SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
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Company Information

SEC Registration No.: 0000042391
Company Name: SECURITIES SPECIALISTS INC.
Industry Classification: J66930
Company Type: Stock Corporation

Document Information

Document ID: OST105122026811360365
Document Type: Annual Audited Financial Report
Document Code: SEC_Form_52-AR
Period Covered: December 31, 2025
Submission Type: Annual
Remarks: None

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COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4 2 3 9 1

Company Name

SECURITIES SPECIALISTS INC.

Principal Office (No. / Street / Barangay / City / Town / Province)

8TH FLOOR LTA BUILDING
118 PEREA ST
LEGASPI VILLAGE, MAKATI CITY
1229

	Department requiring the report	Secondary License Type, If Applicable
52-AR	CRMD	BROKER

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@ssionline.ph	8892-4679	0905-3041357

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
7	FIRST SATURDAY OF AUGUST	12 / 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Leslie Gwen Iris R. Alcaraz	leslie@ssionline.ph	8892-4679	0905-0267081

Contact Person's Address

8TH FLOOR LTA BUILDING, 118 PEREA ST., LEGASPI VILLAGE, MAKATI CITY 1229

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

SECURITIES SPECIALISTS, INC.

FINANCIAL STATEMENTS
December 31, 2025 and 2024

and

Report of Independent Auditors

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

ANNUAL AUDITED FINANCIAL REPORT

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

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

IDENTIFICATION OF BROKER OR DEALER

Name of Broker / Dealer: **SECURITIES SPECIALISTS, INC.**

Address of Principal Place of Business: **8th Floor LTA Building**
118 Perea Street
Legaspi Village, Makati City

Name and Phone Number of Person to Contact in Regard to this Report

Name: **DIOSDADO M. ARROYO** Tel. No. **8892-4679**
Fax No. **8813-1682**

IDENTIFICATION OF ACCOUNTANT

Name of Independent Certified Public Accountant whose opinion is contained in this report:

Name: **MA. ALMA C. SESE** Tel. No. **8994-3984**
Fax No.

Address: **9th Floor Unit C Marc 2000 Tower, 1973 Taft cor San Andres, Malate, Manila**

Certificate Number: **54588**

PTR Number : **368867** Date Issued: **January 8, 2026**

SECURITIES SPECIALISTS, INC.
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ANNUAL AUDITED FINANCIAL REPORT PACKAGE
DECEMBER 31, 2025 and 2024

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **SECURITIES SPECIALISTS, INC.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with Philippines Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

PEREZ, SESE, VILLA & CO. the independent auditors appointed by the shareholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

DIOSDADO M. ARROYO
Chairman of the Board

DIOSDADO M. ARROYO
President

CATHERINE N. PALAMOS
Treasurer

Signed this April 13, 2026.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the MAKATI CITY Philippines, this 08 MAY 2026, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants photograph and signature.

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE AND PLACE ISSUED
DIOSDADO M. ARROYO	TIN 914-841-275	
CATHERINE N. PALAMOS	TIN 212-691-859	

DOC. NO. 132;
PAGE NO. 28;
BOOK NO. XXXIII;
SERIES OF 2026;

MA. ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2027
Appt. No. M-046 (Ren) (2026-2027) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VIII-0009662/valid until 4-14-20
PTR No. 10766011/1-2-2026/Makati City
IBP Lifetime Member No. 05413
G/F Dela Rosa Carpark I, Dela Rosa St.
Legaspi Village, Makati City

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

To The Board of Directors and Shareholders
SECURITIES SPECIALISTS, INC.
8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated April 13, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of two (2) shareholders owning one hundred (100) or more shares each of the Company's Capital stock as of December 31, 2025, as disclosed in Note 19 of the Financial Statements.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 08, 2026, Manila
SEC Accreditation No.
Partner - 0054588-SEC Group B, Issued on December 01, 2022.
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
Firm - 0222-SEC Group B, Issued on December 01, 2022
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
IC Accreditation No.
Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026
valid for three (3) years covering the audit from 2025 to 2027 Financial Statements
BOA/PRC Accreditation No. 0222, Issued on September 13, 2023
valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 13, 2026

PEREZ, SESE, VILLA & CO.
CERTIFIED PUBLIC ACCOUNTANTS

admin@psv-co.com
(02) 8 994-3984
9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

To The Board of Directors and Shareholders
SECURITIES SPECIALISTS, INC.
8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company) as at and for the year ended December 31, 2025 in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 13, 2026. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules I to VIII, as required by the Securities and Exchange Commission under the Revised Securities Regulation Code Rule 68, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
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valid for three (3) years until April 11, 2027

Manila, Philippines
April 13, 2026

REPORT OF INDEPENDENT AUDITORS

To The Board of Directors and Shareholders
SECURITIES SPECIALISTS, INC.
8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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 cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
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BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

SECURITIES SPECIALISTS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	Notes	2025	Security Position (2025) Long	Security Position (2025) Short	2024	Security Position (2024) Long	Security Position (2024) Short
ASSETS							
Current Assets							
Cash and cash equivalent	*4, 5, 6*	₱ 133,667,216	₱	₱	P 153,049,951	P	P
Financial asset at fair value through profit or loss	*4,5,7*	29,989,228	29,989,228		39,643,505	39,643,505	
Receivable from customers	*4,5,8*	475,840	793,475		263,015	16,187,477	
Receivable from clearing house	*4,5,9*	4,091,573			79,354		
Other receivables	*4,5,10*	1,004,778			1,050,541		
Prepayments and other current assets	*4,5,11*	1,810,210			751,676		
Total Current Assets		171,038,845	30,782,703		194,838,042	55,830,982	
Non-Current Assets							
Property and equipment, net	*4,5,12*	140,560			122,871		
Intangible assets, net	*4,5,13*	572,440			572,440		
Right of use asset	*4,5,28*	392,600			1,037,755		
Deferred tax asset, net	*4,5,26*	2,734,280			2,741,317		
Other non current assets	*4,5,14*	961,448			862,710		
Total Non-Current Assets		4,801,328			5,337,093		
TOTAL ASSETS		₱ 175,840,173	30,782,703		P 200,175,135	55,830,982	
Securities in Vault, Transfer Office and Philippine Depository and Trust Corp.			₱ -	₱ 2,458,428,723		P -	P 2,146,596,769
LIABILITIES AND EQUITY							
Current Liabilities							
Payable to customers	*4,15*	₱ 91,947,587	₱ 2,427,646,020	₱	P 131,821,574	P 2,090,765,787	P
Other payables	*4,16*	201,026			124,778		
Lease liability-current	*4,28*	437,202			635,327		
Other current liabilities	*4,17*	1,334,455			541,340		
Total Current Liabilities		93,920,270	2,427,646,020		133,123,019	2,090,765,787	
Non-Current Liability							
Retirement benefit obligation	*4,25*	2,281,915			1,825,562		
Lease liability - non-current	*4,28*	-			476,947		
Deposit for future stock subscription	*4,18*	25,000,000			25,000,000		
Total Non-Current Liabilities		27,281,915	-		27,302,509	-	
Total Liabilities		121,202,185	-		160,425,528	-	
Equity							
Share capital	*4,19*	100,000,000			100,000,000		
Reserves	*4,19*	1,564,020			1,625,771		
Accumulated deficits	*4,19*	(46,926,032)			(61,876,164)		
Equity, net		54,637,988			39,749,607		
TOTAL LIABILITIES AND EQUITY		₱ 175,840,173	₱ 2,458,428,723	₱ 2,458,428,723	P 200,175,135	P 2,146,596,769	P 2,146,596,769

(See accompanying Notes to Financial Statements)

SECURITIES SPECIALISTS, INC.

STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2025 and 2024

	Notes	2025	2024
REVENUE			
Commission revenue	4,20	₱ 25,812,536	₱ 11,009,532
Dividend income	4,7	2,176,556	903,520
Loss on financial assets at FVTPL, net	4,7	(1,631,397)	(1,883,301)
Unrealized gain on financial assets at FVTPL, net	4,7	236,278	3,575,585
Total Income		26,593,973	13,605,336
DIRECT COSTS	4,21	(6,791,727)	(6,534,170)
GROSS PROFIT		19,802,246	7,071,166
OTHER INCOME	4,23	1,375,554	3,504,924
GROSS INCOME		21,177,800	10,576,090
OPERATING EXPENSES	4,22	(5,723,783)	(6,708,543)
NET OPERATING INCOME		15,454,017	3,867,547
FINANCE COST	4,28	(54,318)	(99,829)
INCOME BEFORE INCOME TAX		15,399,699	3,767,718
INCOME TAX EXPENSE	4,26		
Current		421,946	134,129
Deferred		27,621	737,308
		449,567	871,437
NET INCOME FOR THE YEAR		14,950,132	2,896,281
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss	4,25		
Actuarial gains (losses) on defined benefit obligation		(82,335)	930,944
Tax effect		(20,584)	(232,736)
		(61,751)	698,208
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		₱ 14,888,381	₱ 3,594,489

(See accompanying Notes to Financial Statements)

SECURITIES SPECIALISTS, INC.

STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025 and 2024

	Notes	**2025**	2024
SHARE CAPITAL	*4,19*		
Balance at beginning of the year		**₱ 100,000,000**	₱ 100,000,000
Issuance		**-**	-
Balance at end of the year		**100,000,000**	100,000,000
RESERVES	*4,19*		
Balance at beginning of the year		**1,625,771**	927,563
Other comprehensive income (loss) for the year		**(61,751)**	698,208
Balance at end of the year		**1,564,020**	1,625,771
ACCUMULATED DEFICITS	*4,19*		
Unappropriated			
Balance at beginning of the year		**(61,876,164)**	(64,772,445)
Net income for the year		**14,950,132**	2,896,281
Appropriation for the year per SRC Rule 49.1		**(1,495,013)**	(579,256)
Balance at end of the year		**(48,421,045)**	(62,455,420)
Appropriated			
Balance at beginning of the year		**-**	-
Appropriation for the year per SRC Rule 49.1		**1,495,013**	579,256
Balance at end of the year		**1,495,013**	579,256
Total Deficits		**(46,926,032)**	(61,876,164)
EQUITY, net		**₱ 54,637,988**	₱ 39,749,607

(See accompanying Notes to Financial Statements)

SECURITIES SPECIALISTS, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱ **15,399,699**	₱ 3,767,718
Adjustments for:			
Depreciation - ROUA	4,22,28	**588,900**	622,653
Depreciation - Property and equipment	4,12,22	**62,345**	31,704
Interest expense - lease liabilites	4,28	**54,318**	99,829
Foreign curreny gains	4,23	**(28,971)**	(75,556)
Interest income	4,23	**1,289,854**	(1,043,791)
Retirement expense	4,25	**374,018**	524,174
Dividend income	4,7	**(2,176,556)**	(903,520)
Unrealized fair value loss (gain) on financial assets	4,7	**(236,278)**	(3,575,585)
(Gain) loss on sale of financial assets at FVTPL (net)	4,7	**1,631,397**	1,883,301
Operating gain before working capital changes		**16,958,726**	1,330,927
Decrease (increase) in:			
Financial assets at FVTPL	4,5,7	**8,259,158**	(3,686,388)
Receivable from customers	4,5,8	**(212,825)**	428,146
Receivable from clearing house	4,5,9	**(4,012,219)**	(79,354)
Other receivables	4,5,10	**45,763**	171,888
Prepayments and other current assets	4,5,11	**(301,903)**	338,808
Increase (decrease) in:			
Payable to customers	4,15	**(39,873,987)**	62,785,007
Payable to clearing house	4,9	-	(508,595)
Other payables	4,28	**76,248**	(1,838,559)
Other current liabilities	4,17	**793,115**	(159,245)
Cash generated from (used in) operations		**(18,267,924)**	58,782,635
Interest received	4,23	**(1,289,854)**	1,043,791
Dividend received	4,7	**2,176,556**	903,520
Interest expense - lease liabilities	4,28	**(54,318)**	(99,829)
Income taxes paid	4,26	**(1,178,578)**	(2,225)
Net cash generated from (used in) operating activities		**(18,614,118)**	60,627,892
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	4,12	**(80,034)**	(33,924)
Additions to refundable deposits	4,14	**(98,738)**	(43,768)
Net cash used in investing activities		**(178,772)**	(77,692)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments	4,28	**(618,816)**	(573,305)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT		**28,971**	75,556
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		**(19,382,735)**	60,052,451
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		**153,049,951**	92,997,500
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		₱ **133,667,216**	₱ 153,049,951

(See accompanying Notes to Financial Statements)

NOTE 1 - GENERAL INFORMATION

SECURITIES SPECIALISTS, INC. (the Company) is a corporation registered with the Philippine Securities and Exchange Commission under registration number 42391 dated October 1, 1970. The Company is established primarily to engage in the business of stock broker and dealer in securities including all transaction relating to the sale, transfer and exchange of equity securities. The Company is accredited with Philippine Stock Exchange (PSE) as a stock broker and dealer in securities.

The Company's registered address, which is also its principal place of business is located 8th floor LTA Building, 118 Perea Street, Legaspi Village, Makati City.

Approval of the Financial Statements

The financial statements of the Company for the year ended December 31, 2025 including its comparative figures for the year ended December 31, 2024 were approved and authorized for issue by the Board of Directors (BOD) on April 13, 2026.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

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

Presentation and Measurement

As at December 31, 2025 and 2024, the Company has an accumulated deficit of **₱46,926,032** and **₱61,876,164**, respectively. The decrease in the accumulated deficit in 2025 is attributable to the net income earned during the year amounting to **₱14,950,132**, compared to **₱2,896,281** in 2024.

The Company's total equity amounted to **₱54,637,988** and **₱39,749,607** as at December 31, 2025 and 2024, respectively, with an authorized and issued capital stock of **₱100,000,000**. The improvement in equity reflects the Company's continued profitability and strengthening financial position.

The Company is a licensed securities broker regulated by the Securities and Exchange Commission (SEC) and is subject to regulatory capital requirements. Management has assessed that the Company is compliant with the applicable regulatory requirements as at the reporting date.

Management continues to implement strategies to improve operating performance, including expanding its client base, strengthening relationships with existing customers, and enhancing operational efficiency. The Company also expects continued support from its shareholders, as necessary, to sustain operations and meet its financial obligations.

Based on the foregoing, management has assessed that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

The Company has prepared the financial statements as at and for the year ended. December 31, 2025 and 2024 on a going concern basis, which assumes continuity of current business activities and the realization of assets and settlements of liabilities in the ordinary course of business.

The financial statements of the Company have been prepared on a historical cost basis, except for financial asset carried at fair value through profit or loss (FVTPL). Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Further information about assumptions made in measuring fair values is included in the following:

- Note 5 - Significant Accounting Judgements and Estimates
- Note 7 – Financial Assets at Fair Value Through Profit or Loss
- Note 31 - Fair Value Measurement

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety; which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

NOTE 3 - ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company adopted all applicable accounting standards and interpretations as at December 31, 2025. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the Financial and Sustainability Reporting Standards Council (FSRSC) in the Philippines, that were assessed by the Management to be applicable to the Company's financial statements are as follows:

Adoption of Amended Standards Effective Beginning on or after January 1, 2025:

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended Standards which the Company adopted effective for annual periods beginning January 1, 2025.

Unless otherwise indicated, the adoption of the new and amended standards did not have any material effect on the financial statements. Additional disclosures have been included in the notes to financial statements, as applicable.

- Amendments to PAS 21, *Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

New and Amended PFRS and PIC Issuances in Issue but Not Yet Effective or Adopted

Unless otherwise indicated the Company does not expect that the future adoption of the said pronouncements to have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective;

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

  The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

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

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

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

    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.
  - Amendments to PFRS 9
    - Lessee Derecognition of Lease Liabilities
      The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

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

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

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

- Amendments to PAS 7, *Cost Method*

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

Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Effective beginning on or after January 1, 2027

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

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  Based on preliminary assessment, the management believes that the adoption of PFRS 18 will not affect total profit or equity of the Company. However, the adoption may affect the subtotals and performance measures presented in the statement of comprehensive income. The Company is continuously evaluating the full impact of this new standard on its financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

  In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.
  The application of the standard is optional for eligible entities.

  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  Based on management assessment, this is not expected to have material impact on the financial statements of the Company.

NOTE 4 - MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these financial statements are summarized below. These accounting policies information is considered material because of its amounts, nature and related amounts. These are material in understanding material information in the financial statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

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 FVTPL, includes transaction costs.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss.

In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification

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

Financial Assets at FVTPL

Financial assets at FVTPL are either classified as held for trading or designated at FVTPL. 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 FVTPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

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

For financial liabilities designated at FVTPL under the fair value option, the amount of change in fair value that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

As at December 31, 2025, and 2024, the Company's financial assets classified as FVTPL are presented in Note 7.

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 credit losses, 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 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, receivable from customers, receivable from clearing house, other receivables and Clearing and Trade Guaranty Fund, and rental deposits, included as part of "Other non-current assets", are classified under this category. (Note 6, 8, 9, 10, 14)

Cash and cash equivalent

Cash in banks are demand deposits with banks and earn interest at prevailing bank deposit rates. Meanwhile, cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value and which have a maturity of three (3) months or less at acquisition.

Receivables

Receivables are initially recognized when the Company becomes a party to the contractual provisions of the financial instrument. They are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or origination of the financial asset, except for financial assets measured at fair value through profit or loss.

For receivables arising from the sale of securities, the asset is recognized on the trade date, which is the date the Company commits to sell the securities.

Subsequent to initial recognition, receivables are measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

The Company applies the Expected Credit Loss (ECL) model in accordance with PFRS 9 – Financial Instruments in assessing impairment of receivables.

Under this model, the Company recognizes an allowance for expected credit losses based on the probability of default and expected recoveries over the life of the financial asset.

In measuring expected credit losses, the Company considers:

- historical credit loss experience.
- current economic conditions; and
- forward-looking information that may affect the collectability of the receivables.

Receivables from clearing house arising from securities transactions are generally considered to have low credit risk due to the regulated settlement system of the securities market. Accordingly, expected credit losses recognized on these balances are typically minimal.

Receivables are derecognized when the contractual rights to receive cash flows from the financial asset have expired, or when the Company has transferred substantially all the risks and rewards of ownership of the financial asset.

Financial Assets at FVOCI.

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVTPL under the fair value option, the financial assets shall be measured at FVOCI 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 selling the financial assets; 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.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI as long as these are not held for trading purposes.

After initial recognition, financial assets at FVOCI are presented in the financial statements at fair value with changes in fair value are recognized in Other Comprehensive Income (OCI).

Interest income on debt instruments is calculated using the effective interest method while credit losses on debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established. Cumulative changes in fair value of FVOCI equity instruments are recognized in equity and are not reclassified to profit or loss in subsequent periods.

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

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 payable to customers, and other payables are classified under this category. (Note 15 and 16).

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 FVTPL, 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 (OCI).

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

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI shall be recognize in profit or loss.

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVTPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Receivables from and Payables to Clearing House

Receivables from and payables to the clearing house represent amounts arising from securities trading transactions executed by the Company on behalf of its customers and processed through a clearing facility, which remains unsettled as at the reporting date.

These balances are recognized when the Company becomes a party to the contractual provisions of the transaction and are initially measured at fair value, which is normally the transaction price.

Receivables from the clearing house are subsequently measured at amortized cost using the effective interest method, while payables to the clearing house are measured at amortized cost.

Given that these balances are typically settled within a short period (e.g., T+2) in accordance with market practices, their carrying amounts approximate fair value and are measured at their undiscounted amounts, as the effect of discounting is not material.

Receivables from the clearing house are subject to impairment using the expected credit loss (ECL) model. Due to the nature of the clearing house as a central counterparty, the credit risk is considered low.

Impairment of Financial Assets

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 receivables from customers, the Company has applied the provision of SRC Rule 52.1.11 and Risk Based Capital Adequacy. The Company's Credit Losses was computed based on the classification, credit loss rate and basis specified in SRC Rule No. 52.1.11. In 2023, section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11, Series of 2023.

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

Derecognition of Financial Assets and Liabilities

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.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statements 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.

Prepayments and Other Current Assets

Prepayments represent advance payments for Company expense which are expected to be consumed within one year immediately after the reporting period. Other current assets includes Prepaid income taxes and VAT Input. Prepayments and other current assets are stated in the statements of financial position at cost less any portion that has already been consumed or that has already expired.

Property and Equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Items of property and equipment are initially measured at cost. Such cost includes purchase price and all incidental costs necessary to bring the asset to its location and condition. Subsequent to initial recognition, items of property and equipment are measured in the statements of financial position at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation, which is computed on a straight-line basis, is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives.

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When assets are sold, retired or otherwise disposed of, their costs and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Intangible Assets

Intangible assets account includes trading rights. These are initially measured at cost and is presented in the statement of financial position at cost less any accumulated amortization and impairment losses.

Trading right is the result of the conversion plan to preserve the Company's access to the trading facilities and for it to continue to transact business at the PSE.

Trading right is initially measured at cost and are subsequently measured at cost less any accumulated impairment loss. The trading right is an intangible asset to be regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company.

Trading right is not amortized but reviewed each year to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. The Company tests the asset for impairment by comparing its carrying amount with its recoverable amount, and recognizing any excess of the carrying amount over the recoverable amount as an impairment loss.
When assets are sold, retired or otherwise disposed of, their cost and related accumulated amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax losses, and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward benefits can be utilized.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Previously 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 deferred tax liabilities are offset only if a legally enforceable right to offset current tax assets against current tax liabilities exists and the deferred taxes relate to the same taxable entity and the same taxation authority.

Other non-current assets

Other non-current assets includes refundable deposits paid to Clearing and Trade Guarantee Fund (CTGF) maintained by Securities Clearing Corporation of the Philippines (SCCP), as security for the performance of contractual obligations.

These deposits are initially recognized at the transaction price. Subsequently, refundable deposits are measured at amortized cost, less any impairment, if applicable.

Refundable deposits are classified as non-current assets unless they are expected to be recovered within twelve (12) months from the reporting date, in which case they are presented as current assets.

The Company assesses at each reporting date whether there is objective evidence of impairment. If such evidence exists, an impairment loss is recognized in profit or loss.

Impairment of Non-Financial Assets

At each reporting date, the carrying amount of the Company's non-financial assets are reviewed to determine whether there is any indication of impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit and loss

Any impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its net recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Company. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable amount of an asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

Payables

Payables are recognized when the Company becomes a party to the contractual provision that gives rise to the receivable of another entity. Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as noncurrent liabilities.

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the suppliers

Accrued expenses represent expenses incurred for the period, but not yet paid as at reporting date

Other current liabilities

Other current liabilities consist of withholding taxes, and statutory payables. These liabilities are recognized when the related obligation arises, such as upon occurrence of taxable transactions, incurrence of expenses, or recognition of payroll and statutory contributions. These are subsequently measured at the undiscounted amount expected to be paid to the relevant authorities, as these are short-term in nature and the effect of discounting is immaterial.

These are classified as current liabilities as they are expected to be settled within twelve (12) months from the reporting date and are derecognized upon payment or settlement of the obligation.

Deposit for Future Stock Subscription

Deposit for future stock subscription represents advance payment made by shareholders and prospective shareholders for future stock subscription.

This shall be presented under equity as separate account from Outstanding Capital Stock if and only if, all the following are present as of end of reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

Otherwise, the amount of deposit for future stock subscription is presented under liability.

Share Capital

Share capital represents the total par value of the ordinary shares issued.

Equity instruments are measured at the fair value of the cash or other consideration received or receivable, net of the direct costs of issuing the equity instruments.

The difference between the consideration received and the par value of the shares issued is credited to share premium.

Retained Earnings

Retained earnings comprise the accumulated profits and losses of the Company recognized in profit or loss in the current and prior years, less dividends declared to shareholders. Retained earnings are likewise adjusted for the effects of retrospective application of changes in accounting policies and corrections of prior period errors.

Appropriated Retained Earnings

Appropriated retained earnings pertains to the restricted portion which is intended for the resource fund in compliance with SRC rule 49.1 (B). Unappropriated retained earnings represent the portion which can be declared as dividends to shareholders.

Accumulated Deficits

Accumulated deficits represent accumulated losses incurred by the Company. Accumulated deficits are likewise adjusted for the effects of retrospective application of changes in accounting policies and corrections of prior period errors, in accordance with PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Other Comprehensive Income (OCI)

Other components of equity comprise of items of income and expense that are not recognized in profit or loss for the year. OCI pertains to cumulative remeasurement gains (losses) on net retirement asset or liability.

Reserves

Other components of equity comprise of items of income and expense that are not recognized in profit or loss for the year. Other Comprehensive Income pertains to cumulative remeasurement gains (losses) on net retirement asset or liability.

Revenue

Revenue recognition

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

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

Commission

Commissions on brokerage transactions are recorded on a trade date basis as trade transactions occur.

Other income

Income from other sources is recognized when earned during the period.

The following specific recognition criteria must also be met for other revenues outside the scope of PFRS Accounting Standards:

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

Trading Gains or Losses on Financial Assets at FVTPL

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

Realized Gain (loss) on financial assets

Income (loss) is recognized when the ownership of the securities is transferred to the buyer (at an amount equal to the excess of selling price over the carrying amount of securities).

Unrealized Gain (loss) on financial assets

Income (loss) is recognized as a result of year-end mark-to-mark valuation of securities at FVTPL.

Interest income

Interest Income is recognized in profit or loss as it accrues, considering the effective yield of the assets.

Expenses

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. Expenses are generally recognized on an accrual basis, that is, in the period in which they are incurred, regardless of when payment is made.

The Company classifies its expenses into operating expenses and administrative expenses based on the nature and purpose of the costs incurred.

Operating and administrative expenses

Operating expenses represent costs directly related to the Company's core brokerage and securities trading activities. These expenses are necessary to facilitate the execution, clearing, and settlement of securities transactions and to maintain the Company's trading operations. Administrative expenses represent costs incurred in managing and supporting the overall operations of the Company but are not directly attributable to trading or brokerage activities.

These expenses are recognized when the related services are rendered or when the transaction occurs.

Income Tax

Income tax expense includes current tax expense and deferred tax expense.

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

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

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

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

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

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

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

Employee Benefits

Short-term benefits

Short-term benefits given by the Company to its employees include salaries and wages, compensated absences, 13th month pay, employer share contributions and other de minimis benefits, among others.

These are recognized as expenses in the period the employees render services to the Company.

Retirement Benefits

The Company has as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reclassified immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reclassified immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Related Parties

Related party transactions are transfer of resources, services or obligations between the Company and its related parties, regardless whether a price is charged. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the investee that gives them significant influence over the Company and close members of the family of any such individual; and (d) the Company's funded retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases

A lease is a contract that conveys the right to use an identified asset for a period of time in exchange for a consideration.
Determination as to whether a contract is, or contains, a lease is made at the inception of the lease. Accordingly, the Company assesses whether the contract meets three key evaluations which are:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the lessee;
- the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,
- the lessee has the right to direct the use of the identified asset throughout the period of use. The lessee assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as Lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed), variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability is increased for interest incurred and reduced for lease payments made.

The right-of-use asset is initially measured at the amount of lease liability adjusted for any initial direct costs incurred by the lessee, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Foreign Currency Transaction

Foreign currency transactions are initially recognized using the spot rate of exchange at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currency are translated into the functional currency using the closing rate as of the reporting date. Gains and losses arising from foreign currency transactions and remeasurement of monetary assets and liabilities are recognized immediately in profit and loss.

Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation 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 measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingent assets and liabilities are not recognized in the financial statements. but are disclosed in the notes to separate 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 statements of financial position when an inflow of economic benefits is probable.

Changes in accounting policies, change in accounting estimates and correction of prior period errors

The Company applies changes in accounting policy if the change is required by the accounting standards or in order to provide reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial statements. Changes in accounting policy brought about by new accounting standards are accounted for in accordance with the specific transitional provision of the standards. All other changes in accounting policy are accounted for retrospectively.

Changes in accounting estimates is recognized prospectively by reflecting it in the profit and loss in the period of the change if the change affects that period only or the period of the change and future periods if the change affects both. Prior period errors are omissions from, and misstatements in, the Company's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorized for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

To the extent practicable, the Company corrects a material prior period error retrospectively in the first financial statements authorized for issue after its discovery by restating the comparative amounts for the prior periods(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for period presented.

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the Company restates the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Subsequent events

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after period end (non-adjusting events) are disclosed in the notes to the financial statements.

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgements and accounting estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

The accounting estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

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

Judgment

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

Classification of financial assets at fair value through profit or loss (FVTPL)

The Company applies judgment in classifying its financial assets at fair value through profit or loss (FVTPL). As a security broker, the Company manages its financial assets on a fair value basis and holds these instruments primarily for trading purposes. Accordingly, such financial assets are classified at FVTPL in accordance with PFRS 9.

Management also exercises judgment in determining whether transactions are part of trading activities or held for other purposes, and whether the contractual cash flow characteristics of financial assets meet the solely payments of principal and interest (SPPI) criterion. Financial assets that fail the SPPI test or are managed on a fair value basis are classified at FVTPL.

Day 1 Profit Recognition

The Company applies judgment in determining whether the transaction price at initial recognition represents fair value. Where fair value is determined using valuation techniques with unobservable inputs, any difference between the transaction price and the fair value ("Day 1 gain or loss") is deferred and recognized in profit or loss only when the inputs become observable or when the instrument is derecognized.

Assessment of Impairment of Nonfinancial Assets

The Company determines whether there are indicators of impairment of the Company's non-financial assets. Indicators of impairment include significant change in usage, decline in the asset's fair value or underperformance relative to expected historical or projected future results. Determining the fair value requires the determination of future cash flows and future economic benefits expected to be generated from the continued use and ultimate disposition of such assets. It requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could be used by management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. The preparation of the estimated future cash flows and economic benefits involves significant judgments and estimation.

No impairment loss of nonfinancial assets was recognized in the Company's financial statements in either 2025 or 2024.

Determination of ECL on financial assets

The Company uses a provision matrix to calculate ECL for financial assets. The provision rates are based on the provision of SRC Rule 52.1.11 and Risk Based Capital Adequacy. The Company's Credit Losses was computed based on the classification, credit loss rate and basis specified in SRC Rule No. 52.1.11. In 2023, section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11, Series of 2023.

Details about the ECL on the Company's trade and other receivables are disclosed in Note 29.

Fair Value Measurement for Financial Assets at FVTPL

The Company carries certain financial assets at fair value which requires judgment and extensive use of accounting estimates. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another financial instrument which is substantially the same or is calculated based on the expected cash flow of the underlying net base of the instrument or other more appropriated valuation techniques (Note 7).

The amount of changes in fair value would differ if the Company had utilized different valuation methods and assumptions. Any change in fair value of the financial assets and financial liabilities would affect profit. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques using the net present value computation. The carrying values of the Company's trading and investment securities and the amounts of fair value changes recognized on those financial assets are disclosed in Note 7.

Estimates

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

Estimation of Allowance for Credit Losses

The measurement of the allowance for Credit Losses on financial assets at amortized cost and at FVOCI (debt instruments) is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring Credit Losses is further detailed in Note 29.

Estimation of Useful Lives of Right-of-Use Asset

The Philippine Branch estimates the useful lives of its property and equipment, right-of-use asset and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, right-of-use assets and intangible assets are reviewed periodically 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.

The carrying amounts of right-of-use assets are analyzed in Note 9. Based on management's assessment as at December 31, 2025, and 2024, there is no change in estimated useful lives of those assets during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Valuation of Post-employment Defined Benefit Obligation

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, an expected rate of return on plan assets, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period. The amounts of post-employment benefit obligation and expense and analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 25.

Estimating useful lives of property and equipment

The Company estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets and residual values are reviewed, and adjusted if appropriate, only if there is a significant change in the asset or how it is used.

The following estimated useful lives are used in depreciating the property and equipment:

Particulars	Useful Lives
Leasehold improvements	5 years or lease term whichever is shorter
Furniture and Fixture and Equipment	3 years
Transportation Equipment	5 years

Determination of Realizable Amount of Deferred Tax Assets/Liabilities

The Company reviews its deferred tax assets/liabilities at the end of each reporting period and reduces the carrying amount 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/liabilities to be utilized. Management assessed that the deferred tax assets/liabilities recognized as at December 31, 2025 and 2024 will be fully utilized/will be due in the coming years. The carrying value of deferred tax assets/liabilities as of those dates is disclosed in Note 26.

NOTE 6 - CASH AND CASH EQUIVALENTS

This account consists of:

		2025		2024
Cash on hand	₱	**15,000**	₱	15,000
Cash in banks		**73,879,553**		115,238,622
Cash equivalents		**59,772,663**		37,796,329
	₱	**133,667,216**	₱	153,049,951

Cash in bank generally earns interest at rates based on daily bank deposit rates. These are unrestricted and available for use in the Company's operation except for the special reserve bank account.

Cash equivalents are time deposits made for varying periods up to three months depending on the Company's immediate cash requirements and earn interest at .25% in 2025 and 2024.

Interest income from bank deposits and short-term placement recognized in the Statements of Comprehensive Income amounted to ₱1,289,854 and ₱1,043,791 in 2025 and 2024, respectively (Note 23).

Included in 2025 Cash in banks is USD30,641 translated to Philippine Peso at an exchange rate of ₱58.79 to a USD.

Included in 2024 Cash in banks is USD30,578 translated to Philippine Peso at an exchange rate of ₱57.845 to a USD.

Unrealized gain (loss) on USD-denominated bank deposit amounts to a gain of ₱28,971 and ₱75,556 for the years ended December 31, 2025 and 2024, respectively (Note 23).

Under Securities Regulation Code (SRC) Rule 49.2-1, The Company is required to maintain special reserve bank account for the exclusive benefit of its clients. As of December 31, 2025 and 2024, the Company is compliant with the required amount of reserve in accordance with SRC 49.2-1.

NOTE 7 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of:

		2025		2024
Held for trading securities				
Equities in PHISIX	₱	**2,927,400**	₱	19,878,030
Equities outside PHISIX		**27,061,828**		19,765,475
	₱	**29,989,228**	₱	39,643,505

The movement in the financial assets at fair value through profit or loss is summarized below:

		2025		2024
Balance at beginning of year	₱	**39,643,505**	₱	34,264,833
Additions		**121,262,853**		99,281,159
Disposals		**(131,153,408)**		(97,478,072)
Fair value adjustments		**236,278**		3,575,585
Balance at end of year	₱	**29,989,228**	₱	39,643,505

Financial assets at FVTPL represents equity securities held for trading. Fair values are based on the quoted market price at the PSE as at December 31, 2025 and 2024 or on the last trading day of each year.

Dividend income on financial assets at FVTPL presented in the statements of comprehensive income amounted to ₱2,176,556 and ₱903,520 in 2025 and 2024, respectively.

The Company recognizes loss on sale of financial assets at FVTPL presented as loss on sale of financial assets at FVTPL in the statements of comprehensive income amounting to ₱1,631,397 and ₱1,883,301 in 2025 and 2024, respectively.

The change in fair value of financial assets at fair value through profit or loss recognized and presented as unrealized gain (loss) on financial assets at FVTPL in the statements of comprehensive income amounted to a gain of ₱236,278 and ₱3,575,585 in 2025 and 2024, respectively.

NOTE 8 - RECEIVABLE FROM CUSTOMERS

The security valuation of the debit balances of receivable from customers' accounts are presented below:

	2025		2024	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Fully secured accounts:				
More than 250%	₱ 1,985	₱ 187,374	₱ 54,513	₱ 15,865,727
Between 200% to 250%	-	-	-	-
Between 150% to 200%	-	-	-	-
Between 100% to 150%	-	-	-	-
Less than 100%	-	-	-	-
	1,985	187,374	54,513	15,865,727
Partially secured accounts:				
Less than 100%	823,826	606,101	488,789	321,750
Unsecured accounts	-	-	-	-
	823,826	606,101	488,789	321,750
Less: Allowance for credit losses	(349,971)	-	(280,287)	-
	₱ 475,840	₱ 793,475	₱ 263,015	₱ 16,187,477

Receivables from customers are due within two (2) trading days after the consummation of the transactions.

Allowance for credit losses on trade and other receivables is computed using the formula provided by the SRC Rule No. 52.1.11 which forms part of the Risk-Based Capital Adequacy (RBCA) Report, see Note 29.

Movements in the allowance for credit losses follow:

	2025	2024
Balance at January 1	₱ 280,287	₱ 418,853
Credit losses	69,684	-
Recovery of allowance	-	(138,566)
Balance, December 31	₱ 349,971	₱ 280,287

NOTE 9 - RECEIVABLES FROM CLEARING HOUSE

The net balance of this account as at December 31, 2025 and 2024 relates to the trading transactions made for the last two trading days which have not yet been cleared. The outstanding balance were net receivable from clearing house amounting to ₱4,091,573 and ₱79,354 in 2025 and 2024, respectively.

NOTE 10 - OTHER RECEIVABLES

This account consists of:

		2025		2024
Advances to officers and employees	₱	899,682	₱	953,448
Dividends receivable		105,096		97,093
	₱	1,004,778	₱	1,050,541

Advances to officers and employees pertains to cash advances collectible through salary deduction.

NOTE 11 - PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

		2025		2024
Prepayments	₱	372,271	₱	70,369
Prepaid income tax (Note 26)		1,437,939		681,307
	₱	1,810,210	₱	751,676

Prepayments pertains to advance payment of insurance and taxes and licenses which is applicable in the succeeding period.

Prepaid income tax pertains to accumulated current and prior years excess tax credits, which could be applied as tax credit to the tax liability of the company in the succeeding period.

NOTE 12 - PROPERTY AND EQUIPMENT, net

A reconciliation of the carrying amounts at the beginning and end of 2025 and 2024, of property and equipment is shown below:

2025

		Leasehold Improvements		Transportation Equipment		Furniture, Fixture and Equipment		Total
Costs								
January 01, 2025	P	837,857	P	109,018	P	1,206,746	P	2,153,621
Additions		-		-		80,034		80,034
Disposals		-		-		(68,490)		(68,490)
December 31, 2025		837,857		109,018		1,218,290		2,165,165
Accumulated depreciation								
January 01, 2025		837,857		21,804		1,171,089		2,030,750
Depreciation expense				21,804		40,541		62,345
Disposals		-		-		(68,490)		(68,490)
December 31, 2025		837,857		43,608		1,143,140		2,024,605
Carrying amount December 31, 2025	**P**	**-**	**P**	**65,410**	**P**	**75,150**	**P**	**140,560**
Carrying amount December 31, 2024	P	-	P	87,214	P	35,657	P	122,871

2024

	Leasehold Improvements	Transportation Equipment	Furniture, Fixture and Equipment	Total
Costs				
January 01, 2024	₱ 837,857	₱ 109,018	₱ 1,172,822	₱ 2,119,697
Additions	-	-	33,924	33,924
Disposals	-	-	-	-
December 31, 2024	837,857	109,018	1,206,746	2,153,621
Accumulated depreciation				
January 01, 2024	837,857	-	1,161,189	1,999,046
Depreciation expense	-	21,804	9,900	31,704
Disposals	-	-	-	-
December 31, 2024	837,857	21,804	1,171,089	2,030,750
Carrying amount				
December 31, 2024	**₱ -**	**₱ 87,214**	**₱ 35,657**	**₱ 122,871**
Carrying amount				
December 31, 2023	₱ -	₱ 109,018	₱ 11,633	₱ 120,651

As of December 31, 2025, and 2024, management believes that there is no impairment loss on its property and equipment.

The amount of depreciation is presented in the statements of comprehensive income under the operating expenses (Note 22).

In 2025, the Company disposed of its fully depreciated computer equipment. No gain or loss on disposal were recognized from this disposal.

The Company has not entered into any contractual commitment for the acquisition of property and equipment in 2025 and 2024.

NOTE 13 - INTANGIBLE ASSETS, net

This account consists of trading right amounting to ₱572,440 as of December 31, 2025 and 2024. Trading right represents the Company's privilege in trading securities in the PSE floor. In compliance with Section 8, Article III of the Amended By Laws of the Exchange, the Company's trading right (previously the exchange membership seat is pledged at its full value to the PSE to secure the payment of all debts due to the Exchange and to other trading participants of the exchange arising from out of or in connection with the present or future contracts relating to securities and in compliance with Section 7, Article II of the Rules Governing Trading Rights and Trading Participants, to secure the payment of all debts and claims due to the clients of the Company, the Government, the Exchange and other trading participant of the Exchange and to the Securities Clearing Corporation of the Philippines

The trading right is regarded as having an indefinite useful life when it was acquired because it is expected to generate net cash inflows indefinitely. Because it is regarded as having an indefinite useful life, the trading right would not be amortized but would be tested for impairment annually and whenever there is an indication that it may be impaired.

The carrying amount of trading rights presented as part of Intangible Assets in the Statements of Financial Position amounts to ₱572,440 as at December 31, 2025 and 2024. The last transacted price of the trading right in Philippine Pesos: Seven Million Seven Hundred Thousand (₱7,700,000) dated September 17,2025. Considering that the market value is significantly higher than the carrying amount, no impairment loss was recognized for this account.

NOTE 14 - OTHER NON-CURRENT ASSETS

This account consists of:

		2025		2024
Garnished cash in bank	₱	**392,493**	₱	392,493
CTGF		**466,965**		368,227
Rental deposits		**101,990**		101,990
	₱	**961,448**	₱	862,710

The Bureau of Internal Revenue (BIR) issued a warrant of garnishment that freeze one of the Company's bank accounts, which is primarily used by the Company in filing their taxes electronically. The order was issued due to the unfiled and unpaid income tax and value added tax of the Company for BIR for taxable year 2006.

CTGF pertains to the Company's contribution to the Clearing and Trade Guaranty Fund (CTGF) maintained by Securities Clearing Corporation of the Philippines (SCCP), for the purpose of covering failed trades due to member's illiquidity and/or insolvency. This is refundable upon cessation of the Company's business and/or termination of the Company's membership with SCCP.

Rental deposits pertain to deposits for rental which is refundable at the end of the lease agreement. (Note 28)

NOTE 15 - PAYABLES TO CUSTOMERS

This account consists of:

		2025		2024
Payable to customers	₱	**91,906,420**	₱	131,791,080
Dividends payable-customers		**41,167**		30,494
	₱	**91,947,587**	₱	131,821,574

The security values of the credit balance of customers' account follows:

	2025				**2024**			
		Credit Balance		**Security Valuation-Long**		Credit Balance		Security Valuation-Long
With money balance	₱	**91,906,420**	₱	**1,726,202,916**	₱	131,791,080	₱	1,361,495,178
Without money balance		**-**		**701,443,104**		-		729,270,609
	₱	**91,906,420**	₱	**2,427,646,020**	₱	131,791,080	₱	2,090,765,787

Payables to customers are non-interest bearing and are payable within two (2) trading days after the consummation of the transactions.

NOTE 16 - OTHER PAYABLES

This account consists of:

		2025		2024
PDTC and SCCP payable	₱	**103,188**	₱	36,692
Accrued expenses		**15,464**		23,336
Others		**82,374**		64,750
	₱	**201,026**	₱	124,778

PDTC and SCCP payable pertain to transaction fees of buying and selling of stocks.

Accrued expenses represent accruals of incurred expenses on professional fees, utilities and other expenses which has not been paid as of the reporting dates.

Others pertains to withholding taxes on dividends which were not charged by the transfer office.

NOTE 17 - OTHER CURRENT LIABILITIES

This account consists of:

		2025		2024
Due to BIR	₱	**1,274,015**	₱	489,110
Statutory payable		**60,440**		52,230
	₱	**1,334,455**	₱	541,340

Due to BIR consists of obligations to Bureau of Internal Revenue such as final taxes, stock transaction taxes, withholding taxes and value added tax.

Statutory payable consists of statutory obligations to government agencies such as Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund.

NOTE 18 - DEPOSIT FOR FUTURE STOCK SUBSCRIPTION

In a special meeting held in 2020, the Board of Directors and Shareholders approved the increase of the Company's authorized capital stock from ₱100,000,000 representing one million ordinary shares at par value of one hundred pesos (₱100) to two hundred fifty million ₱250,000,000 representing two million five hundred thousand ordinary shares at par value of ₱100 per share. In relation to the approved increase, the Company received deposit for future stock subscription amounting to ₱5,000,000 from its shareholders. In October 2021, the Board of Directors approved the reclassification of the subordinated loan of ₱20,000,000 from the related party as additional deposit for future stock subscription.

The Company recognized the deposit for future stock subscription as liability pending actual filing of the increase in Capital Stock and approval from SEC.

NOTE 19 - EQUITY

Capital Stock

The Company is authorized to issue One Million (1,000,000) ordinary shares with par value of one hundred peso (₱ 100) per share.

As at December 31, 2025 and 2024, the Company's total subscribed, issued and outstanding capital stock is owned by seven (7) shareholders. Two (2) stockholders owned one hundred (100) or more shares.

A reconciliation of the outstanding share capital at the beginning and end of 2025 and 2024 is shown below:

2025

	Shares	**Amount**
Outstanding 12/31/2024	**1,000,000**	**₱ 100,000,000**
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2025	**1,000,000**	**₱ 100,000,000**

2024

	Shares	Amount
Outstanding 12/31/2023	1,000,000	₱ 100,000,000
Issuance	-	-
Reacquisition	-	-
Outstanding 12/31/2024	1,000,000	₱ 100,000,000

Minimum Capital Requirement

In a meeting held on October 21, 2010, the SEC issued Resolution No. 489 and 492 granting the deferment of the ₱30,000,000 unimpaired paid-in capital requirement of Trading Participants effective January 1, 2011 until November 30, 2011 provided that Trading Participants with Unimpaired Paid-up Capital falling below ₱30,000,000 shall post a surety bond amounting to ₱30,000,000 on top of the surety bond of ₱12,000,000 in compliance with SRC Rule 28.1 for the same period until securities held and controlled by the Trading Participant shall be recorded under the name of the individual clients in the books of the Transfer Agent or in the sub-account with the Philippine Depository and Trust Corporation at the option of the client. Compliance with the requirement is a condition for the renewal of the Broker Dealer license for the period covering January 1, 2011 to December 31, 2013.
In compliance with Section 2 of D, Article VII of the amended Market Regulation Rules, which was approved by the Securities and Exchange Commission on September 8, 2009, effective November 1, 2009, the surety bond, shall be Ten Million Pesos (₱10,000,000) for Brokers and Two Million Pesos (₱2,000,000) for Dealers.

On November 10, 2024, the Company renewed its SEC licenses and the required surety bond coverage for the period January 1, 2025 to December 31, 2025 in the amount of Twelve Million Pesos (₱12,000,000) in compliance with SRC Rule 28.1.

On November 10, 2023, the Company renewed its SEC licenses and the required surety bond coverage for the period January 1, 2024 to December 31, 2024 in the amount of Twelve Million Pesos (₱12,000,000) in compliance with SRC Rule 28.1.

Based on SEC Memorandum Circular No. 16 dated November 11, 2004, starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the Risk-Based Capital Adequacy (RBCA) rules. As of December 31, 2005, the RBCA report is prepared based on the guidelines which cover the following risks: (a) position of market risks, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operation risk.

The Company monitors capital on the basis of RBCA Ratio and Net Liquid Capital (NLC). RBCA requirement is the minimum level of capital that has to be maintained by firms which are licensed, or securing a broker dealer license, taking into consideration the firm a size, complexity and business risk. RBC ratio is the quotient of the NLC and the sum of the requirements for operation risk, credit risk, and position or market risk.

NLC, on the other hand, represents the equity eligible for NLC adjusted for non-allowable current and non-current assets as described under the Circular.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Under the guidelines set-out by the SEC, all registered brokers dealers should maintain the following RBCA and NLC requirements:

A. RBCA ratio of greater than or equal to 1:1;

   As at December 31, 2025 and 2024, the Company's RBCA ratio of 2.67 and 1.53, respectively, is in compliance with the minimum capital requirement set out by the RBCA framework.

B. NLC should be at least ₱5,000,000 or 5% of aggregate indebtedness, whichever is higher;

C. A dealer who deals only with proprietary shares and does not keep shares in its custody shall maintain a NLC of ₱2,500,000 or 2.5% of aggregate indebtedness, whichever is higher;

D. No broker dealer shall permit its aggregate indebtedness to exceed 2,000% of its NLC.

The Company's NLC amount to ₱46,873,922 and ₱31,697,512 as of December 31, 2025 and 2024, respectively, which is more than 5% of the Company's aggregate indebtedness. As at December 31, 2025 and 2024, the Company is compliant with items A to D as prescribed by Securities and Exchange Commission (SEC).

On May 28, 2009, the SEC approved PSE's Rules Governing Trading Rights and Trading Participants which provides among other the following provisions:

a. Trading participants should have a minimum unimpaired paid-up capital (defined as the trading participant's total paid up capital less any deficiency in the retained earnings account) of ₱20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid up capital shall be ₱30,000,000; and

b. Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due to the trading participant, the government, PSE and to other trading participants of the PSE and to the Securities Clearing Corporation of the Philippines.

On August 8, 2023, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

As at December 31, 2025 and 2024, the Company is in compliance with PSE's Rules Governing Trading Rights and Trading Participants.

Reserves

The reconciliation of actuarial gain (loss) on defined benefit obligation presented under Reserves in the statements of financial position and changes in equity are shown below:

		2025		2024
Balance at beginning of year	₱	**1,625,771**	₱	927,563
Actuarial gain (loss) for the year		**(82,335)**		930,944
Tax expense		**(20,584)**		(232,736)
Other comprehensive income after tax		**(61,751)**		698,208
Balance at end of year	₱	**1,564,020**	₱	1,625,771

Retained Earnings

Appropriation

In compliance with SRC Rule 49.1 (B) Reserve Fund, every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfers the same to the appropriated retained earnings. Appropriation shall be 30%, 20%, 10% of profit after tax for broker dealers with unimpaired paid up capital of ₱ 10M to ₱ 30M, ₱ 30M to ₱ 50M and above ₱50M, respectively.

In compliance with the above circular, the Company appropriated retained earnings amounting to ₱1,495,013 and ₱139,642 in 2025 and 2024, respectively. The Company is in compliance with the requirement under SRC Rule 49.1(B).

NOTE 20 - COMMISSION REVENUE

The Company earns commission through stocks transaction, tender offer and initial public offering, this amounts to ₱25,812,536 in 2025 and ₱11,009,532 in 2024.

Breakdown of commission revenue recognized at point in time follows:

		2025		2024
Commission on stocks transaction	₱	**25,388,976**	₱	10,980,393
Commission on IPO and tender offer		**423,560**		29,139
	₱	**25,812,536**	₱	11,009,532

NOTE 21 - DIRECT COSTS

Details of the Company's direct costs are as follows:

		2025		2024
Salaries and wages	₱	**5,164,081**	₱	4,998,068
Communication		**755,583**		733,139
Commission		**351,899**		306,721
Central depository fees		**231,735**		237,588
SSS, PHIC, HDMF contribution		**250,740**		217,340
Stock exchange dues and fees		**37,689**		41,314
	₱	**6,791,727**	₱	6,534,170

NOTE 22 - OPERATING EXPENSES

Details of the Company's operating expense are as follows:

		2025		2024
Salaries and wages	₱	**1,640,975**	₱	1,477,951
Professional fees		**1,316,100**		1,398,419
Depreciation (Note 11, 28)		**651,244**		654,357
Retirement expense		**374,018**		524,174
Meeting and conferences		**357,535**		324,628
Transportation and travel		**306,430**		312,967
Representation		**305,991**		258,334
SSS, PHIC, HDMF contribution		**182,540**		160,640
Taxes and Licenses (Note 33)		**169,608**		188,867
Repairs and maintenance		**152,758**		138,020
Credit losses		**69,684**		-
Insurance		**39,925**		39,925
Office Supplies		**36,477**		67,520
Fines and penalties (Note 33)		**30,509**		751,967
Training and seminars		**3,125**		3,500
Bank charges		**2,175**		4,175
Miscellaneous expense		**84,689**		403,099
	₱	**5,723,783**	₱	6,708,543

NOTE 23 - OTHER INCOME

Details of the Company's other income are as follows:

		2025		2024
Interest income (Note 6)	₱	**1,289,854**	₱	1,043,791
Unrealized foreign exchange gain		**28,971**		75,556
Recovery of allowance for credit losses (Note 8)		**-**		138,566
Miscellaneous income		**56,729**		2,247,011
	₱	**1,375,554**	₱	3,504,924

NOTE 24 - DEPRECIATION AND EMPLOYEE BENEFITS

Depreciation, amortization and employee benefits were presented as follows:

2025

		Direct Costs		Operating Expense		Total
Depreciation	₱	-	₱	651,244	₱	651,244
Employee benefits		5,414,821		1,823,515		7,238,336

**Employee benefits includes salaries and wages and SSS, PHIC, HDMF contribution and retirement expense*

2024

	Direct Costs	Operating Expense	Total
Depreciation	₱ -	₱ 654,357	₱ 654,357
Employee benefits	5,215,408	2,162,765	7,378,173

**Employee benefits includes salaries and wages and SSS, PHIC, HDMF contribution and retirement expense*

NOTE 25 - EMPLOYEE'S COMPENSATION AND OTHER BENEFITS

Salaries and Employee Benefits Expense

Salaries and employee benefits are presented below (Note 21 and 22).

	2025	2024
Short-term employee benefits	**₱ 6,864,318**	₱ 6,853,999
Post-employment benefit	**374,018**	524,174
	₱ 7,238,336	₱ 7,378,174

Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, tax-registered, non-contributory defined benefit plan with a single lump sum payment covering retirement based on Republic Act 7641.

The normal retirement age is sixty (60) years old with a minimum of five (5) years of credited service. The retirement plan is intended to provide employee benefits equivalent to one-half month salary per year of credited service, a fraction of at least six (6) months is considered as one year. One-half month salary is defined as fifteen (15) days salary plus one-twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves. The Company's latest actuarial valuation is November 21, 2025.

(b) Explanation of Amounts Presented in the Financial Statements

The valuation results are based on the employees dated as of the valuations dates. The discount rate was determined in accordance with the Financial Reporting Standard Council [FRSC] approved Q&A 2008-01(Revised) document, which mandates that discount rates reflect (a) benefit cash flows and (b) use of zero-coupon rates, even though theoretically derived. The procedure of bootstrapping was applied to the PHP BVAL Reference Rates on government bonds as of 30-Nov-2023 to arrive at the theoretical zero-coupon yield curve. These derived rates were then used to compute the present value of the defined benefit obligation. Finally, the single weighted discount rate was calculated as the uniform discount rate that produced the same present value. The discount rate methodology is in accordance with item 2.11 of the Actuarial Society of the Philippines Standards of Actuarial Practice in Relation to PAS 19 Employee Benefits.

The amounts of post-employment defined benefit obligation recognized in the statements of financial position are determined as follows:

	2025	2024
Present value of retirement liability	**₱ 2,281,915**	₱ 1,825,562
Fair value of plan assets	**-**	-

	₱ **2,281,915**	₱ 1,825,562

The movements in the present value of the post-employment defined benefit obligation recognized in the books is shown below.

	2025	2024
Balance at beginning of year	₱ **1,825,562**	₱ 2,232,332
Current service cost	**262,659**	381,305
Actuarial losses (gains)		
Due to changes in financial assumptions	-	(813,197)
Due to changes in demographic assumptions		-
Due to change in experience	**82,335**	(117,747)
Interest cost	**111,359**	142,869
Balance at end of year	₱ **2,281,915**	₱ 1,825,562

The Company does not have a formal retirement plan and therefore has no plan assets.

The components of amounts recognized in profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

	2025	2024
Reported in Profit or Loss		
Current service cost	₱ **262,659**	₱ 381,305
Net interest cost	**111,359**	142,869
	₱ **374,018**	₱ 524,174
Reported in Other Comprehensive Income		
Actuarial losses (gains)		
Due to changes in financial assumptions	₱ -	₱ (813,197)
Due to changes in demographic assumptions	-	-
Due to change in experience	**82,335**	(117,747)
Remeasurement loss (gain) on plan asset	-	-
	₱ **82,335**	₱ (930,944)

Current service cost and net interest cost is presented in the statements of comprehensive as retirement expense as follows:

	2025	2024
Operating expenses (Note 22)	₱ **374,018**	₱ 524,174

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.
In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

	2025	2024
Discount rate	**6.10%**	6.10%
Future salary increase rate	**3.00%**	3.00%

The average remaining working lives of an individual retiring at the age of 60 is 8.7 for males and 11.3 for females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The retirement plan is exposed to both financial and demographic risks.

Liquidity Risk - The inability to meet benefit obligation payout when due.

Interest Rate Risk - The present value of defined benefit obligation is relatively sensitive and inversely related to the discount rate. In particular, if the discount rate, which is referenced to government bonds, decreases then the DBO increases.

Salary Risk - The present value of defined benefit obligation is relatively sensitive and directly related to future salary increases. In particular, if the actual salary increases in the future are higher than expected then the DBO and benefits are higher as well.

Persistency Risk - The present value of defined benefit obligation is relatively sensitive and inversely related to the turnover rates. In particular, lower turnover rates, which means employees persist or stay with the Company longer, correspond to higher DBO and benefit payouts.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) Sensitivity Analysis

The table below summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2025 and 2024:

2025

	Basis Points		**Effect on Retirement Obligation**	
Discount rate	**+100**	**₱**	**2,092,848**	**(8%)**
	-100		**2,493,624**	**9%**
Salary rate	**+100**		**2,498,156**	**9%**
	-100		**2,085,677**	**(9%)**
Turnover Rate	**0%**		**2,604,111**	**14%**
	125%		**2,214,985**	**(3%)**
	75%		**2,353,648**	**3%**

2024

	Basis Points		Effect on Retirement Obligation	
Discount rate	+100	₱	1,660,188	(9%)
	-100		2,011,584	10%

Salary rate	+100	2,015,574	10%
	-100	1,653,932	(9%)
Turnover Rate	0%	2,106,138	15%
	125%	1,767,855	(3%)
	75%	1,887,605	3%

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

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

(ii) Asset-liability Matching Strategies

The Company does not have a formal retirement plan and therefore has no plan assets to match against the liabilities under the Retirement Obligation.

(iii) Funding Arrangements and Expected Contributions

Since the Company does not have a formal retirement plan, benefit claims under the Retirement Obligation are paid directly by the Company when they become due.

The maturity analysis of expected future benefit payments follows:

	2025	2024
Year 5	₱ **963,625**	₱ -
Year 6	-	861,669
Year 7	-	-
Year 8	**689,790**	-
Year 9	**4,468,556**	629,008
Year 10	-	4,537,354
Year 11-15	**672,465**	574,702
Year 16-20	**1,006,795**	886,489
Year 21-30	**2,465,968**	2,162,398

The weighted average duration of the defined benefit obligation at the end of the reporting period is 11 years

NOTE 26 - INCOME TAXES

Income tax expense for the years ended December 31 consists of:

	2025	2024
Current tax expense:		
MCIT	₱ **421,946**	₱ 134,129
Deferred tax expense arising from:		
Temporary differences	**27,621**	737,308
Income tax expense	₱ **449,567**	₱ 871,437

Reconciliation between statutory tax and effective tax follows:

	2025	2024
Income tax at statutory rate	₱ 3,849,925	₱ 941,930
Tax effect of income subject to final tax	(322,464)	(260,948)
Tax effect of dividend income exempt from income tax	(544,139)	(225,880)
Tax effect of non-deductible fines and penalties	7,627	187,992
Tax effect of non-deductible representation expense	11,967	37,060
Tax effect of non-deductible expense	-	80,005
Application of NOLCO	(2,706,133)	-
Expired MCIT	152,784	111,278
Effective income tax	₱ 449,567	₱ 871,437

Analysis of income tax payable (prepaid income tax) follows:

	2025	2024
Regular Corporate Income Tax:		
Income (loss) before tax	₱ 15,399,699	₱ 3,767,718
Permanent differences:		
Interest income subjected to final tax	(1,289,854)	(1,043,791)
Non-taxable dividend income	(2,176,556)	(903,520)
Non-deductible fines and penalties	30,509	751,967
Non-deductible representation expense	47,866	148,238
Non-deductible expenses	-	320,019
Temporary differences:		
Unrealized foreign exchange gain (loss), net of reversals	46,585	(91,497)
Unrealized gain (loss) on FVTPL, net of reversals	3,339,307	(3,366,361)
Recovery of allowance for credit losses	-	(138,566)
Provision for credit losses	69,684	-
Retirement expense	374,018	524,174
Rental	(673,134)	(673,134)
Depreciation expense	588,900	622,653
Interest expense	54,318	99,829
Application of NOLCO	(15,811,342)	(17,729)
Taxable income (loss)	-	-
Tax rate	25%	25%
	₱ -	₱ -
Minimum Corporate Income Tax:		
Taxable gross income	₱ 21,097,282	₱ 6,706,432
Tax rate	2%	2%
	421,946	134,129
Tax due (Higher of RCIT or MCIT)	₱ 421,946	₱ 134,129
Less:		
Prior Year's Excess Credit	(681,307)	(813,210)
Creditable withholding tax	(63,534)	(2,225)
Quarterly income tax payments	(1,115,044)	-
Prepaid income tax (Note 11)	₱ (1,437,939)	₱ (681,307)

Deferred tax asset from NOLCO, arises from the taxable loss that can be charged against income of the next three taxable years except for NOLCO incurred for the year 2020 and 2021. Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 can be carried over as deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of NOLCO which can be carried over as deduction from gross income for the next five (5) consecutive taxable years pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020 follows:

Year Incurred	Date of Expiration	Amount	Applied	Expired	Balance
2020	December 31, 2025	₱10,824,533	10,824,533	-	₱ -

Details of NOLCO which can be carried over as deduction from gross income for the next three (3) consecutive taxable years pursuant to Section 4 (bbbb) of Bayanihan II and as implemented follows:

Year Incurred	Date of Expiration	Amount	Applied/ Adjustments	Expired	Balance
2023	December 31, 2026	₱ 7,617,313	₱ 2,137,120	₱ -	₱ 5,480,193
2022	December 31, 2025	2,867,418	2,867,418	-	-
		₱10,484,731	₱ 5,004,538	₱ -	₱ 5,480,193

Deferred tax asset from MCIT, is the carry forward benefit of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). Excess MCIT can be used within three taxable years from the date of payment. The Minimum Corporate Income Tax (MCIT) was reduced to one percent (1%) in July 1, 2020 until June 30, 2023 pursuant to Revenue Regulation 5-2021. In July 1, 2023, the Minimum Corporate Income Tax (MCIT) was reverted back to two percent (2%).

Details of the Company's MCIT are as follows:

Year Incurred	Date of Expiration	Amount	Applied/ Adjustments	Expired	Balance
2025	December 31, 2028	₱ 421,946	₱ -	₱ -	₱ 421,946
2024	December 31, 2027	134,129	-	-	134,129
2023	December 31, 2026	10,642	-	-	10,642
2022	December 31, 2025	152,784	-	152,784	-
		₱ 719,501	₱ -	₱ 152,784	₱ 566,717

The net deferred tax assets pertain to the following as of December 31, 2025 and 2024 and the related deferred tax income (expense) for the year ended December 31, 2025 and 2024:

	Statements of Financial Position		Statements of Comprehensive Income: Profit or Loss		Statements of Comprehensive Income: Other Comprehensive Income	
	2025	2024	**2025**	2024	**2025**	2024
Unrealized (gain) loss on FVTPL	₱ **(63,055)**	₱ (897,882)	₱ **834,827**	₱ (845,576)	₱ -	₱ -
Unrealized foreign exchange (gain) loss	**(3,258)**	(14,904)	**11,646**	(18,889)	-	-
MCIT	**566,717**	297,555	**269,162**	22,851	-	-
Effect PFRS 16	**11,150**	18,629	**(7,479)**	12,337	-	-
Retirement benefit obligation	**570,480**	456,391	**93,505**	131,044	**20,584**	(232,736)
Allowance for credit losses	**282,198**	264,778	**17,420**	(34,642)	-	-
NOLCO	**1,370,048**	2,616,750	**(1,246,702)**	(4,433)	-	-
Net deferred tax assets (liabilities)	₱ **2,734,280**	₱ 2,741,317				
Deferred tax income (expense)			₱ **(27,621)**	₱ (737,308)	₱ **20,584**	₱ (232,736)

NOTE 27 - RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Presented below are the specific relationship, amount of transactions, account balances, terms and conditions and the nature of the consideration to be provided in settlement, and settlement terms.

2025

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	**Buying (Volume)**	**823,826**			
	Selling (Volume)	**85,858,519**	**₱(85,034,693)**	**(1)**	**(2)**

(1) Non-interest bearing, payable in cash, T+2
(2) Secured by equity securities

2024

Nature of Relationship	Nature of Transaction	Amount (current transaction)	Outstanding balance	Terms	Conditions
Major Shareholders	Buying (Volume)	₱1,002,453,357			
	Selling (Volume)	1,048,050,722	₱(113,184,292)	(1)	(2)

(1) Non-interest bearing, payable in cash, T+2
(2) Secured by equity securities

Buying and Selling Transaction

In the ordinary course of business, the Company acts as broker to certain shareholders. Under the Company's policy, these transactions are made substantially on the same terms as with other businesses of comparable risks. In 2025 and 2024, the Company's outstanding receivable (payable) is presented as part of Receivables from Customers (Payables to Customers) in the statement of financial position.

Key Management Compensation

The compensation of key management paid by the Company are as follows:

		2025		2024
Short-term employee benefits	₱	**4,321,494**	₱	4,142,154
Professional fees		**397,333**		358,333
	₱	**4,718,827**	₱	4,500,487

NOTE 28 - LEASE AGREEMENTS

Company as lessee

The Company entered into lease agreement with Lourdes T. De Arroyo Holdings, Inc. for an office in Makati City. The lease term is for a period of three (3) years commencing on September 1, 2023 to August 31, 2026. The Company has determined that all significant risks and rewards of ownership of the property remain with the lessor. The agreement provides for payment of security deposit amounting to ₱101,990.

28.1 Right-of-use Assets

The carrying amounts of the Company's right-of-use assets as at December 31 and the movements during the period are shown below.

		2025		2024
Balance at beginning of year	₱	**1,037,756**	₱	1,660,409
Adjustment due to change in cash flows		**(56,256)**		-
Depreciation and amortization		**(588,900)**		(622,653)
Balance at end of year	₱	**392,600**	₱	1,037,756

28.2 Lease Liabilities

Lease liabilities are presented in the statements of financial position as at December 31 is as follows:

		2025		2024
Current	₱	**437,202**	₱	635,327
Non-current		**-**		476,947
	₱	**437,202**	₱	1,112,274

Movement of lease liability is as follows:

		2025		2024
Balance beginning of the year	₱	**1,112,274**	₱	1,685,579
Adjustment due to change in cash flows		**(56,256)**		-
Payments with gain on reduction of payments		**(618,816)**		573,305
	₱	**437,202**	₱	1,112,274

The undiscounted maturity analysis of lease liability at December 31, 2025 and 2024 are as follows:

2025

		Within 1 year		1 to 5 Years		Total
Lease payments	**₱**	**437,202**	**₱**	**-**	**₱**	**437,202**
Interest expenses		**11,554**		**-**		**11,554**
Net present values	**₱**	**448,756**	**₱**	**-**	**₱**	**448,756**

2024

		Within 1 year		1 to 5 Years		Total
Lease payments	₱	693,532	₱	489,552	₱	1,183,084
Interest expenses		(58,205)		(12,605)		(70,810)
Net present values	₱	635,327	₱	476,947	₱	1,112,274

NOTE 29 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the Board of Directors, and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's business activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The most significant financial risks to which the Company is exposed to are described below:

Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from both its operating, investing and financing activities.

A. Foreign Currency Risk

All transactions of the Company are denominated in Philippine peso, its functional currency. The Company's exposure relates primarily to its dollar denominated bank deposit amounting to ₱1,801,357 and ₱1,768,777 as at December 31, 2025 and 2024, respectively. The Company's exposure of foreign currency risk is not significant.

B. Price Risk

The Company's market price risk arises from its investments carried at fair value (i.e., financial assets classified as financial assets at FVTPL). The Company manages exposures to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

For listed equity securities, an average volatility of 17% and 15% has been observed during 2025 and 2024, respectively. The table below summarizes the sensitivity of the Company profit before tax to the observed volatility rates of the fair values.

		2025			2024	
Observed Volatility Rates		**+17.00%**	**-17.00%**		+15.00%	-15.00%
Profit before tax	**₱**	**237,170**	**(237,170)**	₱	253,843	(253,843)

The assumed price volatilities used in the sensitivity analysis represent the defined shift used by the Company to manage price risk based on the historical performance of equity securities.

C. Interest Rate Risk

The Company's exposure to the risk for changes in interest rates relates primarily to the Company's bank accounts. As at December 31, 2025 and 2024, these amounted to ₱133,652,216 and ₱153,034,951, respectively. The Company's exposure to changes in interest rates is not significant.

Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from selling services to customers including related parties and deposits with banks.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk. Accordingly, the Company's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company limits its exposure to credit risks by depositing its cash only with financial institutions duly evaluated and approved by the BOD. The Company's exposure on rental deposit is minimal since no default in payments were made by the counterparties.

The Company's receivable from customers related to unsecured and partially secured account is actively monitored to avoid significant concentrations of credit risk. A substantial portion of the Company's receivable from customers is secured by shares of stocks listed and traded in the PSE and lodged with Philippine Depository and Trust Corporation (PDTC) under the account of the Company.

The table below is an analysis of receivables from customers is as follows:

2025

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	₱ -	₱ -	₱ -	₱ -	₱ -
T+2 to T+12 of counterparty	50,834	-	50,833	1,017	49,817
T+13 to T+30 of counterparty	49,805	-	49,805	24,902	24,902
Beyond T+30 of counterparty	725,172	520,960	204,212	324,052	-
	₱ 825,811	₱ 520,960	₱ 304,850	₱ 349,971	₱ 74,719

2024

	Balance	Collateral (net of haircut)	Counterparty exposure (after collateral)	Allowance for credit losses	Net exposure
T to T+1 of counterparty	₱ 19,704	₱ 316,860	₱ (297,157)	₱ -	₱ -
T+2 to T+12 of counterparty	31,898	7,594,016	(7,562,116)	638	-
T+13 to T+30 of counterparty	-	-	-	-	-
Beyond T+30 of counterparty	491,700	3,371,006	(2,879,307)	279,649	-
	₱ 543,302	₱ 11,281,882	₱ (10,738,580)	₱ 280,287	₱ -

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers are subject to credit verification procedures.

In respect of receivable from customers and clearing house and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The table below shows the maximum exposure to credit risk for the components of the statements of financial position. The maximum exposure is shown at gross amount, without taking into account collateral and other credit enhancement.

	2025	2024
Cash and cash equivalents	₱ **133,652,216**	₱ 153,034,951
Receivable from customers	**475,840**	543,302
Receivable from clearing house	**4,091,573**	79,354
Other receivables	**1,004,778**	1,050,541
CTGF	**470,217**	368,227
Rental deposits	**98,738**	101,990
	₱ **139,793,362**	₱ 155,178,365

Cash excludes petty cash fund and cash on hand amounting to ₱15,000 in 2025 and 2024.

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash and receivables from customers as described below.

(a) Cash and cash equivalents

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱1,000,000 for every depositor per banking institution.

(b) Receivables from Customers

The Company trades only with recognized and credit worthy third parties. In accordance with RBCA requirements, limits are imposed to avoid large exposures to a single client or counterparty, single debt issue and single equity issue relative to a particular issuer company and its group of companies. As a result, maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts in the statements of financial position.

A substantial portion of the Company's Receivable from Customers is secured by shares of stocks (Note 8).

The Company applies the provision of SRC Rules 52.1.11 and Risk Based Capital Adequacy in measuring Credit Losses. In 2023 Section 52.1.11.2 and 52.1.11.3 was amended through SEC Memorandum Circular No. 11 Series of 2023.

To measure the credit losses, receivables were classified based on the provision of SRC Rule No. 52.1.11.2 as follows:

Classification
T+0 to T+1
T+2 to T+12
T+13 to T+30
T+31 up

The credit loss rates are based on the provision of SRC Rule No. 52.1.11.3 as follows:

Classification	Provision	Base
T+0 to T+0 to T+1	0	Total Receivables (TR)
T+2 to T+2 to T+12	2%	TR
T+13 to T+13 to T+30	50%	TR less collateral (net of haircut)
T+31 up	100%	TR less collateral (net of haircut)

The credit loss were computed by getting, for each doubtful account an amount equivalent to the provision of the amount outstanding net of collateral (net of haircut). Basis for the computation would be the individual accounts.

(c) Receivable from Clearing House

The credit risk for receivable from clearing house is considered negligible, the amount due were collected within the T+2 term of the receivable. Securities Clearing Corporation of the Philippines (SCCP) is a wholly-owned subsidiary of The Philippine Stock Exchange, Inc. (PSE) and is under the regulatory supervision of the Securities and Exchange Commission (SEC).

(d) Other receivables

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

(e) CTGF and rental deposits

The amount of ECL is not significant due to the fact that the collectability of contractual cash flows expected from these financial instruments is reasonably assured.

Liquidity Risk

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

The Company manages its liquidity needs by carefully monitoring cash inflows and cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are normally invested in short-term placements. Funding for long-term liquidity needs could be sourced through available credit facilities.

Company's payable to customers are normally settled within two (2) days. Other payables are normally settled within one (1) year after reporting date.

The following table presents the maturity profile of the Company's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments.

	December 31, 2025				
	Within 3 months	**3 months to 6 months**	**6 months to 1 year**	**3 to 5 years**	**Total**
Payable to customers	**₱ 91,947,587**	**₱ -**	**₱ -**	**₱ -**	**₱ 91,947,587**
Other payables	**201,026**	**-**	**-**	**-**	**201,026**
	₱ 92,148,613	**₱ -**	**₱ -**	**₱ -**	**₱ 92,148,613**

	December 31, 2024				
	Within 3 months	3 months to 6 months	6 months to 1 year	3 to 5 years	Total
Payable to customers	₱ 131,821,574	₱ -	₱ -	₱ -	₱ 131,821,574
Other payables	124,778	-	-	-	124,778
	₱ 131,946,352	₱ -	₱ -	₱ -	₱ 131,946,352

NOTE 30 - CAPITAL MANAGEMENT

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

The Company's BOD has the overall responsibility for monitoring capital proportion to risks. The Associated Person designated by the Company monitors compliance with minimum capital requirements imposed by PSE and SEC.
The Company, being a broker/dealer in securities, is regulated by PSE and SEC and subject to the following capital requirement in accordance with the Securities Regulatory Commission (SRC).

Risk Based Capital Adequacy Requirement

Based on SEC Memorandum Circular No. 16, the Company is required an RBCA ratio of greater than or equal to 1:1. The RBCA ratio is computed by dividing Company's Net Liquid Capital (NLC) to its Total Risk Capital Requirement (TRCR). TRCR is the sum of: a) Operational Risk Requirement (ORR); b) Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and c) Position or Market Risk Requirement.

On August 8, 2023, the SEC approved amendments to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, series of 2004, relative to the settlement cycle from T+3 to T+2.

The Company's RBCA ratio as at years ended December 31, 2025 and 2024 are 267% and 153% respectively.

Details of computation of the Company's Risk Based Capital Adequacy Ratio are shown below:

		2025		2024
Net liquid capital				
Equity eligible for net liquid capital	₱	**51,837,395**	₱	36,095,504
Ineligible assets		**(4,963,473)**		(4,397,992)
Total	₱	**46,873,922**	₱	31,697,512
Risk capital requirements				
Operational risk requirement	₱	**3,414,206**	₱	3,310,171
Position risk requirement		**10,347,598**		12,028,926
Counterparty risk requirement		**16,437**		-
Large exposure risk		**3,781,420**		5,429,256
Total	₱	**17,559,661**	₱	20,768,353
Risk based capital adequacy ratio		**267%**		153%

Net Liquid Capital

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

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

Details of Company NLC as of years ended December 31, 2025 and 2024 are shown below:

		2025		2024
Net liquid capital	₱	**46,873,922**	₱	31,697,512
Less: Required net liquid capital, higher of:				
5% aggregate indebtedness		**6,060,109**		8,021,276
Minimum amount		**5,000,000**		5,000,000
Required net liquid capital		**6,060,109**		8,021,276
Net risk based capital excess (deficiency)	₱	**40,813,813**	₱	23,676,236
Ratio of aggregate indebtedness to net liquid capital		**267%**		506%

Total Risk Capital Requirement

Detail of TRCR follows:

A. Operational Risk

It is the exposure that is associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate of failed internal process, people and systems which include, among others, risk if fraud, operational or settlement failure and shortage of liquid resources, or from external events.

Below is the manual computation of operational risk requirement for the last three years:

Revenue		**2024**		**2023**		**2022**		**Average**
Commission revenue	₱	11,009,532	₱	7,553,556	₱	22,272,635	₱	13,611,908
Interest income		782,844		404,212		72,771		419,942
Net Recovery from market decline of Marketable Securities Owned		3,575,585		209,224				1,261,603
Dividend income		677,640		528,444		1,296,937		834,340
Gain on Sale of Marketable Securities		-		-		-		-
Gain on Sale of other Assets		-		-		-		-
Other income/revenue		2,461,134		105,837		262,741		943,237
Total revenue/income		18,506,734		8,801,272		23,905,084		
Average of the last three year gross income								17,071,030
Operational risk factor								20%
Total operational risk requirement							₱	**3,414,206**

The Company's Core Equity should, at all times, be greater than its Operational Risk Requirement.

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 FVOCI securities).

The Company has no operational risk exposure since its Core Equity is greater than the operational risk requirement as calculated.

B. Position/Price Risk

The Company is exposed to equity security price risk because of investments held and classified in Fair Value through Profit or Loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the management.

Below is the manual computation of position risk requirement as of the years December 31, 2025 and 2024:

2025

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	**₱ 2,927,400**	**25%**	**₱ 731,850**
Other equities outside the PHISIX	**27,061,828**	**35%**	**9,471,640**
FX Position	**1,801,357**	**8%**	**144,108**
	₱ 31,790,585		**₱ 10,347,598**

2024

	Total Market Value of Instrument	Position Risk Factors	Position Risk Requirement
Equities in PHISIX	₱ 19,878,030	25%	₱ 4,969,508
Other equities outside the PHISIX	19,765,475	35%	6,917,916
FX Position	1,768,777	8%	141,502
	₱ 41,412,282		₱ 12,028,926

C. Large Exposure Risk

It is a risk to which a broker dealer is exposed to a single equity security or single issuer group. This is the maximum permissible large exposure and calculated as a percentage of core equity.

The Company has a Large Exposure to single equity relative to a particular issuer company and its group of companies amounting to ₱3,781,420 and ₱5,429,256 as of December 31, 2025 and 2024, respectively, which is not beyond the maximum permissible large exposure.

D. Counterparty Risk Exposure

Unsettled customer trades (arising from customer-to-broker agency relationship)- A counterparty exposure of this kind occurs when a) the customer poses the possible risk of failing to deliver securities on a sell contract or b) the customer poses the possible risk of failing to pay cash on a buy contract.

Unsettled principal trades (arising from broker-to-broker or broker-to-exchange/clearing agency relationships). A counterparty exposure risk of this kind occurs when a) the broker dealer poses the possible risk of failing receive cash from its counterparty on a sell contract or b) the broker dealer poses the possible risk of failing to receive the securities from its counterparty on a buy contract. Debts/loans, contra losses and other amounts due- A broker dealer has a counterparty exposure if a debt/loan, receivable from a customer/client, contra loss, or any other amount due is not paid on its agreed due date. In the case of a contra loss, the due date shall be the date of the contra.

The Company has counter party exposure which results to counterparty exposure on unsettled customers trades amounting to ₱16,437 and ₱nil in 2025 and 2024, respectively.

As at December 31, 2025 and 2024, the Company is in compliance with Risk Based Capital Adequacy Requirement.

NOTE 31 - FAIR VALUE MEASUREMENT

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

			2025		
			Fair Value		
	Notes	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Financial asset at FVTPL	7	₱ 29,989,228	₱ 29,989,228	₱ -	₱ -
Assets for which fair values are disclosed:					
Cash	6	133,667,216	-	133,667,216	-
Receivables from customers	8	475,840	-	475,840	-
Receivable from clearing house	9	4,091,573	-	4,091,573	
Other receivables	10	1,004,778	-	1,004,778	-
CTGF and rental deposit	14	568,955	-	-	-
		₱ 169,797,590	₱ 29,989,228	₱ 139,239,407	₱ -
Liabilities for which fair values are disclosed:					
Payable to customers	15	₱ 91,947,587	₱ -	₱ 91,947,587	₱ -
Lease liability	28	437,202	-	437,202	-
Other payables	16	201,026	-	201,026	-
		₱ 92,585,815	₱ -	₱ 92,585,815	₱ -

			2024		
			Fair Value		
	Notes	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Financial asset at FVTPL	7	₱ 39,643,505	₱ 39,643,505	₱ -	₱ -
Assets for which fair values are disclosed:					
Cash	6	153,049,951	-	153,049,951	-
Receivables from customers	8	263,015	-	263,015	-
Receivable from clearing house	9	79,354		79,354	
Other receivables	10	1,050,541	-	1,050,541	-
CTGF and rental deposit	14	470,217	-	470,217	-
		₱ 194,556,583	₱ 39,643,505	₱ 154,913,078	₱ -
Liabilities for which fair values are disclosed:					
Payable to customers	15	₱ 131,821,574	₱ -	₱ 131,821,574	₱ -
Lease liability	28	1,112,274	-	1,112,274	-
Other payables	16	124,778	-	124,778	-
		₱ 133,058,626	₱ -	₱ 133,058,626	₱ -

Offsetting of Financial Assets and Financial Liabilities

The following financial assets and financial liabilities with net amount presented in the statements of financial position are subject to offsetting, enforceable matter netting arrangements and similar arrangements:

	Gross amounts recognized in the statements of financial position				Net amount presented in statements of financial position	
	Financial assets		Financial Liabilities			
December 31, 2025						
Receivable from clearing house	**₱**	**16,900,418**	**₱**	**12,808,845**	**₱**	**4,091,573**
December 31, 2024						
Receivable from clearing house	₱	179,444	₱	100,090	₱	79,354

NOTE 32 - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2025

		Lease Liability (Note 28)
Balance as of January 1, 2025	₱	1,112,274
Cash flow from financing activities:		
Additional Borrowing		-
Repayments of Borrowing		(673,134)
Non-cash financing activities		
Adjustment due to changes in cash flows		(56,256)
Amortization of interest on lease liabilities		54,318
Balance as of December 31, 2025	₱	437,202

2024

		Lease Liability (Note 28)
Balance as of January 1, 2024	₱	1,685,579
Cash flow from financing activities:		
Additional Borrowing		-
Repayments of Borrowing		(673,134)
Non-cash financing activities		
Amortization of interest on lease liabilities		99,829
Balance as of December 31, 2024	₱	1,112,274

NOTE 33 - SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages is the supplementary information required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 to be disclosed as part of the notes to the financial statements.

This supplementary information is presented for purposes of compliance with BIR requirements and is not a required disclosure under the Philippine Financial Reporting Standards (PFRS) Accounting Standard.

The details of taxes, duties, and license fees paid or accrued during the taxable year, as required under the aforementioned Revenue Regulations, are presented below and in the succeeding pages.

Revenue Regulation 15-2010

a) Output VAT

In 2025, the Company declared output VAT as follows:

	Tax Base	Output VAT
Taxable Sales	₱ 33,477,141	₱ 4,017,257

The tax bases are included as part of Income in the 2025 statements of comprehensive income.

b) Input VAT

Movement in input VAT for the year ended December 31, 2025 follow:

	Purchases	Input VAT
Balance, beginning of year	₱ -	₱ -
Domestic purchases of goods	403,367	48,404
Domestic purchases of services	3,642,595	437,111
Total available Input VAT		485,515
Application against VAT		(485,515)
Balance, end of the year		₱ -

c) Taxes and Licenses

The details of Taxes and Licenses account (Note 22) are broken down as follows:

	Amount
Business permit and licenses	₱ 168,958
Others	650
	₱ 169,608

The amounts of taxes and licenses shown above are included under the operating expenses in the statements of comprehensive income.

d) Withholding Taxes

The details of total withholding taxes remitted for the year ended December 31, 2025 are shown below.

	Amount
Withholding tax at source (expanded)	₱ 232,150
Withholding tax on compensation	895,545
	₱ 1,122,988

e) Tax Assessments and Cases

In 2023, the Company received a Letter of Authority No. eLA202200043506 from the Bureau of Internal Revenue (BIR) dated November 3, 2023 for the examination of its books of accounts and accounting records for the taxable year ending 2022. The examination was settled in November 22, 2024 with the payment of ₱751,967. (Note 22)

The Company has no outstanding Letter of Authority from the Bureau of Internal Revenue as of the reporting date.

f) Related Party Transaction

The Company is not covered under Section 2 of the Revenue Regulation 34-2020 requirements and procedures for related party transaction, including filing of BIR Form 1709, Information Return on its Transactions with Related Party.

SCHEDULE I

SECURITIES SPECIALISTS, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
FOR THE YEAR ENDED December 31, 2025

The Company has no subordinated liabilities as of December 31, 2025

SECURITIES SPECIALISTS, INC.
RISK BASED-CAPITAL ADEQUACY WORKSHEET PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16, AS AMENDED, THROUGH SEC MEMORANDUM CIRCULAR NO. 11, SERIES OF 2023
December 31, 2025

Assets	175,906,486
Liabilities	96,268,498
Equity as per books	79,637,988
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	(2,800,593)
Deposit for Future Stock Subscription (No application with SEC)	(25,000,000)
Minority Interest	
Total Adjustments to Equity per books	(27,800,593)
Equity Eligible For Net Liquid Capital	51,837,395
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	572,440
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	533,160
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	1,271,953
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	81,437
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	105,096
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	2,399,387
Total ineligible assets	4,963,473

Net Liquid Capital (NLC)	46,873,922
Less:	
Operational Risk Reqt (Schedule ORR-1)	3,414,206
Position Risk Reqt (Schedule PRR-1)	10,347,598
Counterparty Risk (Schedule CRR-1 and detailed schedules)	16,437
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)	3,781,420
Total Risk Capital Requirement (TRCR)	17,559,661
Net RBCA Margin (NLC-TRCR)	29,314,261
Liabilities	96,268,498
Add: Deposit for Future Stock Subscription (No application with SEC)	25,000,000
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilites	
Loans secured by securities	
Loans secured by fixed assets	
Others	66,313
Total adjustments to AI	24,933,687
Aggregate Indebtedness	121,202,185
5% of Aggregate Indebtedness	6,060,109
Required Net Liquid Capital (> of 5% of AI or P5M)	6,060,109
Net Risk-based Capital Excess / (Deficiency)	40,813,813
Ratio of AI to Net Liquid Capital	259%
RBCA Ratio (NLC / TRCR)	267%

SECURITIES SPECIALISTS, INC.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER APPENDIX F OF SRC RULE 49.2.1
FOR THE YEAR ENDED DECEMBER 31, 2025

1. Customers' fully paid securities and excess margin securities not in the broker's or dealers' possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required actions was not taken by respondent within the time frame specified under SRC Rule 49.2-1:

Market Valuation	.... ₱	-nil-
Numer of items	.... ₱	-nil-

2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under SRC rule 49.2-1

Market Valuation	.... ₱	-nil-
Numer of items	.... ₱	-nil-

SCHEDULE IV

SECURITIES SPECIALISTS, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER SRC RULE 49.2
DECEMBER 31, 2025

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts.	6,089,069	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old,		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		(109,537)
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		
12. Failed to deliver customers' securities not older than 30 calendar days.		
13. Others:		4,091,573
Total	6,089,069	3,982,036
Net Credit (Debit)	2,107,033	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	2,212,384	

SCHEDULE V

SECURITIES SPECIALISTS, INC.
REPORT DESCRIBING MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED SINCE THE PREVIOUS AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2025

No material weakness in the internal control or material inadequacies in the practices and procedures for safeguarding securities were found since the date of previous report.

SCHEDULE VI

SECURITIES SPECIALISTS, INC.
REPORT OF MONTHLY SECURITIES COUNT CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Securities Specialists, Inc.
Member: The Philippine Stock Exchange, Inc.

OATH

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

I, Catherine N. Palamos, Treasurer of the SECURITIES SPECIALISTS, INC. do solemnly swear that all matters set forth in this summary of securities count for the month ended December 31, 2025 are true and correct to the best of my knowledge and belief.

CATHERINE N. PALAMOS
Treasurer

08 MAY 2026

SUBSCRIBED AND SWORN to before me, a Notary Public, this ___ day of ______, affiant exhibiting to me her TIN 212-691-859 issued at _________ on ___________ and date expired on _____________.

Doc. No. 131
Page No. 28
Book No. XXXIV
Series of 2026

MA. ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2027
Appt. No. M-046 (Ren) (2026-2027) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VIII-0009662/valid until 4-14-2028
PTR No. 10766011/1-2-2026/Makati City
IBP Lifetime Member No. 05413
G/F Dela Rosa Carpark I, Dela Rosa St.
Legaspi Village, Makati City

SECURITIES SPECIALISTS, INC.
STOCK POSITION PER LOCATION REPORT
As of December 31, 2025

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		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
2GO	2GO GROUP, INC.	1,000	13,500	-	-	-	-	-	-	1,000	13,500	-	-
AAA	ASIA AMALGAMATED HOLDINGS	250	403	-	-	250	402.50	-	-	-	-	-	-
AB	ATOK BIG WEDGE	7	14	-	-	7	14.42	-	-	-	-	-	-
ABA	ABACORE CAPITAL HOLDINGS INC.	2,000	520	-	-	2,000	520.00	-	-	-	-	-	-
ABG	ASIABEST GROUP INTERNATIONAL, INC.	314	5,897	17,100.00	321,138	17,414	327,034.92	-	-	-	-	-	-
ABS	ABS-CBN CORPORATION	307,925	1,296,364	-	-	307,925	1,296,364.25	-	-	-	-	-	-
AC	AYALA CORP.	31,880	14,919,840	-	-	31,880	14,919,840.00	-	-	-	-	-	-
ACE	ACESITE (PHILS.) HOTEL CORP.	9,047	10,856	-	-	9,047	10,856.40	-	-	-	-	-	-
ACEN	ACEN CORPORATION	13,134,331	35,725,380	-	-	13,134,303	35,725,304.16	28	76	-	-	-	-
ACR	ALSON CONSOLIDATED RESOURCES	59,000	27,730	-	-	59,000	27,730.00	-	-	-	-	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	164,176	4,596,928	-	-	164,176	4,596,928.00	-	-	-	-	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	110,000	900,900	-	-	110,000	900,900.00	-	-	-	-	-	-
ALCO	ARTHALAND CORPORATION	210,017,449	88,207,329	-	-	210,017,449	88,207,328.58	-	-	-	-	-	-
ALCPF	ARTHALAND CORP. PREF. SERIES "F"	10,000	5,000,000	-	-	10,000	5,000,000.00	-	-	-	-	-	-
ALI	AYALA LAND INC.	235,444	5,285,718	-	-	235,260	5,281,587.00	184	4,131	-	-	-	-
ALLDY	ALLDAY MART	1,488,503	46,144	-	-	1,488,503	46,143.59	-	-	-	-	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	290,000	377,000	-	-	290,000	377,000.00	-	-	-	-	-	-
ALTER	ALTERNERGY HOLDINGS CORP.	20,000	16,800	-	-	20,000	16,800.00	-	-	-	-	-	-
ANI	AGRINURTURE, INC.	18,700	10,098	-	-	18,700	10,098.00	-	-	-	-	-	-
ANS	A. SORIANO CORPORATION	39,256	565,286	-	-	39,165	563,976.00	91	1,310	-	-	-	-
AP	ABOITIZ POWER CORP.	1,115,100	49,064,400	68,600.00	3,018,400	1,183,700	52,082,800.00	-	-	-	-	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	3,105,200	15,526	-	-	3,105,200	15,526.00	-	-	-	-	-	-
APO	ANGLO-PHIL. OIL	5,132	3,592	-	-	5,132	3,592.40	-	-	-	-	-	-
APVI	ALTUS PROPERTY VENTURES, INC.	927	7,787	-	-	927	7,786.80	-	-	-	-	-	-
APX	APEX MINING CO., INC.	5,809,168	72,266,050	50,000.00	622,000	5,858,668	72,881,829.92	500	6,220	-	-	-	-
AR	ABRA MNG. & INDL. CORP.	55,520,000	255,392	-	-	55,520,000	255,392.00	-	-	-	-	-	-
ARA	ARANETA PROPERTIES, INC.	18,950	7,580	-	-	18,950	7,580.00	-	-	-	-	-	-
AREIT	AREIT, INC.	524,950	22,835,325	-	-	524,950	22,835,325.00	-	-	-	-	-	-
ASLAG	RASLAG CORP.	165,000	135,300	-	-	165,000	135,300.00	-	-	-	-	-	-
AT	ATLAS CONS. MINING & DEV.	759,177	4,577,837	-	-	755,219	4,553,970.57	3,958	23,867	-	-	-	-
ATN	ATN HOLDINGS	281,200	139,194	96,000.00	47,520	376,200	186,219.00	1,000	495	-	-	-	-
ATNB	ATN HOLDINGS-B	333,800	165,231	-	-	333,800	165,231.00	-	-	-	-	-	-
AUB	ASIA UNITED BANK	173,954	6,818,997	-	-	173,954	6,818,996.80	-	-	-	-	-	-
AXLM	AXELUM RESOURCES CORP.	212,000	500,320	-	-	212,000	500,320.00	-	-	-	-	-	-
BALAI	BALAI NI FRUTAS, INC.	400,000	140,000	-	-	400,000	140,000.00	-	-	-	-	-	-
BC	BENGUET CORP.	1,167	5,835	-	-	1,143	5,715.00	24	120	-	-	-	-
BCB	BENGUET CORP. - B	285	1,377	-	-	285	1,376.55	-	-	-	-	-	-
BDO	BDO UNIBANK, INC.	73,781	9,930,923	-	-	73,781	9,930,922.60	-	-	-	-	-	-
BEL	BELLE CORP.	1,096,798	1,447,773	-	-	1,096,798	1,447,773.36	-	-	-	-	-	-
BF	BANCO FILIPINO SAVINGS & MORTGAGE B	336	-	-	-	336	-	-	-	-	-	-	-
BKR	BRIGHT KINDLE RES & INVESTMENTS	800,000	520,000	-	-	800,000	520,000.00	-	-	-	-	-	-
BLOOM	BLOOMBERRY RESORTS CORP.	2,394,100	6,081,014	-	-	2,394,100	6,081,014.00	-	-	-	-	-	-
BNCOM	BANK OF COMMERCE	2,692,100	24,767,320	-	-	2,692,100	24,767,320.00	-	-	-	-	-	-
BPI	BANK OF PHIL. ISLANDS	230,373	26,746,305	-	-	230,373	26,746,305.30	-	-	-	-	-	-
BRN	A. BROWN CO., INC.	311,277	289,488	-	-	311,277	289,487.61	-	-	-	-	-	-
BSC	BASIC CONSOLIDATED, INC.	151,262	17,698	-	-	147,922	17,306.87	3,340	391	-	-	-	-
C	CHELSEA LOGISTICS & INFRASTRUCTURE	1,100,400	1,045,380	115,000.00	109,250	1,215,400	1,154,630.00	-	-	-	-	-	-
CAL	CALATA CORP.	3,360	6,854	-	-	-	-	-	-	3,360	6,854	-	-
CBC	CHINA BANKING CORPORATION	214,092	12,203,244	-	-	214,092	12,203,244.00	-	-	-	-	-	-
CEB	CEBU AIR	32,930	1,053,760	-	-	32,930	1,053,760.00	-	-	-	-	-	-
CEBCP	CEBU AIR INC CONVTIBLE PREF SHARES	5,437	190,295	-	-	5,437	190,295.00	-	-	-	-	-	-
CHP	CONCREAT HOLDINGS PHILIPPINES, INC.	378,392	412,447	-	-	378,392	412,447.28	-	-	-	-	-	-
CLI	CEBU LANDMASTERS, INC.	729,620	1,714,607	-	-	729,620	1,714,607.00	-	-	-	-	-	-
CNPF	CENTURY PACIFIC FOOD, INC.	1,500	58,500	-	-	1,500	58,500.00	-	-	-	-	-	-
CNVRG	CONVRG & INFO & COMM TECH SOL	78,700	1,205,684	-	-	78,700	1,205,684.00	-	-	-	-	-	-
COAL	COAL ASIA HOLDINGS INCORPORATED	20,000	560	-	-	20,000	560.00	-	-	-	-	-	-
COSCO	COSCO CAPITAL, INC.	302,400	2,113,776	-	-	302,400	2,113,776.00	-	-	-	-	-	-
CPG	CENTURY PROPERTIES GROUP, INC.	158,446	109,328	-	-	158,446	109,327.74	-	-	-	-	-	-
CPM	CENTURY PEAK HOLDINGS CORPORATION	1,669,000	3,988,910	-	-	1,669,000	3,988,910.00	-	-	-	-	-	-
CREIT	CITICORE ENERGY REIT CORP.	468,000	1,670,760	-	-	468,000	1,670,760.00	-	-	-	-	-	-
CROWN	CROWN ASIA CHEMICALS CORPORATION	2,282,000	3,833,760	-	-	2,282,000	3,833,760.00	-	-	-	-	-	-
CYBR	CYBER BAY CORPORATION	2,050,000	676,500	-	-	2,050,000	676,500.00	-	-	-	-	-	-
DD	DOUBLE DRAGON CORP.	94,180	873,990	-	-	94,180	873,990.40	-	-	-	-	-	-
DDMPR	DDMP REIT, INC.	1,647,000	1,679,940	-	-	1,647,000	1,679,940.00	-	-	-	-	-	-
DELM	DEL MONTE PACIFIC LIMITD	62,391	293,238	-	-	62,391	293,237.70	-	-	-	-	-	-
DFNN	DFNN INC.	25,000	20,000	-	-	25,000	20,000.00	-	-	-	-	-	-

SECURITIES SPECIALISTS, INC.
STOCK POSITION PER LOCATION REPORT
As of December 31, 2025

STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		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
DHI	DOMINION HOLDINGS INCORPORATED	5,400	7,506	-	-	5,400	7,506.00	-	-	-	-	-	-
DITO	DITO CME HOLDINGS CORP	3,421,023	2,326,296	-	-	3,420,736	2,326,100.48	287	195	-	-	-	-
DIZ	DIZON COPPER-SILVER MINES	56	280	-	-	56	280.00	-	-	-	-	-	-
DMC	DMCI HOLDINGS INC.	102,500	1,080,350	-	-	102,500	1,080,350.00	-	-	-	-	-	-
DMW	D.M. WENCESLAO & ASSOCIATES, INC.	184,200	921,000	-	-	184,200	921,000.00	-	-	-	-	-	-
DNL	D & L INDUSTRIES, INC.	920,700	3,544,695	-	-	920,700	3,544,695.00	-	-	-	-	-	-
ECP	EASYCALL COMMUNICATIONS, INC.	1,000	2,600	-	-	1,000	2,600.00	-	-	-	-	-	-
ECVC	EAST COAST VULCAN MINING CORP.	160,452	43,322	-	-	160,452	43,322.04	-	-	-	-	-	-
EEI	ENGINEERING EQUIPMENT INC.	940,318	2,670,503	-	-	938,522	2,665,402.48	1,796	5,101	-	-	-	-
EG	IP E-GAME VENTURES, INC.	200,000	1,880	-	-	200,000	1,880.00	-	-	-	-	-	-
EGRN	EVERWOODS GREEN RESOURCES & HOLDING	50,000	-	-	-	50,000	-	-	-	-	-	-	-
EIBA	EXPORT AND INDUSTRY BANK	180,214	-	-	-	180,214	-	-	-	-	-	-	-
ELI	EMPIRE EAST LAND HOLDINGS, INC.	277,235	28,832	-	-	270,235	28,104.44	7,000	728	-	-	-	-
ENEX	ENEX ENERGY CORP.	679	2,268	-	-	679	2,267.86	-	-	-	-	-	-
EW	EAST WEST BANKING CORP.	625,224	7,252,598	-	-	625,224	7,252,598.40	-	-	-	-	-	-
FB	SAN MIGUEL FOOD AND BEVERAGE INC	2,646,720	145,569,600	-	-	2,646,720	145,569,600.00	-	-	-	-	-	-
FDC	FILINVEST DEV. CORP.	21,087	95,946	-	-	21,087	95,945.85	-	-	-	-	-	-
FERRO	FERRONOUX HOLDINGS, INC.	37,000	185,000	-	-	37,000	185,000.00	-	-	-	-	-	-
FGEN	FIRST GEN CORPORATION	9,700	172,078	-	-	9,700	172,078.00	-	-	-	-	-	-
FILRT	FILINVEST REIT CORP.	2,016,629	6,251,550	-	-	2,016,629	6,251,549.90	-	-	-	-	-	-
FLI	FIL-INVEST LAND, INC.	1,757,849	1,353,544	-	-	1,757,849	1,353,543.73	-	-	-	-	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	6,403	8,644	-	-	6,403	8,644.05	-	-	-	-	-	-
FOOD	ALLIANCE SELECT FOODS INT'L., INC.	22,634	8,375	-	-	22,634	8,374.58	-	-	-	-	-	-
FPH	FIRST PHIL. HOLDINGS CORP.	5,893	453,761	-	-	5,352	412,104.00	541	41,657	-	-	-	-
FPI	FORUM PACIFIC, INC.	40,000	9,600	-	-	40,000	9,600.00	-	-	-	-	-	-
FRUIT	FRUITAS HOLDINGS INC	596,000	381,440	30,000.00	19,200	626,000	400,640.00	-	-	-	-	-	-
FYN	FILIPINAS SYNTHETIC FIBER	902	1,912	-	-	902	1,912.24	-	-	-	-	-	-
GEO	GEOGRACE RES. PHILS., INC.	67,618	5,883	-	-	67,618	5,882.77	-	-	-	-	-	-
GERI	GLOBAL-ESTATE RESORTS, INC.	28,170	19,437	-	-	27,000	18,630.00	1,170	807	-	-	-	-
GLO	GLOBE TELECOM, INC.	458	725,472	-	-	458	725,472.00	-	-	-	-	-	-
GMA7	GMA NETWORK, INC.	893,100	4,831,671	-	-	893,100	4,831,671.00	-	-	-	-	-	-
GMAP	GMA HOLDINGS, INC.	35,000	185,150	-	-	35,000	185,150.00	-	-	-	-	-	-
GO	GOTESCO LAND, INC.	5,000	700	-	-	-	-	5,000	700	-	-	-	-
GREEN	GREENERGY HOLDINGS, INC.	89,287	16,072	-	-	89,287	16,071.66	-	-	-	-	-	-
GSMI	GINEBRA SAN MIGUEL INC.	1,380	407,100	-	-	1,380	407,100.00	-	-	-	-	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	10,782	6,415,290	-	-	10,782	6,415,290.00	-	-	-	-	-	-
GTPPB	GT CAPITAL HOLDGS INC. PREF. S-B	1,000	1,000,000	-	-	1,000	1,000,000.00	-	-	-	-	-	-
HI	HOUSE OF INVESTMENTS, INC.	2,000	9,000	-	-	2,000	9,000.00	-	-	-	-	-	-
HLCM	HOLCIM PHILIPPINES, INC.	3,334	12,903	-	-	3,334	12,902.58	-	-	-	-	-	-
HOME	ALLHOME CORP	30,000	7,110	-	-	30,000	7,110.00	-	-	-	-	-	-
HTI	HAUS TALK, INC.	36,000	39,600	-	-	36,000	39,600.00	-	-	-	-	-	-
I	IREMIT, INC.	3,403	677	-	-	3,403	677.20	-	-	-	-	-	-
ICT	INTL CONT TERMINAL SERV INC	48,631	27,573,777	-	-	48,631	27,573,777.00	-	-	-	-	-	-
IDC	ITALPINAS DEVELOPMENT CORP.	631,161	549,110	-	-	631,161	549,110.07	-	-	-	-	-	-
IMI	INTEGRATED MICO-ELECTRONICS, INC.	459,905	1,595,870	-	-	459,905	1,595,870.35	-	-	-	-	-	-
IMP	IMPERIAL RES., INC.	39,120	27,384	-	-	39,120	27,384.00	-	-	-	-	-	-
INFRA	PHIL. INFRADEV HOLDINGS, INC.	599,200	188,748	50,000.00	15,750	640,500	201,757.50	8,700	2,741	-	-	-	-
ION	IONICS, INC.	5,000	5,100	-	-	5,000	5,100.00	-	-	-	-	-	-
IPO	IPEOPLE, INC.	1,138	6,828	-	-	1,138	6,828.00	-	-	-	-	-	-
IS	ISLAND INFORMATION & TECHNOLOGY,INC	50,000	6,150	-	-	50,000	6,150.00	-	-	-	-	-	-
ISM	ISM COMMUNICATIONS CORPORATION	0	0	-	-	0	0.01	-	-	-	-	-	-
JFC	JOLLIBEE FOODS CORP.	14,134	2,544,120	-	-	14,134	2,544,120.00	-	-	-	-	-	-
JGS	JG SUMMIT HOLDINGS, INC.	22,362	528,861	-	-	22,362	528,861.30	-	-	-	-	-	-
KEEPR	KEEPERS HOLDINGS, INC.	359,356	891,203	-	-	359,356	891,202.88	-	-	-	-	-	-
KPPI	KEPWEALTH PROPERTY PHILS., INC.	3,000	3,570	15,000.00	17,850	18,000	21,420.00	-	-	-	-	-	-
LBC	LBC EXPRESS HOLDINGS, INC.	19,800	174,240	-	-	19,800	174,240.00	-	-	-	-	-	-
LC	LEPANTO CONS. MNG.	7,526,235	1,392,353	-	-	7,524,604	1,392,051.74	1,631	302	-	-	-	-
LCB	LEPANTO CONS. MNG. - B	473,751	88,591	-	-	465,828	87,109.84	7,923	1,482	-	-	-	-
LODE	LODESTAR INVESTMENT HOLDINGS CORP	50,000	17,500	850,000.00	297,500	900,000	315,000.00	-	-	-	-	-	-
LPZ	LOPEZ HOLDINGS CORPORATION	25,980	96,646	-	-	23,780	88,461.60	2,200	8,184	-	-	-	-
LSC	LORENZO SHIPPING CORPORATION	5,000	3,050	-	-	5,000	3,050.00	-	-	-	-	-	-
LTG	LT GROUP, INC.	13,200	195,096	-	-	13,200	195,096.00	-	-	-	-	-	-
MAB	MANILA MINING CORP. - B	66,299,079	477,353	-	-	66,299,079	477,353.37	-	-	-	-	-	-
MAC	MACROASIA CORPORATION	26,806	116,338	-	-	26,786	116,251.24	20	87	-	-	-	-
MARC	MARCVENTURES HOLDINGS, INC.	920	644	-	-	920	644.00	-	-	-	-	-	-
MAXS	MAX'S GROUP, INC.	213,700	523,565	-	-	213,700	523,565.00	-	-	-	-	-	-

SECURITIES SPECIALISTS, INC.
STOCK POSITION PER LOCATION REPORT
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STOCK CODE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		IN VAULT		TRANSFER OFFICE		IN TRANSIT	
		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
MBT	METRO BANK & TRUST CO.	545,723	37,382,026	-	-	545,723	37,382,025.50	-	-	-	-	-	-
MC	MARSTEEL CONS. INC. "A"	151,500	3,030	-	-	151,500	3,030.00	-	-	-	-	-	-
MCB	MARSTEEL CONS. INC. - B	2,338,500	46,770	-	-	2,138,500	42,770.00	200,000	4,000	-	-	-	-
MED	MEDCO HOLDINGS	290,000	26,100	-	-	290,000	26,100.00	-	-	-	-	-	-
MEDIC	MEDILINES DISTRIBUTORS INC.	75,000	19,500	-	-	75,000	19,500.00	-	-	-	-	-	-
MEG	MEGAWORLD PROP. & HOLDINGS,INC	860,028	1,788,858	-	-	860,028	1,788,858.24	-	-	-	-	-	-
MER	MANILA ELECTRIC CO.	32,359	18,574,066	5,100.00	2,927,400	37,400	21,467,600.00	59	33,866	-	-	-	-
MFC	MANULIFE FINANCIAL CORP.	2	3,760	-	-	2	3,760.00	-	-	-	-	-	-
MGH	METRO GLOBAL HOLDINGS CORP.	24,000	-	-	-	21,000	-	3,000	-	-	-	-	-
MHC	MABUHAY HOLDINGS CORP.	10,000	1,150	-	-	10,000	1,150.00	-	-	-	-	-	-
MJC	MANILA JOCKEY CLUB, INC.	25,987	33,003	-	-	25,987	33,003.49	-	-	-	-	-	-
MJIC	MJC INVESTMENT CORP.	500	500	-	-	500	500.00	-	-	-	-	-	-
MONDE	MONDE NISSIN CORP.	74,000	429,200	-	-	74,000	429,200.00	-	-	-	-	-	-
MPI	METRO PACIFIC INVESTMENT CORP.	12	62	-	-	-	-	12	62	-	-	-	-
MRC	MRC ALLIED, INC.	387,000	336,690	-	-	387,000	336,690.00	-	-	-	-	-	-
MREIT	MREIT, INC.	814,700	11,405,800	-	-	814,700	11,405,800.00	-	-	-	-	-	-
MRP	MELCO RESORTS & ENTERTAINMENT	1,562	11,325	-	-	-	-	1,562	11,325	-	-	-	-
MRSGI	METRO RETAIL STORES GROUP, INC.	701,240	806,426	-	-	701,240	806,426.00	-	-	-	-	-	-
MWC	MANILA WATER CO., INC.	1,639,200	66,059,760	133,100.00	5,363,930	1,772,300	71,423,690.00	-	-	-	-	-	-
MWIDE	MEGAWIDE CONSTRUCTION CORP.	1,000	2,990	-	-	1,000	2,990.00	-	-	-	-	-	-
MWP5	MEGAWIDE CONST. CORP. PREF SERIES 5	7,520	774,560	-	-	7,520	774,560.00	-	-	-	-	-	-
MWP6C	MEGAWIDE CONST. CORP. P.P. S. C6	81,610	8,471,118	-	-	81,610	8,471,118.00	-	-	-	-	-	-
MYNLD	MAYNILAD WATER SERVICES, INC.	170,100	2,874,690	300,000.00	5,070,000	470,100	7,944,690.00	-	-	-	-	-	-
NI	NIHAO MINERAL RESOURCES INT'L.,INC.	20,800	6,552	-	-	20,800	6,552.00	-	-	-	-	-	-
NIKL	NICKEL ASIA CORP.	9,073,713	35,296,744	-	-	9,073,713	35,296,743.57	-	-	-	-	-	-
NOW	NOW CORP.	596,500	405,620	-	-	596,500	405,620.00	-	-	-	-	-	-
NRCP	NATIONAL REINSURANCE CORP.	36,000	27,720	-	-	36,000	27,720.00	-	-	-	-	-	-
NXGEN	NEXTGENESIS CORPORATION	16,100	-	-	-	16,100	-	-	-	-	-	-	-
OM	OMICO CORPORATION	141,859	14,328	-	-	134,359	13,570.26	7,500	758	-	-	-	-
OPM	ORIENTAL PETROLEUM	11,778,687	141,344	-	-	11,665,356	139,984.27	113,331	1,360	-	-	-	-
OPMB	ORIENTAL PETROLEUM - B	9,757	117	-	-	9,757	117.08	-	-	-	-	-	-
ORE	ORIENTAL PENINSSULA RESOURCES GROUP	60,000	22,200	-	-	60,000	22,200.00	-	-	-	-	-	-
OV	PHIL. OVERSEAS	25,716,647	228,878	-	-	25,604,600	227,880.94	112,047	997	-	-	-	-
PA	PACIFICA HOLDINGS, INC.	141,750	134,663	-	-	140,750	133,712.50	1,000	950	-	-	-	-
PAL	PAL HOLDINGS, INC.	9,042	34,360	37,000.00	140,600	44,355	168,549.00	1,687	6,411	-	-	-	-
PBB	PHIL. BUSINESS BANK	1,874	14,430	-	-	1,874	14,429.80	-	-	-	-	-	-
PCOR	PETRON CORP.	26,019,002	64,527,125	-	-	26,019,002	64,527,124.96	-	-	-	-	-	-
PCP	PAPER INDS. CORP.	435	89	-	-	350	71.75	85	17	-	-	-	-
PERC	PETROENERGY RESOURCES CORP.	1,720	6,020	-	-	1,720	6,020.00	-	-	-	-	-	-
PGOLD	PUREGOLD PRICE CLUB, INC.	18,100	687,800	-	-	18,100	687,800.00	-	-	-	-	-	-
PHA	PREMIERE HORIZON ALLIANCE CORP.	90,000	21,330	50,000.00	11,850	140,000	33,180.00	-	-	-	-	-	-
PHC	PHILCOMSAT HOLDINGS, CORP.	3,600	6,624	-	-	3,600	6,624.00	-	-	-	-	-	-
PHN	PHINMA CORPORATION	88	1,470	-	-	88	1,469.60	-	-	-	-	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC	250,200	33,277	60,000.00	7,980	310,200	41,256.60	-	-	-	-	-	-
PIP	PEPSI-COLA PRODUCTS PHILS., INC.	5,000	8,500	-	-	-	-	5,000	8,500	-	-	-	-
PIZZA	SHAKEY'S PIZZA ASIA VENTURES, INC.	99,600	677,280	-	-	99,600	677,280.00	-	-	-	-	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	47,000	761,400	-	-	47,000	761,400.00	-	-	-	-	-	-
PNB	PHIL. NATIONAL BANK	200,499	10,907,146	-	-	200,488	10,906,547.20	11	598	-	-	-	-
PNC	PHIL. NATIONAL CONSTRUCTION	2,672	13,093	-	-	2,672	13,092.80	-	-	-	-	-	-
PNX	PHOENIX PETROLEUM PHILS., INC.	13,700	57,129	-	-	13,700	57,129.00	-	-	-	-	-	-
PNX3B	PHOENIX PETROLEUM PHILS, INC. 3B	2,500	62,375	-	-	2,500	62,375.00	-	-	-	-	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	20,260	26,338	-	-	18,257	23,734.10	2,003	2,604	-	-	-	-
PSB	PHIL. SAVINGS BANK	1,671	90,234	-	-	1,671	90,234.00	-	-	-	-	-	-
PSE	THE PHILIPPINE STOCK EXCHANGE, INC.	3,328,276	683,627,890	-	-	3,328,274	683,627,479.60	2	411	-	-	-	-
PTT	PT&T CORP.	108,333	35,750	-	-	108,333	35,749.89	-	-	-	-	-	-
PX	PHILEX MNG. CORP. "A"	5,802,561	57,445,354	-	-	5,800,510	57,425,049.00	2,051	20,305	-	-	-	-
PXP	PXP ENERGY CORPORATION	150,969	359,306	-	-	150,969	359,306.22	-	-	-	-	-	-
RCB	RIZAL COMMERCIAL BANKING CORP.	13,501	350,351	-	-	13,501	350,350.95	-	-	-	-	-	-
RCI	ROXAS AND COMPANY, INC.	2,570	6,888	-	-	300	804.00	2,270	6,084	-	-	-	-
RCR	RL COMMERCIAL REIT, INC.	5,813,000	46,620,260	-	-	5,813,000	46,620,260.00	-	-	-	-	-	-
REDC	REPOWER ENERGY DEVT CORP.	3,000	19,050	-	-	3,000	19,050.00	-	-	-	-	-	-
REG	REPUBLIC GLASS CORP.	593	1,364	-	-	593	1,363.90	-	-	-	-	-	-
RFM	RFM CORPORATION	184,800	877,800	-	-	184,800	877,800.00	-	-	-	-	-	-
RLC	ROBINSONS LAND CORP.	55,490	896,718	-	-	55,490	896,718.40	-	-	-	-	-	-
RLT	PHIL. REALTY & HOLDINGS CORP.	2,071,930	225,840	-	-	2,064,280	225,006.52	7,650	834	-	-	-	-
ROCK	ROCKWELL LAND CORP.	6,006	11,111	-	-	6,006	11,111.10	-	-	-	-	-	-

SECURITIES SPECIALISTS, INC.
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		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
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	124,490	4,114,395	-	-	124,490	4,114,394.50	-	-	-	-	-	-
SBS	SBS PHILIPPINES CORPORATION	2,834	11,024	-	-	2,834	11,024.26	-	-	-	-	-	-
SCC	SEMIRARA MINING AND POWER CORP.	91,100	2,573,575	-	-	91,100	2,573,575.00	-	-	-	-	-	-
SECB	SECURITY BANK CORP.	37,370	2,453,341	-	-	37,370	2,453,340.50	-	-	-	-	-	-
SEVN	PHILIPPINE SEVEN CORP.	1,600	59,200	-	-	1,600	59,200.00	-	-	-	-	-	-
SFI	SWIFT FOODS, INC.	199	9	-	-	199	9.35	-	-	-	-	-	-
SFIP	SWIFT FOODS, INC. CONV. PREF.	34	53	-	-	34	52.70	-	-	-	-	-	-
SGP	SYNERGY GRID & DEVT. PHILS., INC.	5,566,620	92,183,227	713,000.00	11,807,280	6,279,620	103,990,507.20	-	-	-	-	-	-
SHLPH	SHELL PILIPINAS CORP.	2,056,432	14,251,074	-	-	2,056,432	14,251,073.76	-	-	-	-	-	-
SHNG	SHANG PROPERTIES, INC.	957	3,388	-	-	957	3,387.78	-	-	-	-	-	-
SM	SM INVESTMENTS CORPORATION	3,720	2,602,140	-	-	3,720	2,602,140.00	-	-	-	-	-	-
SMB	SAN MIGUEL BREWERY, INC.	1,000	29,300	-	-	1,000	29,300.00	-	-	-	-	-	-
SMC	SAN MIGUEL CORP.	2,498,956	204,914,392	-	-	2,498,715	204,894,630.00	241	19,762	-	-	-	-
SMC2I	SAN MIGUEL CORP PREF SHRS SERIES 2I	27,500	2,048,750	-	-	27,500	2,048,750.00	-	-	-	-	-	-
SMC2N	SMC PREF. SERIES 2N	3,820	307,510	-	-	3,820	307,510.00	-	-	-	-	-	-
SMC2O	SAN MIGUEL CORP. PREF. SERIES 2O	349,510	28,310,310	-	-	349,510	28,310,310.00	-	-	-	-	-	-
SMC2S	SAN MIGUEL CORP. PREF. SERIES 2S	125,000	9,725,000	-	-	125,000	9,725,000.00	-	-	-	-	-	-
SMC2T	SAN MIGUEL CORP. PREF. SERIES 2T	125,000	9,562,500	-	-	125,000	9,562,500.00	-	-	-	-	-	-
SMC2U	SAN MIGUEL CORP. PREF. SERIES 2U	815,400	61,970,400	-	-	815,400	61,970,400.00	-	-	-	-	-	-
SMPH	SM PRIME HOLDINGS, INC.	91,185	2,074,459	-	-	91,185	2,074,458.75	-	-	-	-	-	-
SPM	SEAFRONT PET. "A"	30,880	72,877	-	-	24,361	57,491.96	6,519	15,385	-	-	-	-
SPNEC	SP NEW ENERGY CORP.	6,313,812	7,387,160	-	-	6,313,812	7,387,160.04	-	-	-	-	-	-
SSI	SSI GROUP, INC.	27,100	71,273	-	-	27,100	71,273.00	-	-	-	-	-	-
STI	STI EDUCATION SYSTEMS HOLDINGS,INC.	3,064,000	4,320,240	-	-	3,064,000	4,320,240.00	-	-	-	-	-	-
STN	STENIEL MANUFACTURING CORP.	25,525	55,645	-	-	25,525	55,644.50	-	-	-	-	-	-
STR	VISTAMALLS, INC	524	655	46,000.00	57,500	46,524	58,155.00	-	-	-	-	-	-
SUN	SUNTRUST HOME DEVELOPERS, INC.	91,939	69,874	130,000.00	98,800	221,000	167,960.00	939	714	-	-	-	-
SWM	SANITARY WARES MFG., CORP.	8,000	1,600	-	-	8,000	1,600.00	-	-	-	-	-	-
T	TKC METALS CORPORATION	3,000	1,320	-	-	3,000	1,320.00	-	-	-	-	-	-
TBGI	TRANSPACIFIC BROADBAND GROUP INC.	103,000	13,699	-	-	103,000	13,699.00	-	-	-	-	-	-
TECH	CIRTEK HOLDINGS PHILS. CORPORATION	317,000	199,710	56,000.00	35,280	373,000	234,990.00	-	-	-	-	-	-
TEL	PLDT, INC.	148,263	186,811,380	-	-	148,249	186,793,740.00	14	17,640	-	-	-	-
TFHI	TOP FRONTIER INVESTMENT HOLDINGS,IN	22,312	1,361,032	-	-	22,312	1,361,032.00	-	-	-	-	-	-
TOP	TOP LINE BUSINESS DEVT CORP.	10,042,000	16,067,200	-	-	10,042,000	16,067,200.00	-	-	-	-	-	-
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	10,000	5,900	-	-	10,000	5,900.00	-	-	-	-	-	-
UBP	UNION BANK OF THE PHILS.	16,907	449,726	-	-	16,907	449,726.20	-	-	-	-	-	-
UNI	UNIOIL RESOURCES HOLDINGS CO., INC.	141,500	34,809	-	-	-	-	-	-	141,500	34,809	-	-
UP	UNIVERSAL RIGHTFIELD	111,000	4,218	-	-	111,000	4,218.00	-	-	-	-	-	-
UPM	UNITED PARAGON MINING CORP.	550,000	3,190	-	-	550,000	3,190.00	-	-	-	-	-	-
URC	UNIVERSAL ROBINA CORP.	13,560	912,588	-	-	13,560	912,588.00	-	-	-	-	-	-
UW	UNIWIDE HOLDINGS, INC.	3,000	-	-	-	-	-	3,000	-	-	-	-	-
V	VANTAGE EQUITIES, INC.	2,876	2,560	-	-	2,876	2,559.64	-	-	-	-	-	-
VLL	VISTA LAND & LIFESCAPES, INC.	355,000	369,200	-	-	355,000	369,200.00	-	-	-	-	-	-
VMC	VICTORIAS MILLING CO., INC.	2,444	4,228	-	-	2,328	4,027.44	116	201	-	-	-	-
VVT	VIVANT CORPORATION	312	6,065	-	-	312	6,065.28	-	-	-	-	-	-
WEB	PHILWEB CORPORATION	12,727,202	78,908,652	-	-	12,727,202	78,908,652.40	-	-	-	-	-	-
WIN	WELLEX INDUSTRIES, INC.	5,270	1,370	-	-	4,620	1,201.20	650	169	-	-	-	-
WLCON	WILCON DEPOT, INC.	8,900	61,944	-	-	8,900	61,944.00	-	-	-	-	-	-
WPI	WATERFRONT PHILS. INC.	2,200	891	-	-	2,200	891.00	-	-	-	-	-	-
X	XURPAS INC.	1,275,300	316,274	-	-	1,275,300	316,274.40	-	-	-	-	-	-
XG	NEXGEN ENERGY CORP.	10,000	31,800	-	-	10,000	31,800.00	-	-	-	-	-	-
ZHI	ZEUS HOLDINGS, INC.	13,000	871	-	-	13,000	871.00	-	-	-	-	-	-
Total		**553,281,896**	**2,428,439,495**	**2,821,900**	**29,989,228**	**555,441,794**	**2,458,122,016**	**516,142**	**251,544**	**145,860**	**55,163**	**-**	**-**

SCHEDULE VII

SECURITIES SPECIALISTS, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE AMENDED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025 and 2024

Current / Liquidity Ratio

	2025	2024
Total current assets	₱ **171,038,845**	₱ 194,838,042
Total current liabilities	**93,920,270**	133,123,019
Current ratio	**1.821:1**	1.464:1

Quick Ratio

	2025	2024
Total liquid asset	₱ **169,228,635**	₱ 194,086,366
Total current liabilities	**93,920,270**	133,123,019
Liquidity ratio	**1.802:1**	1.458:1

Working Capital to Total Asset

	2025	2024
Working capital	₱ **77,118,575**	₱ 61,715,023
Total Assets	**175,840,173**	200,175,135
Working capital ratio	**0.439:1**	0.308:1

Solvency Ratio

	2025	2024
Total assets	₱ **175,840,173**	₱ 200,175,135
Total liabilities	**121,202,185**	160,425,528
Solvency ratio	**1.451:1**	1.248:1

Debt-to-equity Ratio

	2025	2024
Total liabilities	₱ **121,202,185**	₱ 160,425,528
Total equity	**54,637,988**	39,749,607
Debt-to-equity ratio	**2.218:1**	4.036:1

SECURITIES SPECIALISTS, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE AMENDED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025 and 2024

Asset-to-equity Ratio

	2025	2024
Total assets	₱ **175,840,173**	₱ 200,175,135
Total equity	**54,637,988**	39,749,607
Asset to equity ratio	**3.218:1**	5.036:1

Interest Rate Coverage Ratio

	2025	2024
Pre-tax profit (loss) before interest	₱ **15,454,017**	₱ 3,867,547
Interest expense	**54,318**	99,829
Interest rate ratio	**284.51:1**	38.742:1

Profitability Ratio

	2025	2024
Net profit (loss) after tax	₱ **14,950,132**	₱ 2,896,281
Total equity	**54,637,988**	39,749,607
	0.274:1	0.073:1

a.) Return on asset ratio

	2025	2024
Net income (loss) after tax	₱ **14,950,132**	₱ 2,896,281
Average assets	**188,007,654**	168,728,624
	0.08:1	0.017:1

b.) Return on equity ratio

	2025	2024
Net profit (loss) after tax	₱ **14,950,132**	₱ 2,896,281
Average equity	**47,193,798**	37,952,363
	0.317:1	0.076:1

SCHEDULE VII

SECURITIES SPECIALISTS, INC.
SUPPLEMENTARY SCHEDULE IN COMPLIANCE WITH THE AMENDED SRC RULE 68
FINANCIAL SOUNDNESS INDICATORS
For The Years Ended December 31, 2025 and 2024

c.) Gross Profit Margin Ratio

	2025	2024
Net profit (loss) before tax	₱ **15,399,699**	₱ 3,767,718
Gross profit (loss)	**19,802,246**	7,071,166
	0.778:1	0.533:1

d.) Profit margin

	2025	2024
Net profit (loss) after tax	₱ **14,950,132**	₱ 2,896,281
Revenue	**26,593,973**	13,605,336
	0.562:1	0.213:1

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2025

SECURITIES SPECIALISTS, INC.
8th Floor LTA Building, 118 Perea Street, Legaspi Village, Makati City

Unappropriated Retained Earnings, beginning of reporting period		**(₱63,713,837)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
• Reversal of Retained Earnings Appropriation/s	-	
• Effect of restatements or prior-period adjustments	-	
• Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
• Dividends declaration during the reporting period	-	
• Retained Earnings appropriated during the reporting period	1,495,013	
• Effect of restatements or prior-period adjustments	-	
• Others	-	1,495,013
Unappropriated Retained Earnings, as asjusted		**(65,208,850)**
Add/Less: Net Income (Loss) for the current year		**14,950,132**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
• Equity in net income of associate/joint venture, net of dividends declared	-	
• Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(59,070)	
• Unrealized fair value gain of Investment Property	-	
• Other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
• Sub-total		**(59,070)**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
• Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Realized fair value gain of Investment Property	-	
• Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
• Sub-total		-

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2025

SECURITIES SPECIALISTS, INC.
8th Floor LTA Building, 118 Perea Street, Legaspi Village, Makati City

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
• Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
• Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
• Reversal of previously recorded fair value gain of Investment Property	-	
• Reversal of other unrealized gains or adjustments to retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
• Sub-total		-
Adjusted Net Income (Loss)		**14,891,063**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
• Depreciation on revaluation increment (after tax)	-	
• Sub-total		-
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP		
• Amortization of the effect of reporting relief	-	
• Total amount of reporting relief granted during the year	-	
• Others	-	
• Sub-total		-
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
• Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
• Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
• Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
• Adjustment due to deviation from PFRS/GAAP - gain (loss)		
• Others	-	
• Sub-total		-
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION		**(₱50,317,787)**

SECURITIES SPECIALISTS, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2025 and 2024

		Current Year	Prior Year
Total Audit Fees	P	90,000	85,000
Non-audit services fees:			
Other assurance services		-	-
Tax services		-	-
All other services		-	-
Total Non-audit Fees		-	-
Total Audit and Non-audit Fees	P	90,000	85,000

Audit and Non-audit fees of other related entities

		Current Year	Prior Year
Audit fees	P	-	-
Non-audit services fees:			
Other assurance services		-	-
Tax services		-	-
All other services		-	-
Total Audit and Non-audit Fees of other related entities	P		

Securities Specialists, Inc.
Member: The Philippine Stock Exchange, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

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

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

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) **SECURITIES SPECIALISTS, INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

BY:
SECURITIES SPECIALISTS, INC.

DIOSDADO M. ARROYO
Chairman of the Board

DIOSDADO M. ARROYO
President

CATHERINE N. PALAMOS
Treasurer

8/Floor LTA Building, 118 Perea St. Legaspi Village, Makati City 1229
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9th Flr. Unit C MARC 2000 Tower
1973 Taft Ave. cor. San Andres St.
Malate, Manila 1004

REPORT OF INDEPENDENT AUDITOR TO ACCOMPANY FINANCIAL STATEMENT FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

To The Board of Directors and Shareholders
SECURITIES SPECIALISTS, INC.
8th Floor LTA Building
118 Perea Street, Legaspi Village
Makati City

We have audited the financial statements of **SECURITIES SPECIALISTS, INC.** (the Company) for the year ended December 31, 2025, on which we have rendered the attached report dated April 13, 2026.

In compliance with Revenue Regulations V-20, we are stating the following:

1. The taxes paid and accrued by the above Company for the year ended December 31, 2025 are shown in the Schedule of Taxes and Licenses.
2. No partner of our Firm is related by consanguinity or affinity to the president, manager or principal shareholders of the Company.

PEREZ, SESE, VILLA & CO.

BY: **MA. ALMA C. SESE**
MANAGING PARTNER

CPA License No. 0054588
Tax Identification No. 212-955-173-000
PTR No. 0368867, Issued on January 08, 2026, Manila
SEC Accreditation No.
Partner - 0054588-SEC Group B, Issued on December 01, 2022.
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
Firm - 0222-SEC Group B, Issued on December 01, 2022
valid for five (5) years covering the audit from 2022 to 2026 Financial Statements
IC Accreditation No.
Partner - IC-EA-2025-0041-R Group B, Issued on January 19, 2026
valid for three (3) years covering the audit from 2025 to 2027 Financial Statements
BOA/PRC Accreditation No. 0222, Issued on September 13, 2023
valid until October 12, 2026
BIR Accreditation No. 06-002735-001-2024, Issued on April 12, 2024
valid for three (3) years until April 11, 2027

Manila, Philippines
April 13, 2026