to NLC

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

The Company's ratio of AI to NLC is 476% and 610% as at December 31, 2025 and 2024, respectively.

Risk Based Capital Adequacy (RBCA) Requirement/Ratio

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

The TRCR is the sum of:

- a. Operational risk requirement (ORR);
- b. Credit risk requirement which includes requirements for counterparty risk, settlement risk, large exposure risk, and margin lending/financing risk; and
- c. Position or market risk requirement.

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

The RBCA ratio of the Company as of December 31, 2025 and 2024 are as follows:

	2025	2024
Equity eligible for net liquid capital	192,729,707	186,727,461
Less: Ineligible assets	73,296,073	60,954,242
Total	119,433,634	125,773,219
Position risks	2,438,853	3,564,820
Operational risks	10,974,329	11,512,778
Counterparty risks	271,392	751
Total Risk Capital Requirement	13,684,573	15,078,349
AI	566,184,288	767,133,694
5% of AI	28,309,214	38,356,685
Required NLC	5,000,000	5,000,000
Net Risk-Based Capital Excess	91,124,420	120,773,219
Ratio of AI to NLC	474%	610%
RBCA Ratio	873%	834%

Ratio of Core Equity to ORR

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

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

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

	2025	2024
Capital Stock	100,000,000	100,000,000
Beginning retained earnings	88,743,566	81,776,465
Core equity	188,743,566	181,776,465
ORR	10,974,329	11,512,778
Ratio of core equity to ORR	17.20:1	15.79:1

21. Income Tax

The Company's current provision for income tax pertains to MCIT and RCIT in 2025 and 2024, respectively.

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

	2025	2024
Unrealized loss/(gain) on fair value changes:		
Excess of cost over fair value of financial assets at		
FVPL	5,450,762	5,450,762
NOLCO	5,310,467	2,882,998
Excess of fair value over cost of financial assets at		
FVOCI	(675,083)	(675,083)
Allowance for impairment losses	741,580	741,580
Retirement benefits liability	950,890	883,250
	11,778,615	9,283,507

In 2025 and 2024, the Company reported NOLCO amounting to P9,709,875 and P3,242,715, respectively.

The NIRC OF 1997 provides for the recognition of Net Operating Loss Carryover (NOLCO). NOLCO is allowed as deduction from the taxable income in the next three years from inception year.

Validity of NOLCO follows:

Year Incurred	Validity	Amount	Applied	Expired	NOLCO Unapplied	Deferred Tax Asset
2025	2028	9,709,875	-	-	9,709,875	2,427,469
2024	2027	3,242,715	-	-	3,242,715	810,679
2023	2026	8,289,277	-	-	8,289,277	2,072,319
		21,241,867	-	-	21,241,867	5,310,467

As provided by BIR Regulations No. 25-2020 (Section 4) dated September 30,2020, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may

be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five (5) consecutive taxable years immediately following the year of such loss.

Under the National Internal Revenue Code (NIRC) of 1977, the income tax liability of Corporations shall be higher between RCIT and the Minimum Corporate Income Tax (MCIT). MCIT is computed at 2% of the modified gross income. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years.

Deferred Charges – MCIT

The carrying benefit of MCIT is presented below:

Year Incurred	Validity	MCIT	Applied	Expired	Excess MCIT
2025	2028	487,750	-	-	487,750
2024	2027	548,432	-	-	548,432
		1,036,182	-	-	1,036,182

The reconciliation of provision for (benefit from) income tax based on statutory tax rate and effective tax rate is shown below:

	2025	2024
Provision for income tax rate at statutory tax rate	1,875,562	1,917,014
Add (deduct) tax effects of:		
Interest income already subjected to a final tax	(4,863,611)	(3,034,569)
Unrealized trading gains on financial assets at FVPL	288,533	(32,402)
Nondeductible expenses	204,409	339,278
Change in unrecognized deferred tax assets	-	11,634
Nontaxable dividend income	-	-
Realized gain on sale of FVOCI	-	-
Adjustment - DTA	-	-
Provision for income tax rate at effective tax rate	(2,495,108)	(799,045)

22. Financial Instrument Risk Management

The Company's financial assets comprise cash and cash equivalents, trade and other receivables, refundable deposits, financial assets at FVPL and financial assets at FVOCI. The Company's financial liabilities include trade payables, due to a stockholder and accrued expenses. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's BOD and management review and approve the policies for managing each of the risks, which are summarized below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and equity instruments.

The sensitivity analyses in the following sections relate to the position as at December 31, 2025 and 2024.

The sensitivity of the relevant items in the statements of comprehensive income is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2025 and 2024.

Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash equivalents with fixed interest rates.

In 2025 and 2024, the Company did not engage in any freestanding derivative transactions nor did the Company have any outstanding derivative contracts.

The Company has no floating interest rate. The Company is not exposed to cash flow interest rate risk.

Equity Price Risk

Equity price risk is the risk that the fair values of quoted equity securities would decrease as the result of the adverse changes in the quoted equity prices as affected by both rational and irrational market forces. The equity price risk exposure of the Company arises from its financial assets at FVPL. The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

Credit Risk

The Company's exposure to credit risk arises when a customer or a counterparty fail to fulfill their financial commitments to the Company under the prevailing contractual terms. The nature of the Company's business exposes it to potential risk of loss due to customers defaulting on their trading obligations on settlement dates or the possibility that the value of collateral held to secure obligations becomes inadequate due to adverse market conditions.

Customers are initially assessed for creditworthiness based on their profile (i.e., financial capacity, reputation, collateral). The Company mitigates its credit risk by transacting with recognized and creditworthy customers. The Company also monitors receivable balances regularly. In accordance with the RBCA requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company and its group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

The Company's maximum exposure to credit risk without taking into account any collateral, other credit enhancement or credit risk mitigating features is shown below:

2025				
	12-month	Lifetime ECL - not credited-impaired	Lifetime ECL - credit impaired	Total
Financial assets at amortized cost:				
Cash and cash equivalents	622,764,719			622,764,719
Trade receivables		52,984,819	2,966,318	55,951,138
Refundable deposits	3,820,596			3,820,596
	626,585,315	52,984,819	2,966,318	682,536,453

**excluding cash on hand amounting to P10,000.*

2024				
	12-month	Lifetime ECL - not credited-impaired	Lifetime ECL - credit impaired	Total
Financial assets at amortized cost:				
Cash and cash equivalents	794,658,191	-	-	794,658,191
Trade receivables	-	83,383,712	2,966,318	86,350,030
Refundable deposits	3,556,111	-	-	3,556,111
	798,214,302	83,383,712	2,966,318	884,564,332

**excluding cash on hand amounting to P10,000.*

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

The analysis of credit quality per class of financial assets at amortized cost as at December 31 is as follows:

2025							
	Neither Past Due nor Impaired			Past Due not Impaired			Total
	High grade	Standard	2 to 12	13 to 30	Over 30 Days	Impaired	
		grade	Days	Dys			
Financial assets at amortized cost:							
Cash and cash equivalents*	622,764,719						622,764,719
Trade receivables	49,293,985		1,663,543	847,769	1,179,523	2,966,318	55,951,138
Refundable deposits	3,820,596						3,820,596
	675,879,300	-	1,663,543	847,769	1,179,523	2,966,318	682,536,453

**Excluding cash on hand amounting to P10,000.*

	2024						Total
	Neither Past Due nor Impaired			Past Due not Impaired			
	High grade	Standard	2 to 12	13 to 30	Over 30 Days	Impaired	
		grade	Days	Dys			
Financial assets at amortized cost:							
Cash and cash equivalents*	794,658,191	-	-	-	-	-	794,658,191
Trade receivables	77,461,853	-	2,490,801	2,601,221	829,837	2,966,318	86,350,030
Refunfable deposits	3,556,111	-	-	-	-	-	3,556,111
	875,676,155	-	2,490,801	2,601,221	829,837	2,966,318	884,564,332

*Excluding cash on hand amounting to P10,000.

The Company uses a provision matrix to calculate ECL for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and number of days outstanding. The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment (i.e., PSEi). At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

As at December 31, 2025 and 2024, the Company's financial assets classified as neither past due nor impaired are considered high grade and standard grade financial assets as these have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the financial assets are readily convertible). Impaired trade and other receivables were classified as substandard grade. The credit quality of such financial assets at amortized cost is managed by the Company using the internal credit quality ratings as follows:

- *High Grade.* Pertains to counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.
- *Standard Grade.* Pertains to counterparty with performance rating ranging from satisfactory to acceptable and repayment capacity has to be monitored.
- *Substandard Grade.* Financial assets not belonging to high grade and standard grade financial assets are included in this category. These include financial assets which are past due and impaired and require persistent effort from the Company to collect.

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

2025			
Days from Transaction Date of Counterparty	Amount	Collateral (Net of Haircut)	Counterparty Exposure
0 - 1 day	40,835,750	13,727,957,893	-13,687,122,143
2 - 12 days	1,663,543	1,698,130	-34,587
13 - days	847,769	688,617	159152.28
Over 30 days	1,179,523	1,151,227	28,295
	44,526,584	13,731,495,867	-13,686,969,282

2024			
Days from Transaction Date of Counterparty	Amount	Collateral (Net of Haircut)	Counterparty Exposure
0 - 1 day	31,502,636	28,722,892,474	28,691,389,838
2 - 12 days	2,490,801	36,040,527	33,549,726
13 - days	2,601,221	2,602,285	1063.8
Over 30 days	829,837	983,912	154,076
	37,424,495	28,762,519,199	28,725,094,704

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

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

As at December 31, 2025 and 2024, the Company's receivables from customers amounting to P44.5 million and P37.4 million, respectively are secured by collateral comprising of equity securities of listed companies with a total market value of P13,731.50 billion and P28,762.52 billion, respectively (see Note 5).

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Company's objective is to maintain a balance between continuity of funding and flexibility through related party advances and aims to manage liquidity as follows:

- (a) to ensure that adequate funding is available at all times;
- (b) to meet the commitments as they arise without incurring unnecessary costs; and
- (c) to be able to access funding when needed at the least possible cost.

The Company monitors its cash flows, particularly the receivable from customers' collections and the funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in the bank (see Note 4).

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal.

2025				
	On Demand	Less than a year	1 to 5 years	Total
Trade payables	-	554,218,746	-	554,218,746
Payable to agents	-	2,850,242	-	2,850,242
Accrued expenses	-	1,832,464	-	1,832,464
Due to a stockholder	-	691,420	-	691,420
	-	559,592,872	-	559,592,872
2024				
	On Demand	Less than a year	1 to 5 years	Total
Trade payables	-	756,117,539	-	756,117,539
Payable to agents	-	2,412,926	-	2,412,926
Accrued expenses	-	1,221,254	-	1,221,254
Due to a stockholder	-	691,420	-	691,420
	-	760,443,139	-	760,443,139

23. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets measured at fair value and for which fair value is disclosed, and the corresponding fair value hierarchy:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	622,774,719	622,774,719	794,668,191	794,668,191
Trade and other receivables	53,570,451	53,570,451	84,899,163	84,899,163
Refundable deposits	3,820,596	3,820,596	3,556,111	3,556,111
At FVPL	8,822,202	8,822,202	13,360,143	13,360,143
At FVOCI	6,270,000	6,270,000	6,270,000	6,270,000
	695,257,968	695,257,968	902,753,608	902,753,608
Financial Liabilities				
At amortized cost:				
Trade payables	554,218,746	554,218,746	756,117,539	756,117,539
Payable to agents	2,850,242	2,850,242	2,412,926	2,412,926
Accrued expenses	1,832,464	1,832,464	1,221,254	1,221,254
Due to a stockholder	691,420	691,420	691,420	691,420
	556,742,630	556,742,630	758,030,213	758,030,213

Cash and Cash Equivalents, Trade and Other Receivables, Due from a Stockholder, Trade Payables and Accrued Expenses. Due to the short-term nature of transactions, the fair values of these financial assets and liabilities approximate their carrying amounts at the reporting date.

Refundable Deposits. The refundable deposits pertain to SCCP's established Clearing and Trade Guaranty Fund (CTGF) or Clearing Fund. The Clearing Fund is continuously being built up through the collection of monthly contributions from its active Clearing Members, based on the Clearing Members' total monthly turnover value net of block sales.

The carrying amount of refundable deposits approximates fair value. The management believes that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is not significant.

Financial Assets at FVPL and Financial Assets at FVOCI. The Company's financial assets at FVPL and financial assets at FVOCI are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on prevailing quoted market prices, which are usually the closing prices, from active markets as at reporting date.

There were no transfers among Level 1, Level 2 and Level 3 fair value measurements in 2025 and 2024.

24. Supplementary Information required by the Bureau of Internal Revenue

Revenue Regulation No. 15-2010

Revenue Regulation 15-2010 issued by the Bureau of Internal Revenue, requires, in addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may heretofore be adopted, the Notes to Financial Statements to include information on taxes, duties and license fees paid or accrued during the taxable year, as follows:

Output VAT

Details of the Company's output VAT declared are as follows:

	2025		2024
Vatable receipts	36,228,383		36,818,348
Output VAT rate	12%		12%
Total	4,347,406	-	4,418,202

Input VAT

Details of the Company's input VAT claimed are as follows:

	2025	2024
Balance, January 1		
Purchase of material and services	9,354,507	8,661,727
Total available input VAT	1,122,541	1,039,407
Claimed	(1,122,541)	(1,039,407)
Balance, December 31	-	-

Withholding taxes

	2025	2024
Tax withheld by the company on:		
Compensation	315,462	378,325
Expanded	1,553,115	1,162,670
Final	150,000	150,000
	2,018,577	1,690,994

Taxes and licenses

Taxes and licenses amounted to P742,652 in 2025 and P304,411 in 2024.

As of the year ended December 31, 2025, the Company has no pending tax assessment.

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REGINA CAPITAL DEVELOPMENT CORPORATION

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

For the years up to 2025, Regina Capital Development Corporation did not enter into any subordinating agreement and no changes were presented as required under Rule 52.1-5 of the Securities Regulation Code.

Schedule 1

REGINA CAPITAL DEVELOPMENT CORPORATION
RISK-BASED CAPITAL ADEQUACY WORKSHEET

December 31, 2025

Assets	770,692,611
Liabilities	566,184,288
Equity as per books	204,508,323
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	11,778,615
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	11,778,615
Equity Eligible For Net Liquid Capital	192,729,707
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	1,226,830
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	25,493,026
d. All Other Current Assets	35,899,990
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	
g. Notes Receivable (non-trade related)	585,631
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	3,820,596
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	6,270,000
Total ineligible assets	73,296,073
Net Liquid Capital (NLC)	119,433,634
Less:	
Operational Risk Reqt (Schedule ORR-1)	10,974,329
Position Risk Reqt (Schedule PRR-1)	2,438,853
Counterparty Risk (Schedule CRR-1 and detailed schedules)	271,392
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	13,684,573
Net RBCA Margin (NLC-TRCR)	105,749,061
Liabilities	566,184,288
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilites	
Loans secured by securities	
Loans secured by fixed assets	
Others	
Total adjustments to AI	
Aggregate Indebtedness	566,184,288
5% of Aggregate Indebtedness	28,309,214
Required Net Liquid Capital (> of 5% of AI or P5M)	28,309,214
Net Risk-based Capital Excess / (Deficiency)	91,124,420
Ratio of AI to Net Liquid Capital	474%
RBCA Ratio (NLC / TRCR)	873%

REGINA CAPITAL DEVELOPMENT CORPORATION

**INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS UNDER SRC RULE 49.2 ANNEX 49.2-A
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 but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2 ANNEX 49.2-A:

Market Valuation	N/A
Number of items	N/A

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

Market Valuation	N/A
Number of items	N/A

REGINA CAPITAL DEVELOPMENT CORPORATION

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER ANNEX G OF SRC RULE 49.2 ANNEX 49.2-B
DECEMBER 31, 2024**

	CREDITS	DEBITS
Free credit balances and other credit peso balances in customer's security account	P 561,173,761	
Customer securities failed to receive	-	
Debit balances in customer's cash or margin accounts excluding unsecured accounts doubtful of collection		42,731,758
Receivable from clearing house		-
TOTALS	P 561,173,761	P 42,731,758
Excess of credit balances over debit balances		518,442,003
Required Reserve		544,364,103
"Special Reserved Bank Account		P 538,236,476
Additional deposit required		-

Schedule 4

REGINA CAPITAL DEVELOPMENT CORPORATION

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

During the current year audit, no material inadequacies were found to exist or found to have existed since the date of the previous audit.

REGINA CAPITAL DEVELOPMENT CORPORATION

**RESULTS OF MONTHLY SECURITIES COUNT CONDUCTED
PURSUANT TO SRC RULE 52.1-10, AS AMENDED, AS OF THE
DATE OF THE STATEMENTS OF FINANCIAL CONDITION IN
THE ANNUAL AUDITED FINANCIAL REPORT
DECEMBER 31, 2025**

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

Schedule 6

REGINA CAPITAL DEVELOPMENT CORPORATION
SECURITIES POSITION REPORT
As of December 31, 2025

Market	PSE	CODE	CUSTOMERS ACCOUNT		DEALER'S/INVESTMENT		WITH CLEARING		IN BOX		TRANSFER OFFICE		IN PCID	
			No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
13.50		13.50 ZGO	2,775	37,462.50										37,462.50
1.61		1.61 AAA	561,900	904,659.00										904,659.00
2.06		2.06 AB	14,339	29,538.34										29,538.34
0.26		0.26 ABA	90,455,469	23,518,421.94										23,518,421.94
18.78		18.78 ABG	317,500	5,962,650.00										5,962,650.00
4.21		4.21 ABS	752,447	3,167,801.87										3,167,801.87
3.41		3.41 ABSP	90,600	308,946.00										308,946.00
468.00		468.00 AC	248,119	116,119,692.00										116,119,692.00
1.20		1.20 ACE	696,850	836,220.00										836,220.00
2.72		2.72 ACEN	35,499,566	96,558,819.52										96,558,819.52
1010.00		1010.00 ACENA	1,215	1,227,150.00										1,227,150.00
1070.00		1070.00 ACENB	22,160	23,711,200.00										23,711,200.00
2540.00		2540.00 ACPAR	1,230	3,124,200.00										3,124,200.00
1988.00		1988.00 ACPB3	545	1,083,460.00										1,083,460.00
1989.00		1989.00 ACPB4	1,000	1,989,000.00										1,989,000.00
0.47		0.47 ACR	3,047,000	1,432,090.00										1,432,090.00
0.00		0.00 ACRM	3,085	0.00										0.00
0.00		0.00 ACV	21,559	0.00										0.00
28.00		28.00 AEW	1,478,736	41,404,608.00										41,404,608.00
8.19		8.19 AGL	2,430,300	19,904,157.00										19,904,157.00
1.17		1.17 AGLW	88,725	103,808.25										103,808.25
0.00		0.00 ALC	1	0.00										0.00
0.42		0.42 ALCO	4,455,598	1,871,351.16										1,871,351.16
485.00		485.00 ALCPPD	243,000	117,855,000.00										117,855,000.00
500.00		500.00 ALCPE	2,000	1,000,000.00										1,000,000.00
3.87		3.87 ALHL	7,178,200	27,779,634.00										27,779,634.00
0.00		0.00 ALHIP	49,800	0.00										0.00
22.45		22.45 ALI	8,366,567	187,829,429.15										187,829,429.15
0.00		0.00 ALIP	168,554	0.00										0.00
0.03		0.03 ALLDY	16,022,000	496,682.00										496,682.00
1.30		1.30 ALLHC	2,949,100	3,833,830.00										3,833,830.00
0.84		0.84 ALTER	537,000	451,080.00										451,080.00
0.54		0.54 ANI	3,643,178	1,967,316.12										1,967,316.12
14.40		14.40 ANS	562,717	8,103,124.80										8,103,124.80
44.00		44.00 AP	1,306,300	57,477,200.00										57,477,200.00
0.11		0.11 APC	3,912,000	414,672.00										414,672.00
0.01		0.01 APL	735,658,000	3,678,290.00										3,678,290.00
0.70		0.70 APV	10,743,089	7,520,162.30										7,520,162.30
8.40		8.40 APV1	64,783	544,177.20										544,177.20
12.44		12.44 APY	2,217,718	27,588,411.92										27,588,411.92
0.00		0.00 AR	1,416,340,000	6,515,164.00										6,515,164.00
0.40		0.40 AR-A	11,655,163	4,662,065.20										4,662,065.20
43.50		43.50 AREIT	730,751	31,787,668.50										31,787,668.50
0.82		0.82 ASLAG	36,200,000	29,684,000.00										29,684,000.00
6.03		6.03 AT	11,641,192	70,196,387.76										70,196,387.76
34.50		34.50 ATI	162,100	5,592,450.00										5,592,450.00
0.50		0.50 ATN	4,547,600	2,251,062.00										2,251,062.00
39.20		39.20 ATNB	1,524,400	754,578.00										754,578.00
2.36		2.36 AXLM	100,610	3,943,912.00										3,943,912.00
0.35		0.35 BALAI	313,178,076	739,100,259.36										739,100,259.36
5.00		5.00 BC	307,000	107,450.00										107,450.00
			2,641,079	13,205,395.00										13,205,395.00

REGINA CAPITAL DEVELOPMENT CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2025 and 2024

	2025	2024
Total Audit Fees(<i>Section 2.1</i>)	150,000.00	150,000.00
Non-audit service fees:		
Other assurance services		
Tax services		
All other services		
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	150,000.00	150,000.00

Audit and non-audit fees of other related entities

	2025	2024
Audit Fees	-	-
Non-audit service fees:		
Other assurance services		
Tax services		
All other services		
Total Non-audit Fees		
Total Audit and Non-audit Fees of other related	-	-

REGINA CAPITAL DEVELOPMENT CORPORATION
FINANCIAL SOUNDNESS INDICATORS
December 31, 2025

Ratio	Formula	2025	2024
Current Ratio	Total Current Assets divided by Total Current Liabilities	1.28	1.31
	Total Current Assets	721,066,024.65	
	Divided by: Total Current Liabilities	562,380,728.20	
	Current Ratio	1.28	
Acid test Ratio	Quick Assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	1.12	1.25
	Total Current Assets	721,066,024.65	
	Less: Other Receivables	53,570,450.80	
	Other Current Assets	35,898,652.72	
	Quick Assets	631,596,921.13	
Divide by: Total Current Liabilities	562,380,728.20		
Acid test Ratio	1.12		
Working Capital to Total Asset	Working Capital divided by Total Asset	0.21	0.25
	Working Capital	158,685,296.45	
	Divided by: Total Asset	770,675,889.11	
		0.21	
Debt to Total Assets Ratio	Total Debt Divided by Total Asset	0.73	0.67
	Total Debt	566,184,288.39	
	Divided by: Total Asset	770,675,889.11	
		0.73	
Debt to Equity Ratio	Total Debt divided by Total Equity	2.77	2.40
	Total Debt	566,184,288.39	
	Divided by: Total Equity	204,491,600.66	
		2.77	
Asset to Equity Ratio	Total Asset divided by Total Equity	3.77	3.40
	Total Asset	770,675,889.11	
	Divided by: Total Equity	204,491,600.66	
		3.77	
Interest Coverage Ratio	EBIT divided by Interest Expense	N/A	N/A
	EBIT	7,502,246	
	Divided by: Interest Expense	-	
		N/A	

Gross Profit Margin	Gross Profit Divided by Revenue	0.65	0.71
	Gross Profit	22,399,335.66	
	Divided by: Revenue	<u>34,418,575.17</u>	
		0.65	
Profit Margin	Net Income/(Loss) Divided by: Revenue	0.29	0.22
	Net Income/(Loss)	9,980,632.66	
	Divided by: Revenue	<u>34,418,575.17</u>	
		0.29	
Return on Asset (ROA)	Net Income/(Loss) Divided by: Average Asset	0.01	0.01
	Net Income/(Loss)	9,980,632.66	
	Divided by: Average Asset	<u>866,910,275.55</u>	
		0.01	
Return on Equity	Net Income/(Loss) Divided by: Average Equity	0.05	0.05
	Net Income/(Loss)	9,980,632.66	
	Divided by: Average Equity	<u>200,251,284.33</u>	
		0.05	