

THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2025

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“STATEMENT OF MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS”

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

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

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

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

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

VIVIAN YUCHENGO
President, Chairman, and CEO

LAMBERTO L. MEER
Treasurer

Signed this 10th day of April, 2026.



The First Resources, Operations <operations@thefirstresources.com>

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eafs@bir.gov.ph <eafs@bir.gov.ph>
To: THEFIRSTRESOURCES@gmail.com
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Tue, Apr 28, 2026 at 5:42 AM

Hi THE FIRST RESOURCES MANAGEMENT & SECURITIES CORPORATION,

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Submission Date/Time: **Apr 28, 2026 09:42 AM**
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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

The First Resources, Operations <operations@thefirstresources.com>

To: Hanna Jean Torrechilla <accountingdept@thefirstresources.com>, FR Accounting <acctg-ops@thefirstresources.com>

Tue, Apr 28, 2026 at 9:48 AM

[Quoted text hidden]



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
The First Resources Management and Securities Corporation
Units 1008-1010 PSE Tower
5th Avenue cor 28th Street
Bonifacio Global City, Taguig City

Opinion

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

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

Basis for Opinion

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

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

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

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



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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

REYES TACANDONG & Co.

MANUEL P. BUENSUCESO, JR.

Partner

CPA Certificate No. 143561

Tax Identification No. 311-867-595-000

BOA Accreditation No. 4782/P-025; Valid until June 6, 2026

SEC Accreditation No. 143561-SEC Group A

Issued August 17, 2023

Valid for Financial Periods 2023 to 2027

BIR Accreditation No. 08-005144-020-2024

Valid until November 26, 2027

PTR No. 10764011

Issued January 2, 2026, Makati City

April 10, 2026

Makati City, Metro Manila

THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
STATEMENTS OF FINANCIAL POSITION

	Note	December 31		2025		2024	
		Money Balance		Security Valuation		Security Valuation	
		Long	Short	Long	Short	Long	Short
ASSETS							
Current Assets							
Cash and cash equivalents	7	₱63,681,573				₱61,917,026	
Financial assets at fair value through profit or loss (FVPL)	8	41,282,490		₱29,821,245		₱29,436,248	
Trade and other receivables	9	19,058,324		2,194,451,608		21,498,827	8,164,112,439
Other current assets	10	22,202,063				16,203,861	
Total Current Assets		146,224,450				146,488,813	
Noncurrent Assets							
Property and equipment	11	9,407,244				12,689,365	
Net deferred tax assets	19	5,019,183				7,850,455	
Other noncurrent assets	12	23,065,388				10,977,124	
Total Noncurrent Assets		37,491,815				31,516,944	
		₱183,716,265				₱178,005,757	
Securities in Vault, Transfer Offices, and Philippine Depository and Trust Corporation			₱27,632,236,078				₱22,109,029,393
LIABILITIES AND EQUITY							
Current Liabilities							
Trade payables	13	₱15,207,498				₱24,388,453	
Current portion of lease liabilities	18	1,460,233		25,407,963,225		1,367,765	13,915,480,706
Other current liabilities	14	4,072,971				1,481,948	
Total Current Liabilities		20,740,702				27,238,161	
Noncurrent Liabilities							
Lease liabilities - net of current portion	18	4,102,137				5,562,370	
Retirement benefit obligation	17	17,227,887				16,953,702	
Total Noncurrent Liabilities		21,330,024				22,516,072	
Total Liabilities		42,070,726				49,754,233	
Equity							
Capital stock	5	100,000,000				100,000,000	
Retained earnings:							
Appropriated	5	9,969,061				8,678,531	
Unappropriated		38,629,874				27,015,101	
Cumulative remeasurement losses on retirement benefit obligation - net of deferred tax	17	(6,953,396)				(7,442,108)	
Total Equity		141,645,539				128,251,524	
		₱183,716,265	₱27,632,236,078		₱27,632,236,078	₱178,005,757	₱22,109,029,393

See accompanying Notes to Financial Statements.

THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	2025	2024
REVENUES			
Commissions		₱42,300,740	₱20,357,167
Other income:			
Interest income	7	3,173,493	2,809,875
Dividend income	8	1,643,404	1,560,529
Foreign exchange gains		1,106,846	2,696,854
Trading gains on financial assets at FVPL - net	8	929,387	2,484,936
Reversal of expected credit losses (ECL) on trade receivables	9	21,257	-
Gain on disposal of property and equipment	11	-	3,400,000
Others		946	106,840
		49,176,073	33,416,201
COST OF SERVICES			
Personnel costs	16	2,872,331	2,197,652
Stock exchange dues and fees		2,300,302	3,304,716
Subscription and other dues		1,946,184	1,840,293
Central depository fees		1,682,789	1,480,778
Communications		375,349	443,093
		9,176,955	9,266,532
GROSS PROFIT		39,999,118	24,149,669
GENERAL AND ADMINISTRATIVE EXPENSES			
Personnel costs	16	12,133,555	10,896,477
Representation		1,349,267	723,000
Membership fees		1,023,404	944,301
Rentals	18	525,375	521,938
Professional fees		515,200	515,000
Supplies		483,162	674,135
Utilities		452,862	745,795
Transportation and travel		429,646	399,287
Repairs and maintenance		362,363	161,372
Medical expense		337,580	234,467
Insurance		216,477	208,793
Taxes and licenses		209,755	289,348
Others		1,721,380	1,517,633
		19,760,026	17,831,546
OTHER CHARGES			
Depreciation and amortization	11	3,498,119	3,880,325
Interest expense	18	423,715	510,327
Provision for ECL on trade receivables	9	-	46,915
		3,921,834	4,437,567
INCOME BEFORE INCOME TAX		₱16,317,258	₱1,880,556

(Forward)

		Years Ended December 31	
	Note	2025	2024
INCOME BEFORE INCOME TAX		₱16,317,258	₱1,880,556
INCOME TAX EXPENSE (BENEFIT)	19		
Current		743,587	416,994
Deferred		2,668,368	(732,251)
		3,411,955	(315,257)
NET INCOME		12,905,303	2,195,813
OTHER COMPREHENSIVE INCOME			
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gains on retirement benefit obligation (net of deferred tax)	17	488,712	375,323
TOTAL COMPREHENSIVE INCOME		₱13,394,015	₱2,571,136

See accompanying Notes to Financial Statements.

THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION

STATEMENTS OF CHANGES IN EQUITY

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Note	Retained Earnings			Unappropriated	Cumulative Remeasurement Losses on Retirement Benefit Obligation (Net of Deferred Tax) (see Note 17)	Total
		Capital Stock (see Note 5)	Appropriated (see Note 5)	Unappropriated			
Balances at December 31, 2024		₱100,000,000	₱8,678,531	₱27,015,101	(₱7,442,108)	₱128,251,524	
Net income	17	-	-	12,905,303	-	12,905,303	
Other comprehensive income	17	-	-	-	488,712	488,712	
Appropriation	5	-	1,290,530	(1,290,530)	-	-	
Balances at December 31, 2025		₱100,000,000	₱9,969,061	₱38,629,874	(₱6,953,396)	₱141,645,539	
<hr/>							
Balances at December 31, 2023		₱100,000,000	₱8,458,950	₱25,038,869	(₱7,817,431)	₱125,680,388	
Net income		-	-	2,195,813	-	2,195,813	
Other comprehensive income	17	-	-	-	375,323	375,323	
Appropriation	5	-	219,581	(219,581)	-	-	
Balances at December 31, 2024		₱100,000,000	₱8,678,531	₱27,015,101	(₱7,442,108)	₱128,251,524	

See accompanying Note to Financial Statements.

THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P16,317,258	P1,880,556
Adjustments for:			
Depreciation and amortization	11	3,498,119	3,880,325
Interest income	7	(3,173,493)	(2,809,875)
Dividend income	8	(1,643,404)	(1,560,529)
Retirement benefit costs	17	925,801	914,286
Unrealized losses on financial assets at FVPL	8	620,844	3,188,837
Unrealized foreign exchange gains		(540,538)	(596,352)
Interest expense	18	423,715	510,327
Provision for (reversal of) ECL on trade receivables	9	(21,257)	46,915
Gain on disposal of property and equipment	11	-	(3,400,000)
Operating income before working capital changes		16,407,045	2,054,490
Decrease (increase) in:			
Financial assets at FVPL		5,027,542	(2,408,637)
Trade and other receivables		2,420,547	(4,371,737)
Other current assets		338,585	(231,589)
Other noncurrent assets		(330,264)	(110,792)
Increase (decrease) in:			
Trade payables		(9,180,955)	3,562,140
Other current liabilities		2,591,028	(1,020,922)
Net cash generated from (used for) operations		17,273,528	(2,527,047)
Interest received		3,113,541	2,986,151
Income taxes paid		(1,954,135)	(469,425)
Dividend received		1,744,569	1,530,812
Net cash provided by operating activities		20,177,503	1,520,491
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Short-term investments		(16,836,086)	(2,300,000)
Long-term investments		(13,416,000)	(5,000,000)
Property and equipment	11	(215,998)	(3,467,855)
Proceeds from:			
Redemption of long-term investments		11,569,000	-
Redemption of short-term investments		2,300,000	11,855,105
Disposal of property and equipment	11	-	3,400,000
Net cash provided by (used in) investing activities		(16,599,084)	4,487,250
CASH FLOW FROM A FINANCING ACTIVITY			
Payment of lease liabilities	18	(1,791,480)	(1,791,482)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,786,939	4,216,259
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(22,392)	(68,561)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		61,917,026	57,769,328
CASH AND CASH EQUIVALENTS AT END OF YEAR		P63,681,573	P61,917,026

See accompanying Notes to Financial Statements.

THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

1. Corporate Information

The First Resources Management and Securities Corporation (the Company) was incorporated in the Philippines and registered with Securities and Exchange Commission (SEC) on October 24, 1979. The Company is a licensed broker/dealer in securities with the Philippine SEC, and uses in its stock trading transactions, by way of assignment, the exchange trading right owned by its majority stockholder and issued by the Philippine Stock Exchange (PSE).

The registered office address of the Company is Units 1008-1010 PSE Tower, 5th Avenue cor 28th Street, Bonifacio Global City, Taguig City.

Approval of the Financial Statements

The financial statements of the Company as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Board of Directors (BOD) on April 10, 2026.

2. Summary of Material Accounting Policy Information

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

Basis of Preparation and Statement of Compliance

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

The financial statements include additional information in line with the requirements of Rule 52.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

Measurement Bases

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

The financial statements of the Company have been prepared on a historical cost basis, except for:

- Financial assets at fair value through profit or loss (FVPL) which are measured at fair value;
- Lease liabilities which are measured at the present value of minimum lease payments; and
- Retirement benefit obligation which is measured at the present value of defined benefit obligation.

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

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

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

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

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

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

- Note 6 - Fair Value Measurement
- Note 8 - Financial Assets at FVPL

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2025. The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

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

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

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.
- Annual Improvements to PFRS Volume 11:
 - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.
 - Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments*, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

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

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

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

The adoption of PFRS 18 is not expected to have a material impact on the Company's financial position or financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the statements of comprehensive income and related disclosures.

Financial Instruments

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

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 trade date accounting.

Financial Assets

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

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

As at December 31, 2025 and 2024, the Company has no financial assets at FVOCI.

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Company's cash and cash equivalents, trade and other receivables, short-term investments (included under "Other current assets" account in the statements of financial position), and other noncurrent assets are classified under this category (see Notes 7, 9, 10 and 12).

Cash and Cash Equivalents. Cash and cash equivalents include cash on hand, cash in banks, and cash equivalents. Cash equivalents are highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Assets at FVPL. Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and 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, irrevocably designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

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

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

As at December 31, 2025 and 2024, the Company’s investments in quoted equity securities, government debt securities and mutual funds are classified under this category (see Note 8).

Impairment of Financial Assets at Amortized Cost. The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset’s original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

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

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

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

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

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

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

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

Financial Liabilities at Amortized Cost

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

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.

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. Financial liabilities at amortized cost are included under current liabilities if the settlement is within 12 months after the reporting period. Otherwise, these are classified as noncurrent liabilities.

As at December 31, 2025 and 2024, the Company's trade payables, other current liabilities (excluding statutory payables), and lease liabilities are classified under this category (see Notes 13, 14 and 18).

Derecognition. A financial liability at amortized cost 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 profit or loss.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, 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.

Other Nonfinancial Assets

Other nonfinancial assets include excess tax credits and prepayments.

Excess Tax Credits. Excess tax credits pertain to creditable withholding tax (CWT) and prepaid income tax. CWT pertains to tax on the Company's income withheld and remitted to the Bureau of Internal Revenue (BIR) by customers and deducted from income tax payable on the same year the income was recognized. Prepaid income tax pertains to excess income tax payments of the Company over the amount due. Unapplied or excess income tax payments are carried forward and can be utilized in succeeding years.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. These are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be realized within 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as other noncurrent assets.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, amortization and any accumulated impairment losses.

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

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	<u>Number of Years</u>
Transportation equipment	5
Furniture and fixtures	2 to 5
Leasehold improvements	5 or lease term, whichever is shorter
Right-of-use (ROU) assets	10 or lease term, whichever is shorter

Depreciation and amortization ceases at the earlier of the date that the item is classified as held for sale and the date the property and equipment is derecognized.

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

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is recorded with respect to those assets.

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

Exchange Trading Right

The Company's trading right does not have a carrying cost in its books. The trading right was acquired by the Company from its majority stockholder by way of assignment with no consideration. Under the PSE rules, all exchange trading rights are pledged at its full value to PSE to secure the payment of all debts due to other members of the exchange arising out of, or in connection with, the present or future members' contracts.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the higher of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset that 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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

Value-added Tax (VAT)

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

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

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

The net amount of VAT recoverable from and payable to the taxation authority are presented under "Other current assets" account and "Other current liabilities" account, respectively, in the statements of financial position.

Equity

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

Retained Earnings. Retained earnings represent the cumulative balance of net income or losses, net of any dividend declarations.

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

Cumulative Remeasurement Losses on Retirement Benefit Obligation. This comprises income and expenses that are not recognized in profit or loss in accordance with PFRS Accounting Standards. Remeasurements of retirement benefit obligation are recognized immediately in the OCI account and are not reclassified to profit or loss in subsequent periods.

Revenue Recognition

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

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

Commissions. This account consists of revenue from brokerage transactions. It is recognized at a specific point in time, based on the trade date when the transaction occurs.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15:

Interest Income. Interest income is recognized as it accrues, net of final tax, taking into account the effective yield of the asset.

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

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

Other income. Income from other sources is recognized in the statements of comprehensive income when earned during the period.

Cost and Expense Recognition

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

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

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business and costs incurred to market the services. These are expensed as incurred.

Employee Benefits

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

Retirement Benefits. Retirement benefit costs are determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

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

The Company recognizes service costs, comprising of current service cost and interest cost in profit or loss.

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

Remeasurements of the retirement benefit obligation, which comprise actuarial gains and losses arising from experience adjustments and changes in financial assumptions, are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods. Cumulative remeasurement gains or losses are presented in the equity section of the statements of financial position.

Leases

The Company assesses whether the contracts are, or contain, a lease at the inception of the contract. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

Company as Lessee. At the commencement date, the Company recognizes ROU asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Assets. At commencement date of the lease contract, the Company measures ROU assets (presented as part of "Property and equipment" account) at cost. The initial measurement of ROU assets includes the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- An estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and any accumulated impairment losses and adjusted for any remeasurement of the related lease liabilities. ROU assets are amortized over the shorter of the lease term of 10 years or the useful lives of the underlying assets.

Lease Liabilities. At commencement date, the Company measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Income Taxes

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the 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.

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

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

Related Party Transactions

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

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

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

Provisions and Contingencies

Provisions. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss. If the effect of the time value of money is material, provisions are discounted using a current 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, provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. The increase in the provision due to the passage of time is recognized as interest expense.

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

Events after the Reporting Date

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

3. Significant Judgments, Accounting Estimates and Assumptions

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

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

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

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

Judgments

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

The Company monitors financial assets measured at FVPL or amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

Investments in quoted equity securities, government debt securities and mutual funds held for trading were classified as financial assets at FVPL (see Note 8).

Cash and cash equivalents, trade and other receivables, short-term investments, and other noncurrent assets were classified as financial assets at amortized cost since the Company’s primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows, on specified dates, solely for principal and interest (see Notes 7, 9, 10 and 12).

Determining whether the Company is Acting as Principal or an Agent in Revenue. The Company uses judgment in determining whether it acts as a principal or an agent in securities transactions, as this affects whether revenue is recognized on a gross or net basis.

For stock brokerage transactions, the Company executes trades on behalf of customers but does not control the securities or bear market risk. The Company earns commissions for arranging these transactions and therefore acts as an agent. Revenue is recognized on a net basis, representing commission income, when the trade is executed.

For securities dealing and trading transactions, the Company buys and sells securities for its own account or acts as a counterparty to customer transactions. In these arrangements, the Company controls the securities prior to transfer and bears market risk. The Company therefore acts as a principal, and revenue is recognized on a gross basis when control of the securities transfers to the customer.

Management evaluates the facts and circumstances of each transaction and reassesses this judgment when conditions change.

Accounting Estimates and Assumptions

Fair Value Measurement of Financial Instruments. The fair values of investments that are actively traded in organized financial markets are determined by reference to prevailing quoted market prices, which are usually the closing prices, as at reporting date.

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

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

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

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

The recognized provision for (reversal of) ECL on trade receivables in 2025 and 2024 and the carrying amount of trade receivables as at December 31, 2025 and 2024 are disclosed in Note 9 to the financial statements.

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

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

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

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

The Company has assessed that the impairment on other financial assets at amortized cost is immaterial because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024.

The carrying amounts of the Company's other financial assets at amortized cost (cash in banks and cash equivalents, advances to employees, interest receivable, dividend receivable, other receivables, short-term investments, and other noncurrent assets) are disclosed in Notes 7, 9, 10 and 12 to the financial statements.

Estimation of Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property and equipment 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. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. However, it is possible that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There are no changes in the estimated useful lives of property and equipment in 2025 and 2024. The recognized depreciation and amortization expense in 2025 and 2024 and the carrying amount of property and equipment as at December 31, 2025 and 2024 are disclosed in Note 11 to the financial statements.

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

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

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

The recoverable amount of the asset is the higher of the fair value less cost of disposal or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset that 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on nonfinancial assets was recognized in 2025 and 2024.

The carrying amounts of nonfinancial assets as at December 31, 2025 and 2024 (excess tax credits, prepayments, input VAT and property and equipment) are disclosed in Notes 10 and 11 to the financial statements.

Determination of Retirement Benefits. The determination of the retirement benefit obligation and costs is dependent on discount rate and other assumptions used in calculating such amounts. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement benefit obligation.

The recognized retirement benefit costs in 2025 and 2024 and the carrying amount of retirement benefit obligation as at December 31, 2025 and 2024 are disclosed in Note 17 to the financial statements.

Determination of the IBR on Lease. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Company estimates the IBR using available observable inputs adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Company has applied IBR of 6.60% for the computation of ROU assets and lease liabilities.

The carrying amounts of the ROU assets and lease liabilities are disclosed in Note 18 to the financial statements.

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

The management believes that the Company will be able to utilize in the future all its deferred tax assets on deductible temporary differences and carryforward benefits from unused tax credits and unused tax losses based on the Company's projected taxable income.

The carrying amounts of deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 19 to the financial statements.

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

The Company's principal financial instruments consist mainly of cash in banks and cash equivalents, financial assets at FVPL, trade and other receivables, short-term investments, other noncurrent assets, trade payables, lease liabilities and other current liabilities (excluding statutory payables).

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

Credit Risk

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

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

	2025							Total
	12-month ECL			Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	Debt Securities at FVPL		
	High Grade	Standard Grade	Substandard Grade					
Cash in banks and cash equivalents	₱63,651,573	₱-	₱-	₱-	₱-	₱-	₱63,651,573	
Financial assets at FVPL	-	-	-	-	-	8,108,919	8,108,919	
Trade and other receivables	573,188	2,099,873	-	16,385,263	42,738	-	19,101,062	
Short-term investments	16,995,239	-	-	-	-	-	16,995,239	
Long-term investments	13,758,000	5,000,000	-	-	-	-	18,758,000	
Other noncurrent assets*	-	6,307,388	-	-	-	-	6,307,388	
	₱94,978,000	₱13,407,261	₱-	₱16,385,263	₱42,738	₱8,108,919	₱132,922,181	

*Excluding noncurrent portion of long-term investments amounting to ₱16,758,000 as at December 31, 2025.

	2024							Total
	12-month ECL			Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	Debt Securities at FVPL		
	High Grade	Standard Grade	Substandard Grade					
Cash in banks and cash equivalents	₱61,887,026	₱-	₱-	₱-	₱-	₱-	₱61,887,026	
Financial assets at FVPL	-	-	-	-	-	8,096,268	8,096,268	
Trade and other receivables	614,401	1,822,885	-	19,061,541	63,995	-	21,562,822	
Short-term investments	2,300,000	-	-	-	-	-	2,300,000	
Long-term investments	11,569,000	5,000,000	-	-	-	-	16,569,000	
Other noncurrent assets*	-	5,977,124	-	-	-	-	5,977,124	
	₱76,370,427	₱12,800,009	₱-	₱19,061,541	₱63,995	₱8,096,268	₱116,392,240	

*Excluding noncurrent portion of long-term investments amounting to ₱5,000,000 as at December 31, 2024.

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

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

Standard Grade - The borrower has no history of default. The borrower has sufficient liquidity to fully service its debt over the medium term. The borrower has adequate capital to readily absorb any potential losses from its operations and any reasonably foreseeable contingencies. The borrower reported profitable operations for at least the past three (3) years.

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

Credit impaired financial assets pertain to outstanding trade receivables that were deemed uncollectible with carrying amount of ₱42,738 and ₱63,995 as at December 31, 2025 and 2024, respectively. The Company has fully provided for ECL on these accounts (see Note 9).

Trade Receivables

The Company limits its exposure to credit risk on receivables from stock brokering by transacting mainly with recognized and creditworthy customers based on their profile (i.e. financial capacity, reputation, collateral). The Company also monitors trade receivable balances regularly. In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

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

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

The aging analysis of the Company's trade receivables from customers as at December 31 are as follows:

Days from Transaction Date of Counterparty	2025		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 to 2 days	₱892,928	₱991,208,256	₱-
3 to 13 days	1,150,097	16,810,018	75
14 to 31 days	4,044,369	132,335,933	-
Over 31 days	1,615,234	311,683,772	19,737
	₱7,702,628	₱1,452,037,979	₱19,812

Days from Transaction Date of Counterparty	2024		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 to 2 days	₱10,672,464	₱1,011,622,291	₱933,206
3 to 13 days	2,224,269	7,631,762	-
14 to 31 days	873,935	99,475,191	-
Over 31 days	682,490	4,251,157,576	19,510
	₱14,453,158	₱5,369,886,820	₱952,716

Counterparty exposure is computed based on the rules provided by SRC Rule 52.1-11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

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

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

As at December 31, 2025 and 2024, trade receivables from customers amounting to ₱7,700,815 and ₱14,452,161 respectively, are secured by collateral comprising equity securities of listed companies with a total market value (gross of haircut) of ₱2,194,451,608 and ₱8,164,112,439, respectively (see Note 9).

Other Financial Assets at Amortized Cost

The Company's other financial assets at amortized cost consist of cash in banks and cash equivalents, advances to employees, interest receivable, dividend receivable, other receivables, short-term investments, and other noncurrent assets.

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

The Company limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments. For refundable deposits and other receivables, credit risk is low since the Company only transacted with reputable companies with respect to these financial assets. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024.

Liquidity Risk

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

The Company monitors its cash flows, particularly the receivable from customers' collections and funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in cash in banks. The Company's special reserve bank account for the exclusive benefit of its customers amounted to ₱4,134,645 and ₱3,044,239 as at December 31, 2025 and 2024, respectively (see Note 7).

The table below summarizes the maturity profile of the financial liabilities at amortized cost of the Company based on remaining contractual undiscounted cash flows as at December 31:

	2025			Total
	Up to 1 Month	>1 Month to 12 Months	Beyond 1 Year	
Trade payables	₱15,207,498	₱–	₱–	₱15,207,498
Lease liabilities*	–	1,791,480	4,478,700	6,270,180
Other current liabilities**	1,772,043	–	–	1,772,043
	₱16,979,541	₱1,791,480	₱4,478,700	₱23,249,721

*Including future interest payments.

** Excluding statutory payables amounting to ₱2,300,928 as at December 31, 2025.

	2024			Total
	Up to 1 Month	>1 Month to 12 Months	Beyond 1 Year	
Trade payables	₱24,388,453	₱–	₱–	₱24,388,453
Lease liabilities*	–	1,791,480	6,270,180	8,061,660
Other current liabilities**	1,052,740	–	–	1,052,740
	₱25,441,193	₱1,791,480	₱6,270,180	₱33,502,853

*Including future interest payments.

**Excluding statutory payables amounting to ₱429,203 as at December 31, 2024.

Market Risks

The Company is exposed to market risks, primarily those related to foreign currency risk and equity price risk. Management actively monitors these exposures, as follows:

Foreign Currency Risk. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company periodically reviews the trend of the foreign exchange rates to address its exposure in foreign currency risk. The Company's policy is to maintain foreign currency exposure within acceptable limits and within the existing regulatory guidelines. The Company believes that its profile of foreign currency exposure on its financial instruments is within conservative limits for an entity engaged in the type of business in which the Company is engaged.

The following table shows the Company's United States (US) Dollar-denominated monetary financial assets and their Philippine Peso equivalent:

	2025		2024	
	US Dollar	Philippine Peso	US Dollar	Philippine Peso
Cash and cash equivalents	\$454,215	₱26,703,300	\$599,518	₱34,679,119
Financial assets at FVPL	48,875	2,873,361	48,875	2,827,174
Short-term investments	168,521	9,907,350	–	–
Long-term investments	200,000	11,758,000	200,000	11,569,000
	\$871,611	₱51,242,011	\$848,393	₱49,075,293

For purposes of translating the outstanding balances of the Company's US Dollar-denominated monetary financial asset, the exchange rates applied were ₱58.79 and ₱57.85 per US \$1 as at December 31, 2025 and 2024, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Company's income before income tax for the years ended December 31, 2025 and 2024. There is no other impact on the Company's equity other than those already affecting profit or loss.

US Dollar	Increase/Decrease in Exchange Rate	Effect on Income before Income Tax
December 31, 2025	+1.03	₱897,759
	-1.03	(897,759)
December 31, 2024	+1.14	₱967,168
	-1.14	(967,168)

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

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

The table below sets forth the impact of changes in PSEi in the Company's unrealized gain or loss on its financial assets at FVPL.

Changes in PSEi	2025		2024	
	16.68%	(16.68%)	15.34%	(15.34%)
Change in equity portfolio under:				
Holding firms	₱3,564,218	(₱3,564,218)	₱506,200	(₱506,200)
Electricity, energy, power and water	291,892	(291,892)	–	–
Property	283,318	(283,318)	119,089	(119,089)
Casinos and gaming	168,618	(168,618)	–	–
Food, beverage and tobacco	164,940	(164,940)	–	–
Construction, infrastructure and allied services	117,390	(117,390)	–	–
Mining and oil	118	(118)	53	(53)
Industrial companies	–	–	832,422	(832,422)
Financial institutions	–	–	9,820	(9,820)
	₱4,590,494	(₱4,590,494)	₱1,467,584	(₱1,467,584)

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

5. Capital Management

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

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

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

Required Capitalization for Broker/Dealers

In compliance with Rule 28 of the 2015 Implementing Rules and Regulations of SRC, trading participants are required to have an unimpaired paid-up capital of ₱100,000,000 for those who will be participating in a registered clearing agency. However, other broker/dealers not meeting the ₱100,000,000 capitalization and not seeking authorization to engage in market-making transaction shall maintain a ₱30,000,000 unimpaired paid-up capital and file surety bond not less than ₱10,000,000 for brokers and not less than ₱2,000,000 for dealers.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱100,000,000 as at December 31, 2025 and 2024.

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

Details of the Company's common stock with par value of ₱1 per share as at December 31, 2025 and 2024 are as follows:

	Number of Shares	Amount
Authorized		
Balance at beginning and end of year	100,000,000	₱100,000,000
Issued and Outstanding		
Balance at beginning and end of year	100,000,000	₱100,000,000

Reserve Fund

The Company shall annually appropriate 10% of its audited income after tax and transfer the same to "Appropriated retained earnings" in compliance with SRC Rule 49.1 (B).

The balance and movements in appropriated retained earnings are as follows:

	2025	2024
Balance at beginning of year	₱8,678,531	₱8,458,950
Appropriation during the year	1,290,530	219,581
Balance at end of year	₱9,969,061	₱8,678,531

Net Liquid Capital (NLC)

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

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

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

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

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

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

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

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

	2025	2024
NLC:		
Equity eligible for net liquid capital	₱136,626,356	₱120,401,069
Less ineligible assets	47,958,179	47,594,887
	88,668,177	72,806,182
Required NLC:		
Higher of:		
5% of AI	2,103,536	2,487,712
Minimum amount	5,000,000	5,000,000
	5,000,000	5,000,000
Net risk-based capital excess	₱83,668,177	₱67,806,182

Ratio of AI to NLC

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

The Company's AI consisted of 47% and 68% of its NLC as at December 31, 2025 and 2024, respectively. The Company is compliant with the required ratio of AI to NLC as at December 31, 2025 and 2024.

RBCA Requirement/Ratio

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

The TRCR is the sum of:

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

	2025	2024
NLC	₱88,668,177	₱72,806,182
TRCR:		
Position risk	20,983,131	27,936,751
Operational risk	7,240,117	10,696,587
Counterparty risk	12	-
	₱28,223,260	₱38,633,338
RBCA ratio	314%	188%

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

Ratio of Core Equity to ORR

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

Core equity refers to the sum of paid-up 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 or loss in fair value changes.

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

	2025	2024
Common stock	P100,000,000	P100,000,000
Retained earnings, beginning of year	35,693,632	33,497,819
Core equity	135,693,632	133,497,819
ORR	7,240,117	10,696,587
Ratio of Core Equity to ORR	1,874%	1,248%

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

6. Fair Value Measurement

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

		2025			
		Fair value			
		Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note				
Asset measured at fair value -					
Financial assets at FVPL	8	P41,282,490	P41,282,490	P-	P-

		2024			
		Fair value			
		Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note				
Asset measured at fair value -					
Financial assets at FVPL	8	P46,869,099	P46,869,099	P-	P-

The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL, except mutual funds, are based on quoted market prices from active markets as at the reporting date. Fair value of mutual funds is determined by reference to the published net asset value per unit computed and published by the mutual fund providers.

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

The table below presents the financial assets and liabilities whose carrying amounts approximate their fair values as at December 31, 2025 and 2024.

	Note	2025	2024
Financial assets at amortized cost:			
Cash and cash equivalents	7	₱63,681,573	₱61,917,026
Trade and other receivables	9	19,058,324	21,498,827
Short-term investments	10	16,995,239	2,300,000
Long-term investments	10, 12	18,758,000	16,569,000
Other noncurrent assets*	12	6,307,388	5,977,124
		₱124,800,524	₱108,261,977
Financial liabilities at amortized cost:			
Trade payables	13	₱15,207,498	₱24,388,453
Other current liabilities**	14	1,772,043	1,052,740
		₱16,979,541	₱25,441,193

*Excluding noncurrent portion of long-term investments amounting to ₱16,758,000 and ₱5,000,000 as at December 31, 2025 and 2024, respectively.

**Excluding statutory payables amounting to ₱2,300,928 and ₱429,203 as at December 31, 2025 and 2024, respectively.

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

Long-term Investments and Other Noncurrent Assets. The carrying amount of other noncurrent assets approximates fair value. The management believes that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is not significant.

7. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱30,000	₱30,000
Cash in banks	31,539,348	11,882,445
Cash equivalents	32,112,225	50,004,581
	₱63,681,573	₱61,917,026

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the Company's current operations.

Cash equivalents are made for varying periods up to three (3) months depending on the immediate cash requirements of the Company and earn annual interest rates ranging from 3.50% to 5.50% and 4.25% to 4.80% in 2025 and 2024, respectively.

The sources of the Company's interest income earned are as follows:

	Note	2025	2024
Cash and cash equivalents		₱1,843,497	₱1,569,445
Long-term investments	12	776,039	637,768
Short-term investments	10	440,172	99,287
Financial assets at FVPL	8	113,785	503,375
		₱3,173,493	₱2,809,875

In compliance with SRC Rule 49.2 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱4,134,645 and ₱3,044,239 as at December 31, 2025 and 2024, respectively (see Note 4). The Company's reserve requirement is determined monthly based on the SEC's prescribed computation. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

8. Financial Assets at FVPL

This account consists of investments in:

	2025	2024
Quoted equity securities	₱29,821,245	₱29,436,248
Government debt securities	8,108,919	8,096,268
Mutual funds	3,352,326	9,336,583
	₱41,282,490	₱46,869,099

Quoted equity securities pertain to investments in quoted shares of stock of companies listed in the PSE. Dividend income earned from quoted equity securities amounted to ₱1,643,404 and ₱1,560,529 in 2025 and 2024, respectively.

Government debt securities consist of investments denominated in Philippine Peso and US Dollar. These investments earn annual interest rates ranging from 4.95% to 8.13% in 2025 and 2024. Interest income earned from government debt securities amounted to ₱113,785 and ₱503,375 in 2025 and 2024, respectively (see Note 7).

The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on quoted market prices or bidding dealer price quotations from active market as at the reporting date (see Note 6).

Details of trading gains on financial assets at FVPL are as follows:

	2025	2024
Realized gains on sale	₱1,550,231	₱5,673,773
Unrealized losses on fair value changes	(620,844)	(3,188,837)
	₱929,387	₱2,484,936

9. Trade and Other Receivables

This account consists of:

	Note	2025	2024
Trade receivables from:			
Clearing house		₱8,725,373	₱4,672,378
Customers:			
Related parties	15	5,997,122	1,424,913
Third parties		1,705,506	13,028,245
		16,428,001	19,125,536
Less allowance for ECL on trade receivables		42,738	63,995
		16,385,263	19,061,541
Advances to employees		878,697	609,334
Interest receivable		394,526	334,574
Dividend receivable		178,662	279,827
Other receivables		1,221,176	1,213,551
		₱19,058,324	₱21,498,827

Trade receivables from clearing house are due and collectible after two (2) business days from transaction date. Accordingly, balances as at December 31, 2025 and 2024 were fully collected in January 2026 and January 2025, respectively.

Trade receivables from customers are due within two (2) business days from the transaction date. Details of trade receivables from customers as at December 31 are as follows:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Cash and fully secured accounts:				
More than 250%	₱7,570,345	₱2,194,180,262	₱10,253,547	₱8,159,793,787
Between 200% - 250%	50,597	172,037	2,768	8,839
Between 150% - 200%	1,884	5,176	-	-
Between 100% - 150%	45,323	72,152	-	-
Partly secured accounts	32,666	21,981	4,195,846	4,309,813
Unsecured accounts	1,813	-	997	-
	7,702,628	2,194,451,608	14,453,158	8,164,112,439
Less allowance for ECL	42,738	-	63,995	-
	₱7,659,890	₱2,194,451,608	₱14,389,163	₱8,164,112,439

Collaterals on trade receivables from customers pertain to listed equity securities amounting to ₱2,194,451,608 and ₱8,164,112,439 as at December 31, 2025 and 2024, respectively. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

Balance and movements in the allowance for ECL on trade receivables are as follows:

	2025	2024
Balance at beginning of year	₱63,995	₱17,080
Provision for (reversal of) ECL	(21,257)	46,915
Balance at end of year	₱42,738	₱63,995

Advances to employees are noninterest-bearing and will be collected through salary deduction.

Interest receivable pertains to accrued interest on cash and cash equivalents, short-term and long-term investments, and government debt securities classified as financial assets at FVPL.

Dividend receivable pertains to accrued dividends on the Company's quoted equity securities classified as financial assets at FVPL.

Other receivables are noninterest-bearing and due within one (1) year.

10. Other Current Assets

This account consists of:

	2025	2024
Short-term investments	₱16,995,239	₱2,300,000
Excess tax credits	2,750,054	1,539,506
Current portion of long-term investments	2,000,000	11,569,000
Prepayments	456,770	668,276
Input VAT	-	127,079
	₱22,202,063	₱16,203,861

Short-term investments are made for varying periods of more than three (3) months but less than a year depending on the immediate cash requirements of the Company and earn annual interest at rates ranging from 4.00% to 5.38% and 4.50% to 4.75% in 2025 and 2024, respectively. Interest income on short-term investments amounted to ₱440,172 and ₱99,287 in 2025 and 2024, respectively (see Note 7).

Prepayments pertain to advance payments on insurance and rental which are expected to be utilized by the Company within one (1) year.

11. Property and Equipment

The balances and movements in this account are as follows:

	2025				Total
	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	ROU Assets (see Note 18)	
Costs					
Balances at beginning of year	₱15,779,448	₱12,892,245	₱10,537,017	₱12,068,951	₱51,277,661
Additions	-	215,998	-	-	215,998
Retirement	-	(34,505)	-	-	(34,505)
Balances at end of year	15,779,448	13,073,738	10,537,017	12,068,951	51,459,154
Accumulated Depreciation and Amortization					
Balances at beginning of year	10,186,808	11,475,396	10,537,017	6,389,075	38,588,296
Depreciation and amortization	1,587,637	599,493	-	1,310,989	3,498,119
Retirement	-	(34,505)	-	-	(34,505)
Balances at end of year	11,774,445	12,040,384	10,537,017	7,700,064	42,051,910
Carrying Amounts	₱4,005,003	₱1,033,354	₱-	₱4,368,887	₱9,407,244

	2024				Total
	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	ROU Assets (see Note 18)	
Costs					
Balances at beginning of year	₱19,236,591	₱12,824,390	₱10,537,017	₱12,068,951	₱54,666,949
Disposal	(6,857,143)	-	-	-	(6,857,143)
Additions	3,400,000	67,855	-	-	3,467,855
Balances at end of year	15,779,448	12,892,245	10,537,017	12,068,951	51,277,661
Accumulated Depreciation and Amortization					
Balances at beginning of year	16,124,588	10,527,890	9,834,550	5,078,086	41,565,114
Disposal	(6,857,143)	-	-	-	(6,857,143)
Depreciation and amortization	919,363	947,506	702,467	1,310,989	3,880,325
Balances at end of year	10,186,808	11,475,396	10,537,017	6,389,075	38,588,296
Carrying Amounts	₱5,592,640	₱1,416,849	₱-	₱5,679,876	₱12,689,365

In 2024, the Company sold a fully-depreciated transportation equipment for a total consideration of ₱3,400,000 resulting to a gain on disposal amounting to ₱3,400,000.

Cost of fully depreciated property and equipment still used in the Company's operations amounted to ₱24,214,876 and ₱18,173,413 as at December 31, 2025 and 2024, respectively.

12. Other Noncurrent Assets

This account consists of the following:

	2025	2024
Long-term investments - net of current portion	₱16,758,000	₱5,000,000
Refundable Clearing and Trade Guaranty Fund (CTGF) contributions	5,927,962	5,597,698
Others	379,426	379,426
	₱23,065,388	₱10,977,124

Long-term investments represent money market placements with a term of two (2) years and earn annual interest rates of 4.50% to 6.48% in 2025 and 2024. Interest income on long-term investments amounted to ₱776,039 and ₱637,768 in 2025 and 2024, respectively (see Note 7).

The Company, as a Clearing Member, is required to pay monthly contributions for specific amounts applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

Under the amended Securities Clearing Corporation of the Philippines (SCCP) Rule 5.2, the contributions to the CTGF, which is recognized as refundable deposit by the Company, shall be refunded as trade-related assets to the Company upon cessation of business and/or termination of membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

13. Trade Payables

This account consists of:

	Note	2025	2024
Trade payables to:			
Customers:			
Third parties		₱11,385,200	₱5,518,526
Related parties	15	1,996,635	6,096,204
Clearing house		1,825,663	12,773,723
		₱15,207,498	₱24,388,453

Details of trade payables are as follows:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Trade payables to customers:				
With money balance	₱13,381,835	₱3,830,442,299	₱11,614,730	₱2,512,892,761
Without money balance	-	21,577,520,926	-	11,402,587,945
	13,381,835	25,407,963,225	11,614,730	13,915,480,706
Trade payables to clearing house	1,825,663	-	12,773,723	-
	₱15,207,498	₱25,407,963,225	₱24,388,453	₱13,915,480,706

Trade payables to customers are noninterest-bearing and due within two (2) business days from the transaction date.

Trade payables to clearing house are due and payable after two (2) business days from transaction date. Accordingly, balances as at December 31, 2025 and 2024 were fully settled in January 2026 and 2025, respectively.

14. Other Current Liabilities

This account consists of:

	2025	2024
Statutory payables	₱2,300,928	₱429,203
Trading fees payables	1,208,596	535,838
Accrued expenses	563,447	516,902
	₱4,072,971	₱1,481,943

Statutory payables consist of withholding taxes, and mandatory government contributions which are noninterest-bearing and are settled in the following month.

Trading fees payables pertain to fees on the purchase, sale and safekeeping of stocks which are noninterest-bearing and are settled in the following month.

Accrued expenses pertain to unbilled utilities and professional fees which are noninterest-bearing and are generally settled in varying periods within one (1) year.

15. Related Party Transactions

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

	Nature of Transaction	Amount of Transaction		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
Trade Receivables (see Note 9)						
Key management personnel (KMP)	Trading of securities	₱49,237,698	₱979,756	₱5,902,345	₱1,249,093	2-day, secured, noninterest-bearing and generally collected in cash
Under common control	Trading of securities	7,546,825	11,643,101	94,777	175,820	2-day, secured, noninterest-bearing and generally collected in cash
				₱5,997,122	1,424,913	
Trade Payables (see Note 13)						
KMP	Trading of securities	₱56,418,610	₱201,454,338	₱1,197,016	₱5,545,896	2-day, secured, noninterest-bearing and generally settled in cash
Under common control	Trading of securities	6,328,184	44,631,995	799,619	550,308	2-day, secured, noninterest-bearing and generally settled in cash
				₱1,996,635	₱6,096,204	
Commission Income						
KMP	Commission received	₱264,656	₱546,398	₱-	₱-	2-day, secured, noninterest-bearing and generally collected in cash
Under common control	Commission received	64,950	238,353	-	-	2-day, secured, noninterest-bearing and generally collected in cash
				₱-	₱-	

	Nature of Transaction	Amount of Transaction		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
Lease Liabilities (see Note 18)						
Under common management	Lease payments	₱1,088,880	₱1,088,882	₱3,380,866	₱4,212,207	Noninterest-bearing, unsecured, payable at the end of the month
KMP	Lease payments	702,600	702,600	2,181,504	2,717,928	Noninterest-bearing, unsecured, payable at the end of the month
				₱5,562,370	₱6,930,135	
Salaries and Other Employee Benefits						
KMP	Retirement benefits	₱902,296	₱894,834	₱17,036,317	₱16,817,143	Noninterest-bearing, unsecured and payable upon retirement
	Short-term employee benefits	6,854,491	6,084,666	-	-	
				₱17,036,317	₱16,817,143	

The Company performs a monthly impairment assessment of trade receivables from related parties. No impairment was recognized on trade receivables from related parties in 2025 and 2024.

Compliance with RR No. 34-2020

The Company is not covered by the requirements and procedures for the related party transactions provided under RR No. 34-2020 and is not required to file and submit the Related Party Transaction Form or BIR Form No. 1709 together with the Annual Income Tax Return as at and for the years ended December 31, 2025 and 2024 since the Company did not meet any of the criteria under Section 2 of the said RR.

16. Personnel Costs

This account consists of:

	Note	2025	2024
Salaries and wages		₱12,396,749	₱10,834,622
Other employee benefits		1,683,336	1,345,221
Retirement benefit costs	17	925,801	914,286
		₱15,005,886	₱13,094,129

Personnel costs are classified in the statements of comprehensive income as follows:

	2025	2024
Cost of services	₱2,872,331	₱2,197,652
General and administrative expenses	12,133,555	10,896,477
		₱15,005,886

17. Retirement Benefits

The Company does not have a formal retirement plan. Employees who will qualify for retirement will be paid the minimum retirement benefit under Republic Act (RA) No. 7641, *The Retirement Pay Law*. The benefit obligation is determined using the projected unit credit method. The latest actuarial valuation report of the Company is dated November 25, 2025 covering December 31, 2025.

The components of retirement benefit costs included under “Personnel costs” account in the statements of comprehensive income are as follows (see Note 16):

	2025	2024
Current service cost	P419,621	P416,023
Interest cost	506,180	498,263
	P925,801	P914,286

The balance and movements of the Company’s retirement benefit obligation recognized in the statements of financial position are as follows:

	2025	2024
Balance at beginning of year	P16,953,702	P16,539,846
Retirement benefit costs	925,801	914,286
Remeasurement losses (gains) recognized in OCI:		
Experience adjustments	(616,816)	(505,542)
Changes in financial assumptions	(34,800)	5,112
Balance at end of year	P17,227,887	P16,953,702

The cumulative remeasurement losses on retirement benefit obligation presented in the statements of financial position as at December 31 are as follows:

	2025		
	Cumulative Remeasurement		
	Losses	Deferred Tax	Net
Balances at beginning of year	P9,922,810	(P2,480,702)	P7,442,108
Remeasurement gains for the year	(651,616)	162,904	(488,712)
Balances at end of year	P9,271,194	(P2,317,798)	P6,953,396

	2024		
	Cumulative Remeasurement		
	Losses	Deferred Tax	Net
Balances at beginning of year	P10,423,240	(P2,605,809)	P7,817,431
Remeasurement gains for the year	(500,430)	125,107	(375,323)
Balances at end of year	P9,922,810	(P2,480,702)	P7,442,108

The assumptions used to determine retirement benefits as at December 31 are as follows:

	2025	2024
Discount rate	6.50%	6.08%
Salary increase	5.00%	5.00%

Sensitivity analysis on the retirement benefit obligation as at December 31 are as follows:

	Change in Assumption	Effect on Retirement Benefit Obligation	
		2025	2024
Discount rate	+1.00%	(P79,732)	(P68,838)
	-1.00%	85,824	73,251
Salary increase rate	+1.00%	193,935	177,092
	-1.00%	(188,766)	(173,549)

The foregoing sensitivity analysis has been determined based in a method that extrapolates the impact on retirement benefit obligation as a result of reasonable changes in key assumptions occurring as at the end of the reporting date.

Maturity analysis of the undiscounted retirement benefit obligation as at December 31 is as follows:

	2025	2024
Less than one (1) year	P17,487,931	P17,256,733
More than one (1) year to ten (10) years	152,905	135,749
More than ten (10) years to twenty (20) years	362,220	286,834
More than twenty (20) years	1,581,046	1,162,601
	P19,584,102	P18,841,917

The average duration of the retirement benefit obligation is 0.57 years and 0.47 years as at December 31, 2025 and 2024, respectively.

Risks Associated with the Retirement Plan

The plan exposes the Company to actuarial risks such as interest rate risk, longevity risk, and salary risk.

Interest Rate Risks. The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the retirement benefit obligation.

Longevity and Salary Risks. The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the retirement benefit obligation.

18. Leases

Company as Lessee

The Company entered into lease agreements for its office space with related parties for a period of 10 years, renewable as mutually agreed by both parties.

The balance and movements of the ROU assets (reported as part of "Property and equipment") (see Note 11) are as follows:

	2025	2024
Cost		
Balance at beginning and end of year	₱12,068,951	₱12,068,951
Accumulated Amortization		
Balance at beginning of year	6,389,075	5,078,086
Amortization	1,310,989	1,310,989
Balance at end of year	7,700,064	6,389,075
Carrying Amount	₱4,368,887	₱5,679,876

The balance and movements of the Company's lease liabilities are as follows:

	2025	2024
Balance at beginning of year	₱6,930,135	₱8,211,290
Interest expense	423,715	510,327
Payments	(1,791,480)	(1,791,482)
Balance at end of year	5,562,370	6,930,135
Current	1,460,233	1,367,765
Noncurrent	₱4,102,137	₱5,562,370

The Company recognized the following lease-related expenses:

	Note	2025	2024
Amortization of ROU assets	11	₱1,310,989	₱1,310,989
Expense related to short-term leases		525,375	521,938
Interest expense on lease liabilities		423,715	510,327
		₱2,260,079	₱2,343,254

Future minimum lease commitments under non-cancellable leases as at December 31 are as follows:

	2025	2024
Within one (1) year	₱1,791,480	₱1,791,480
After one (1) year	4,478,700	6,270,180
	₱6,270,180	₱8,061,660

The total cash outflows for leases in 2025 and 2024 amounted to ₱2,316,855 and ₱2,313,420, respectively.

19. Income Taxes

The components of income tax expense (benefit) as reported in the statements of comprehensive income are as follows:

	Note	2025	2024
Reported in Profit or Loss			
Current tax expense:			
RCIT		₱1,367,218	₱-
MCIT		-	416,994
Application of excess of MCIT over RCIT		(623,631)	-
		743,587	416,994
Deferred tax expense (benefit)		2,668,368	(732,251)
		₱3,411,955	(₱315,257)
Reported in OCI			
Deferred tax expense on remeasurement gains on retirement benefit obligation			
	17	₱162,904	₱125,107

The components of the Company's net deferred tax assets as at December 31 are as follows:

	2025	2024
Deferred tax assets:		
Retirement benefit obligation	₱4,306,972	₱4,238,426
Lease liabilities	1,390,593	1,732,534
Excess of cost over fair value of financial assets at FVPL	713,458	833,102
Allowance for ECL on trade receivables	10,685	15,999
NOLCO	-	2,140,510
Excess of MCIT over RCIT	-	623,631
	6,421,708	9,584,202
Deferred tax liabilities:		
ROU assets	1,092,222	1,419,969
Unrealized foreign exchange gain	310,303	313,778
	1,402,525	1,733,747
	₱5,019,183	₱7,850,455

Details of the Company's NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Applied	Balance at End of Year	Year of Expiration
2024	₱1,505,967	₱1,505,967	₱-	2027
2023	7,056,074	7,056,074	-	2026
	₱8,562,041	₱8,562,041	₱-	

Details of the Company's excess of MCIT over RCIT are as follows:

Year Incurred	Balance at Beginning of Year	Applied	Balance at End of Year	Year of Expiration
2024	₱416,994	₱416,994	₱-	2027
2023	206,637	206,637	-	2026
	₱623,631	₱623,631	₱-	

The reconciliation between the income tax expense (benefit) based on statutory income tax rate and the effective income tax rate is as follows:

	2025	2024
Income tax expense at statutory tax rate	₱4,079,315	₱470,139
Increase (decrease) in income tax resulting from:		
Interest income already subjected to final tax	(793,373)	(702,469)
Nondeductible expenses	536,864	321,704
Dividend income exempt from income tax	(410,851)	(390,132)
Trading gains on financial assets at FVPL subject to final tax	-	(14,499)
Income tax expense (benefit) at effective tax rate	₱3,411,955	(₱315,257)

In 2025 and 2024, the income tax rates used in determining RCIT and MCIT are 25% and 2%, respectively.




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

The Stockholders and the Board of Directors
The First Resources Management and Securities Corporation
Units 1008-1010 PSE Tower
5th Avenue cor 28th Street
Bonifacio Global City, Taguig City

We have audited the accompanying financial statements of The First Resources Management and Securities Corporation (the Company) as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated April 10, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has three (3) stockholders owning 100 or more shares each.

REYES TACANDONG & Co.



MANUEL P. BUENSUCESO, JR.

Partner

CPA Certificate No. 143561

Tax Identification No. 311-867-595-000

BOA Accreditation No. 4782/P-025; Valid until June 6, 2026

SEC Accreditation No. 143561-SEC Group A

Issued August 17, 2023

Valid for Financial Periods 2023 to 2027

BIR Accreditation No. 08-005144-020-2024

Valid until November 26, 2027

PTR No. 10764011

Issued January 2, 2026, Makati City

April 10, 2026

Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES**

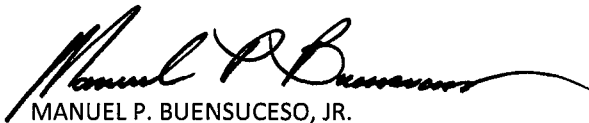
The Stockholders and the Board of Directors
The First Resources Management and Securities Corporation
Units 1008-1010 PSE Tower
5th Avenue cor 28th Street
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of The First Resources Management and Securities Corporation (the Company) as at and for the years ended December 31, 2025 and 2024, and have issued our opinion thereon dated April 10, 2026. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules as at and for the year ended December 31, 2025 are the responsibility of the Company's management. These supplementary schedules include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk-Based Capital Adequacy Requirement Pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 16-2004;
- Information Relating to the Possession or Control Requirements under Annex F of Securities Regulation Code (SRC) Rule 49.2;
- Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2;
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Report Date of the Previous Audit; and
- Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended.

The supplementary schedules are presented for purposes of complying with the Revised SRC Rule 68 and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.



MANUEL P. BUENSUCESO, JR.

Partner

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April 10, 2026

Makati City, Metro Manila

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

DECEMBER 31, 2025

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

SCHEDULE II

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO
SEC MEMORANDUM CIRCULAR NO. 16-2004**

DECEMBER 31, 2025

Assets	P183,716,265
Liabilities	42,070,726
Equity as per books	141,645,539
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated Liabilities	-
Unrealized Gain / (Loss) in proprietary accounts	-
Deferred Income Tax	(5,019,183)
Deposit for Future Stock Subscription (No application with SEC)	-
Minority Interest	-
Total Adjustments to Equity per books	(5,019,183)
Equity Eligible For Net Liquid Capital	136,626,356
Contingencies and Guarantees	
Deduct: Contingent Liability	-
Guarantees or indemnities	-
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	-
b. Intercompany Receivables	-
c. Fixed Assets, net of accumulated and excluding those used as collateral	9,407,244
d. Prepayment from Client for Early Settlement of Account	-
e. All Other Current Assets	5,306,697
f. Securities Not Readily Marketable	-
g. Negative Exposure (SCCP)	69,931
h. Notes Receivable (non-trade related)	-
i. Interest and Dividends Receivables outstanding for more than 30 days	-
j. Ineligible Insurance claims	-
k. Ineligible Deposits	5,927,962
l. Short Security Differences	-
m. Long Security Differences not resolved prior to sale	-
n. Other Assets including Equity Investment in PSE	27,246,345
Total ineligible assets	47,958,179
Net Liquid Capital (NLC)	88,668,177
Less:	
Operational Risk Requirement	7,240,117
Position Risk Requirement	20,983,131
Counterparty Risk	12
Large Exposure Risk	
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	-
Total Risk Capital Requirement (TRCR)	28,223,260
Net RBCA Margin (NLC-TRCR)	60,444,917
Liabilities	42,070,726
Add: Deposit for Future Stock Subscription (No application with SEC)	-
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	-
Loans and secured securities	-
Loans secured by fixed assets	-
Others	-
Total adjustments to AI	-
Aggregate Indebtedness	42,070,726
5% of Aggregate Indebtedness	2,103,536
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess / (Deficiency)	P83,668,177
Ratio of AI to Net Liquid Capital	47%
RBCA Ratio (NLC/TRCR)	314%

SCHEDULE III

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER ANNEX F OF SRC RULE 49.2**

DECEMBER 31, 2025

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

Market Valuation	<u>NIL</u>
Number of Items	<u>NIL</u>

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

Market Valuation	<u>NIL</u>
Number of Items	<u>NIL</u>

SCHEDULE IV

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2**

DECEMBER 31, 2025

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱11,385,200	
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.	1,825,539	
5. Credit balances in firm accounts which are attributable to principal sales to customer.	—	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	—	
7. Market value of the short security count differences over 30 calendar days old.	—	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	—	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	—	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱1,635,532
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		—
12. Failed to deliver customers' securities not older than 30 calendar days.		8,727,275
13. Others		—
Total	₱13,210,739	₱10,362,807
Net Credit (Debit)	₱2,847,932	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱2,990,329	

SCHEDULE V

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED
SINCE THE REPORT DATE OF THE PREVIOUS AUDIT**

DECEMBER 31, 2025

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

SCHEDULE VI

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED
DECEMBER 31, 2025**

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

THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SEC RULE 52.1-10, AS AMENDED

DECEMBER 31, 2025

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AAA	ASIA AMALGAMATED HOLDINGS	12,600	₱20,286	12,600	₱20,286	-	₱-
AB	ATOK-BIG WEDGE MNG. CO.	240,122	494,651	240,122	494,651	-	-
ABA	ABACORE CAPITAL HOLDINGS, INC. "A"	217,400	56,524	217,400	56,524	-	-
ABG	ASIABEST GROUP INTERNATIONAL, INC.	200,009,175	3,756,172,307	200,009,175	3,756,172,307	-	-
ABS	ABS-CBN CORPORATION	49,040	206,458	49,040	206,458	-	-
AC	AYALA CORPORATION	95,125	44,518,500	95,125	44,518,500	-	-
ACE	ACESITE (PHILS.) HOTEL	19,855	23,826	19,855	23,826	-	-
ACEN	ACEN CORPORATION	3,044,697	8,281,576	3,044,697	8,281,576	-	-
ACENA	ACEN SERIES "A" PREFERRED	1,690	1,706,900	1,690	1,706,900	-	-
ACENB	ACEN SERIES "B" PREFERRED	100	107,000	100	107,000	-	-
ACPAR	AYALA CORP SERIES "A" PREFERRED	400	1,016,000	400	1,016,000	-	-
ACPB4	AYALA CORP RE-ISSUE CLASS B PREF SH	14,100	28,044,900	14,100	28,044,900	-	-
ACR	ALSON CONSOLIDATED RESOURCES	215,000	101,050	215,000	101,050	-	-
AEV	ABOITIZ EQUITY VENTURES, INC.	290,340	8,129,520	290,340	8,129,520	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	436,800	3,577,392	436,800	3,577,392	-	-
ALCO	ARTHALAND CORPORATION	517,519,663	217,358,258	517,519,663	217,358,258	-	-
ALCPD	ARTHALAND CORPORATION SERIES D	8,000	3,880,000	8,000	3,880,000	-	-
ALCPF	ARTHALAND CORPORATION SERIES F PREF	14,400	7,200,000	14,400	7,200,000	-	-
ALI	AYALA LAND, INC.	1,690,028	37,941,129	1,690,028	37,941,129	-	-
ALLDY	ALLDAY MARTS, INC.	4,046,000	125,426	4,046,000	125,426	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	426,000	553,800	426,000	553,800	-	-
ALTER	ALTERNERGY HOLDINGS, CORP.	770,000	646,800	770,000	646,800	-	-
ANS	A. SORIANO CORPORATION "A"	37,708	542,995	37,708	542,995	-	-
AP	ABOITIZ POWER CORPORATION	1,049,500	46,178,000	1,049,500	46,178,000	-	-
APC	APC GROUP, INC.	2,607,000	276,342	2,607,000	276,342	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	19,917,600	99,588	19,917,600	99,588	-	-
APO	ANGLO-PHIL. OIL	221,833	155,283	221,833	155,283	-	-
APVI	ALTUS PROPERTY VENTURES, INC	573	4,813	573	4,813	-	-
APX	APEX MINING CO., INC. "A"	5,398,213	67,153,770	5,398,213	67,153,770	-	-
AR	ABRA MNG. & INDL. CORP.	61,810,000	284,326	61,810,000	284,326	-	-
ARA	ARANETA PROPERTIES, INC.	243,371,776	97,348,710	243,371,776	97,348,710	-	-
AREIT	AREIT, INC.	95,600	4,158,600	95,600	4,158,600	-	-
ASLAG	RASLAG CORP.	515,000	422,300	515,000	422,300	-	-
AT	ATLAS CONS. MINING & DEV.	513,805	3,098,244	513,805	3,098,244	-	-
ATI	ASIAN TERMINAL, INC.	20,666	712,977	20,666	712,977	-	-
ATN	ATN HOLDINGS, INC.	65,000	32,175	65,000	32,175	-	-
ATNB	ATN HOLDINGS, INC. "B"	120,000	59,400	120,000	59,400	-	-
AUB	ASIA UNITED BANK	83,938	3,290,370	83,938	3,290,370	-	-
AXLM	AXELUM RESOURCES CORP. AYALA CORP. VOTING PREFERRED	348,000	821,280	348,000	821,280	-	-
AYALAP	SHARES	65,084	-	65,084	-	-	-
BALAI	BALAI NI FRUITAS	530,000	185,500	530,000	185,500	-	-
BC	BENGUET CORP. "A"	1,283,400	6,417,000	1,283,400	6,417,000	-	-
BCB	BENGUET CORP. "B"	11,946	57,699	11,946	57,699	-	-
BCP	BENGUET CORP. -PREF.	198	4,980	198	4,980	-	-
BDO	BDO UNIBANK, INC.	241,550	32,512,630	241,550	32,512,630	-	-
BEL	BELLE CORPORATION	566,605	747,919	566,605	747,919	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
BH	BHI HOLDINGS, INC.	40	₱19,080	40	₱19,080	-	₱-
BHI	BOULEVARD PROP. HOLDINGS, INC.	450,000	17,550	450,000	17,550	-	-
BKR	BRIGHT KINDLE RESOURCES & INVTS., I	35,000	22,750	35,000	22,750	-	-
BLOOM	BLOOMBERRY RESORTS CORPORATION	65,540,500	166,472,870	65,540,500	166,472,870	-	-
BNCOM	BANK OF COMMERCE	2,142,200	19,708,240	2,142,200	19,708,240	-	-
BPHI	BORACAY PROPERTY HOLDINGS, INC.	6,153,086	-	6,153,086	-	-	-
BPI	BANK OF THE PHILIPPINE ISLANDS	31,712,230	3,681,789,903	31,712,230	3,681,789,903	-	-
BRN	A. BROWN CO., INC.	74,349	69,145	74,349	69,145	-	-
BRNP	A BROWN COMPANY, INC.	8,000	776,000	8,000	776,000	-	-
BSC	BASIC ENERGY CORPORATION	1,091,247	127,676	1,091,247	127,676	-	-
C	CHELSEA LOGISTICS HOLDINGS CORPORAT	827,100	785,745	827,100	785,745	-	-
CA	CONCRETE AGGREGATE CORP. "A"	590	28,527	590	28,527	-	-
CAL	CALATA CORPORATION	408,800	833,952	408,800	833,952	-	-
CAT	CENTRAL AZUCARERA DE TARLAC	25,200	244,692	25,200	244,692	-	-
CBC	CHINA BANKING CORPORATION	856,202	48,803,514	856,202	48,803,514	-	-
CDC	CITYLAND DEV. CORP. "A"	106,046	62,567	106,046	62,567	-	-
CEB	CEBU AIR, INC.	13,010	416,320	13,010	416,320	-	-
CEBCP	CEBU AIR, INC. CONVERTIBLE PREF SHR	2,745	96,075	2,745	96,075	-	-
CEI	CROWN EQUITIES, INC.	3,120,000	224,640	3,120,000	224,640	-	-
CEU	CENTRO ESCOLAR UNIVERSITY	83,110	1,304,827	83,110	1,304,827	-	-
CHP	CEMEX HOLDINGS PHILIPPINES INC.	4,333,510	4,723,526	4,333,510	4,723,526	-	-
CHTR	CHINATRUST (PHILS) COMMERCIAL BANK	14,225	-	14,225	-	-	-
CLI	CEBU LANDMASTERS INC.	735,550	1,728,543	735,550	1,728,543	-	-
CLIA1	CEBU LANDMASTERS, INC SERIES A-1	1,250	1,250,000	1,250	1,250,000	-	-
CLIA2	CEBU LANDMASTERS, INC. SERIES A-2	1,265	1,357,345	1,265	1,357,345	-	-
CNPF	CENTURY PACIFIC FOOD INC.	19,500	760,500	19,500	760,500	-	-
CNVRG	CONVERGE INFORMATION AND COMMUNICAT	2,748,800	42,111,616	2,748,800	42,111,616	-	-
COAL	COAL ASIA HOLDINGS, INC.	32,350,000	905,800	32,350,000	905,800	-	-
COSCO	COSCO CAPITAL INC.	1,022,500	7,147,275	1,022,500	7,147,275	-	-
CPG	CENTURY PROPERTIES GROUP, INC.	694,882	479,469	694,882	479,469	-	-
CPM	CENTURY PEAK HOLDINGS CORP	2,398,000	5,731,220	2,398,000	5,731,220	-	-
CREC	CITICORE RENEWABLE ENERGY CORP.	53,000	226,840	53,000	226,840	-	-
CREIT	CITICORE ENERGY REIT CORP.	2,648,000	9,453,360	2,648,000	9,453,360	-	-
CTS	CTS GLOBAL EQUITY GROUP, INC.	590,000	212,400	590,000	212,400	-	-
CYBR	CYBER BAY CORPORATION	17,145,000	-	17,145,000	-	-	-
DD	DOUBLEDRAGON CORPORATION	183,860	1,706,221	183,860	1,706,221	-	-
DDMPR	DDMP REIT, INC.	7,197,000	7,340,940	7,197,000	7,340,940	-	-
DELM	DEL MONTE PACIFIC LIMITED	279,294	1,312,682	279,294	1,312,682	-	-
DFNN	DFNN, INC.	385,000	308,000	385,000	308,000	-	-
DGTL	DIGITAL TELECOMMUNICATIONS PHILS.	120,000	-	120,000	-	-	-
DHI	DOMINION HOLDINGS INC.	461,860	641,985	461,860	641,985	-	-
DITO	DITO CME HOLDINGS CORP.	511,422	347,767	511,422	347,767	-	-
DIZ	DIZON COPPER-SILVER MINES	1,128,881	5,644,405	1,128,881	5,644,405	-	-
DMC	DMCI HOLDINGS, INC.	2,989,700	31,511,438	2,989,700	31,511,438	-	-
DNA	DNA HOLDINGS CORPORATION	686,248	1,962,669	686,248	1,962,669	-	-
DNL	D & L INDUSTRIES, INC	893,500	3,439,975	893,500	3,439,975	-	-
ECP	EASYCALL COMMUNICATIONS, INC.	10,000	26,000	10,000	26,000	-	-
ECVC	EAST COAST VULCAN MINING CORP	2,678,280	723,136	2,678,280	723,136	-	-
EEI	ENGINEERING EQUIPMENT INC.	39,736,566	112,851,847	39,736,566	112,851,847	-	-
EEIPB	EEI CORPORATION PREF. "B"	109,380	10,762,992	109,380	10,762,992	-	-
EG	IP E-GAME VENTURES, INC.	350,000	3,290	350,000	3,290	-	-
EGRN	EVERWOODS GREEN RESOURCES AND HOLDI	124,000	-	124,000	-	-	-
EIBA	EXPORT AND INDUSTRY BANK	1,095,988	-	1,095,988	-	-	-
ELI	EMPIRE EAST HOLDINGS, INC.	568,459	59,120	568,459	59,120	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
EMI	EMPERADOR, INC.	26,500	₱424,000	26,500	₱424,000	-	₱-
ENEX	ENEX ENERGY CORP.	7,974	26,633	7,974	26,633	-	-
EW	EAST WEST BANKING CORPORATION	342,424	3,972,118	342,424	3,972,118	-	-
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	1,366,690	75,167,950	1,366,690	75,167,950	-	-
FCG	FIGARO COFFEE GROUP, INC.	150,000	87,000	150,000	87,000	-	-
FDC	FILINVEST DEV. CORP.	20,964	95,386	20,964	95,386	-	-
FDCPA	FILINVEST DEVELOPMENT CORP. "A"	230	232,300	230	232,300	-	-
FERRO	FERRONOUX HOLDINGS, INC.	3,000	15,000	3,000	15,000	-	-
FEU	FAR EASTERN UNIVERSITY, INC.	125	100,000	125	100,000	-	-
FFI	FILIPINO FUND, INC	11,558	86,685	11,558	86,685	-	-
FGEN	FIRST GEN CORPORATION	320,100	5,678,574	320,100	5,678,574	-	-
FILRT	FILINVEST REIT CORP	1,030,168	3,193,521	1,030,168	3,193,521	-	-
FLI	FIL-INVEST LAND, INC.	799,600	615,692	799,600	615,692	-	-
FMETF	FIRST METRO PHIL EQUITY ETF, INC	5,665	572,165	5,665	572,165	-	-
FMIC	FIRST METRO INVESTMENT CORP.	5,000	-	5,000	-	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	1,290,967	1,742,805	1,290,967	1,742,805	-	-
FPH	FIRST PHIL. HOLDINGS CORP.	45,766	3,523,982	45,766	3,523,982	-	-
FRUIT	FRUITAS HOLDINGS, INC.	38,000	24,320	38,000	24,320	-	-
GEO	GEOGRACE RESOURCES PHILS.,INC.(GEI)	2,144,392	186,562	2,144,392	186,562	-	-
GLO	GLOBE TELECOM, INC.	28,563	45,243,792	28,563	45,243,792	-	-
GMA7	GMA NETWORK INC.	892,000	4,825,720	892,000	4,825,720	-	-
GMAP	GMA HOLDINGS, INC. (PDR)	50,000	264,500	50,000	264,500	-	-
GPH	GRAND PLAZA HOTEL CORP.	232	1,343	232	1,343	-	-
GREEN	GREENERGY HOLDINGS INC.	11,458	2,062	11,458	2,062	-	-
GSMI	GINEBRA SAN MIGUEL, INC.	8,200	2,419,000	8,200	2,419,000	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	11,102	6,605,690	11,102	6,605,690	-	-
GTCAPP	GT CAPITAL HOLDINGS, INC. PREFERRED	36,690	-	36,690	-	-	-
GTPPB	GT CAPITAL HOLDINGS, INC - SERIES B	5,800	5,800,000	5,800	5,800,000	-	-
HI	HOUSE OF INVESTMENTS, INC.	630,010	2,835,045	630,010	2,835,045	-	-
HOME	ALLHOME CORP.	636,000	150,732	636,000	150,732	-	-
HOUSE	8990 HOLDINGS, INC.	1,464,586,319	15,260,989,444	1,464,586,319	15,260,989,444	-	-
HTI	HAUS TALK, INC.	20,000	22,000	20,000	22,000	-	-
I	I-REMIT, INC.	45,375	9,030	45,375	9,030	-	-
ICT	INTL. CONTAINER TERMINAL SERVICES	93,704	53,130,168	93,704	53,130,168	-	-
IDC	ITALPINAS DEVELOPMENT CORPORATION	2,616,081	2,275,990	2,616,081	2,275,990	-	-
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	247,370	858,374	247,370	858,374	-	-
IMP	IMPERIAL RESOURCES, INC. "A"	196,500	137,550	196,500	137,550	-	-
INFRA	PHILIPPINE INFRADEV HOLDINGS, INC.	105,000	33,075	105,000	33,075	-	-
ION	IONICS CIRCUITS, INC.	71,000	72,420	71,000	72,420	-	-
IPM	IPM HOLDINGS, INC.	15,000	23,550	15,000	23,550	-	-
IPO	IPEOPLE, INC. "A"	6,300	37,800	6,300	37,800	-	-
IS	ISLAND INFORMATION & TECHNOLOGY INC	16,520,000	2,031,960	16,520,000	2,031,960	-	-
JFC	JOLLIBEE FOODS CORP.	247,138	44,484,840	247,138	44,484,840	-	-
JFCPB	JOLLIBEE FOODS CORP. PREF. B	3,975	3,951,150	3,975	3,951,150	-	-
JGS	JG SUMMIT HOLDINGS, INC.	144,125	3,408,556	144,125	3,408,556	-	-
KEEPR	THE KEEPERS HOLDINGS INC.	9,284,000	23,024,320	9,284,000	23,024,320	-	-
KEP	KEPPEL PHILS. PROPERTIES, INC.	20,046	44,101	20,046	44,101	-	-
KPPI	KEPWEALTH PROPERTY PHILS, INC.	22,400	26,656	22,400	26,656	-	-
LAND	CITY & LAND DEVELOPERS, INC.	387,863	205,567	387,863	205,567	-	-
LBC	LBC EXPRESS HOLDINGS, INC.	1,702,599	14,982,871	1,702,599	14,982,871	-	-
LC	LEPANTO CONS. MINING CO. "A"	9,791,877	1,811,497	9,791,877	1,811,497	-	-
LCB	LEPANTO CONS. MINING CO. "B"	6,967,372	1,302,899	6,967,372	1,302,899	-	-
LFM	LIBERTY FLOUR MILLS, INC.	1,873	63,307	1,873	63,307	-	-
LODE	LODESTAR INVESTMENT HOLDINGS CORP	3,328,000	1,164,800	3,328,000	1,164,800	-	-
LOTO	PACIFIC ONLINE SYSTEMS CORPORATION	106,250	180,625	106,250	180,625	-	-
LPC	LFM PROPERTIES CORPORATION	310,918	12,748	310,918	12,748	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
LPZ	LOPEZ HOLDINGS CORPORATION	14,200	₱52,824	14,200	₱52,824	-	₱-
LSC	LORENZO SHIPPING CORP.	232,000	141,520	232,000	141,520	-	-
LTG	LT GROUP INC	1,153,100	17,042,818	1,153,100	17,042,818	-	-
MA	MANILA MINING CORP. "A"	232,443,355	1,696,836	232,443,355	1,696,836	-	-
MAB	MANILA MINING CORP. "B"	598,819,823	4,311,503	598,819,823	4,311,503	-	-
MAC	MACROASIA CORPORATION	824,470	3,578,200	824,470	3,578,200	-	-
MACAY	MACAY HOLDINGS, INC.	30,773	215,103	30,773	215,103	-	-
MAH	METRO ALLIANCE HOLDINGS & EQUITIES	2,000	740	2,000	740	-	-
MARC	MARCVENTURES HOLDINGS, INC.	312,250	218,575	312,250	218,575	-	-
MAXS	MAXS GROUP, INC.	441,100	1,080,695	441,100	1,080,695	-	-
MB	MANILA BULLETIN PUBLISHING	4,835	793	4,835	793	-	-
MBT	METROPOLITAN BANK AND TRUST CO.	548,916	37,600,746	548,916	37,600,746	-	-
MCB	MARSTEEL CONS. INC. "B"	700,000	-	700,000	-	-	-
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	703,000	182,780	703,000	182,780	-	-
MEG	MEGAWORLD CORPORATION	4,913,000	10,219,040	4,913,000	10,219,040	-	-
MER	MANILA ELECTRIC CO.	34,735	19,937,890	34,735	19,937,890	-	-
MFC	MANULIFE FINANCIAL CORP.	1,112	2,090,560	1,112	2,090,560	-	-
MG	MILLENNIUM GLOBAL HOLDINGS INC.	2,369,399	142,164	2,369,399	142,164	-	-
MGH	METRO GLOBAL HOLDINGS CORP.	127,500	-	127,500	-	-	-
MJC	MANILA JOCKEY CLUB, INC.	111,925	142,145	111,925	142,145	-	-
MJIC	MJC INVESTMENT CORPORATION	6,000	6,000	6,000	6,000	-	-
MM	MERRYMART CONSUMER CORP	455,500	182,200	455,500	182,200	-	-
MMC	MARCOPPER MINING	4,125	-	4,125	-	-	-
MONDE	MONDE NISSIN CORPORATION	2,987,900	17,329,820	2,987,900	17,329,820	-	-
MRC	MRC ALLIED IND. INC.	3,669,500	3,192,465	3,669,500	3,192,465	-	-
MREIT	MREIT, INC.	221,400	3,099,600	221,400	3,099,600	-	-
MRSOI	METRO RETAIL STORES GROUP, INC.	404,000	464,600	404,000	464,600	-	-
MVC	MABUHAY VINYL CORPORATION	12,000	62,280	12,000	62,280	-	-
MWC	MANILA WATER COMPANY, INC.	390,800	15,749,240	390,800	15,749,240	-	-
MWIDE	MEGAWIDE CONSTRUCTION CORP.	214,400	641,056	214,400	641,056	-	-
MWP5	MEGAWIDE CONSTRUCTION CORPORATION	1,000	103,000	1,000	103,000	-	-
MWP7A	MEGAWIDE CONSTRUCTION CORP. "7A"	17,280	1,734,912	17,280	1,734,912	-	-
MWP7B	MWIDE SERIES 7B PEF SHARES	10,000	1,050,000	10,000	1,050,000	-	-
MYNLD	MAYNILAD WATER SERVICES, INC.	1,016,200	17,173,780	1,016,200	17,173,780	-	-
NI	NIHAO MINERAL RES. INTL, INC.	9,200	2,898	9,200	2,898	-	-
NIKL	NICKEL ASIA CORPORATION	1,552,895	6,040,762	1,552,895	6,040,762	-	-
NOW	NOW CORPORATION	13,010,400	8,847,072	13,010,400	8,847,072	-	-
NRCP	NATL REINSURANCE CORP OF THE PHILS	4,939,000	3,803,030	4,939,000	3,803,030	-	-
NXGEN	NEXTGENESIS CORPORATION	6,050	42,350	6,050	42,350	-	-
OGP	OCEANAGOLD PHILIPPINES INC.	35,800	1,152,760	35,800	1,152,760	-	-
OM	OMICO CORPORATION	3,127,334	315,861	3,127,334	315,861	-	-
OPM	ORIENTAL PETROLEUM "A"	15,446,609	185,359	15,446,609	185,359	-	-
OPMB	ORIENTAL PETROLEUM "B"	218,499,241	2,621,991	218,499,241	2,621,991	-	-
ORE	ORIENTAL PENINSULA RES. GRP., INC.	1,177,000	435,490	1,177,000	435,490	-	-
OV	THE PHILODRILL CORP. "A"	216,421,437	1,926,151	216,421,437	1,926,151	-	-
PA	PACIFICA, INC.	198,052,420	188,149,799	198,052,420	188,149,799	-	-
PAL	PAL HOLDINGS, INC.	156,312	593,986	156,312	593,986	-	-
PAX	PAXYS, INC. (FORMERLY "FH")	10,000	26,100	10,000	26,100	-	-
PBB	PHIL.BUSINESS BANK	385,437	2,967,865	385,437	2,967,865	-	-
PBC	PHIL. BANK OF COMMUNICATIONS	500	8,350	500	8,350	-	-
PCOM	PHILCOM	71	-	71	-	-	-
PCOR	PETRON CORPORATION	5,206,852	12,912,993	5,206,852	12,912,993	-	-
PCP	PICOP RESOURCES, INC.	1,322,280	271,067	1,322,280	271,067	-	-
PECB	PNOC EXPLORATION CORP. "B"	500	-	500	-	-	-
PERC	PETRO ENERGY RESOURCES CORP.	105,024	367,584	105,024	367,584	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PGOLD	PUREGOLD PRICE CLUB, INC.	157,900	₱6,000,200	157,900	₱6,000,200	-	₱-
PHA	PREMIERE HORIZON ALLIANCE CORP.	3,580,000	848,460	3,580,000	848,460	-	-
PHC	PHILCOMSAT HOLDINGS CORPORATION	30,200	55,568	30,200	55,568	-	-
PHES	PHILIPPINE ESTATES CORPORATION	600,000	168,000	600,000	168,000	-	-
PHN	PHINMA CORPORATION	2,740	45,758	2,740	45,758	-	-
PHR	PH RESORTS GROUP HOLDINGS, INC.	260,000	34,580	260,000	34,580	-	-
PIZZA	SHAKEYS PIZZA ASIA VENTURES, INC.	80,100	544,680	80,100	544,680	-	-
PLUS	DIGIPLUS INTERACTIVE CORP.	669,142	10,840,100	669,142	10,840,100	-	-
PMPC	PANASONIC MANUFACTURING PHILS. CORP	4,784	51,667	4,784	51,667	-	-
PNB	PHIL. NATIONAL BANK	239,054	13,004,538	239,054	13,004,538	-	-
PNC	PHIL. NATL CONST. CORP	101,530	497,497	101,530	497,497	-	-
PNX	PHOENIX PETROLEUM PHIL. INC.	35	146	35	146	-	-
PNX3B	PHOENIX PETROLEUM PHILS., INC. "B"	25,500	636,225	25,500	636,225	-	-
PNX4	PHOENIX PETROLEUM INC. PREF.	800	142,320	800	142,320	-	-
PORT	GLOBAL PORT 900, INC.	1,312,600	9,581,980	1,312,600	9,581,980	-	-
PRC	PHIL. RACING CLUB	8,638	57,011	8,638	57,011	-	-
PREIT	PREMIER ISLAND TOWER REIT CORP.	554,000	565,080	554,000	565,080	-	-
PRF4B	PETRON CORP. SERIES 4 B PREFERRED	1,500	1,492,500	1,500	1,492,500	-	-
PRF4C	PETRON CORP. SERIES 4 C PREFERRED	1,000	1,009,000	1,000	1,009,000	-	-
PRF4E	PETRON CORP. SERIES 4E PREFERRED	6,100	6,100,000	6,100	6,100,000	-	-
PRIM	PRIME MEDIA HOLDINGS, INC. (FSTE)	4,023	5,230	4,023	5,230	-	-
PSB	PHIL. SAVINGS BANK	14,360	775,440	14,360	775,440	-	-
PSE	THE PHILIPPINE STOCK EXCHANGE, INC.	8,193,690	1,682,983,926	8,193,690	1,682,983,926	-	-
PTT	PT AND T CORP.	1,099,014	362,675	1,099,014	362,675	-	-
PX	PHILEX MINING CORPORATION	2,511,236	24,861,236	2,511,236	24,861,236	-	-
PXP	PHILEX PETROELUM CORPORATION	727,354	1,731,103	727,354	1,731,103	-	-
RCB	RIZAL COMMERCIAL BANKING CORP	115	2,984	115	2,984	-	-
RCI	ROXAS AND COMPANY, INC.	35,063	93,969	35,063	93,969	-	-
RCR	RL COMMERCIAL REIT, INC.	320,300	2,568,806	320,300	2,568,806	-	-
REG	REPUBLIC GLASS HOLDINGS CORPORATION	3,438	7,907	3,438	7,907	-	-
RFM	RFM CORPORATION	176,660	839,135	176,660	839,135	-	-
RLC	ROBINSONS LAND CORP.	141,703	2,289,920	141,703	2,289,920	-	-
RLT	PHIL. REALTY & HOLDINGS CORP.	3,346	365	3,346	365	-	-
ROCK	ROCKWELL LAND CORPORATION	76,475	141,479	76,475	141,479	-	-
ROX	ROXAS HOLDINGS, INC.	99,724	144,600	99,724	144,600	-	-
RPC	REYNOLDS PHILS.	257,128	-	257,128	-	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	2,000	66,100	2,000	66,100	-	-
SBS	SBS PHILIPPINES CORPORATION	779,250	3,031,283	779,250	3,031,283	-	-
SCC	SEMIRARA MINING AND POWER CORP.	910,540	25,722,755	910,540	25,722,755	-	-
SECB	SECURITY BANK CORP.	195,730	12,849,675	195,730	12,849,675	-	-
SECBP	SECURITY BANK CORP. PREFERRED	478,602	-	478,602	-	-	-
SFI	SWIFT FOODS, INC.	5,175,353	243,242	5,175,353	243,242	-	-
SFIP	SWIFT FOODS, INC. CONVERTIBLE PREF.	23,170	35,914	23,170	35,914	-	-
SGI	SOLID GROUP, INC.	65,000	82,550	65,000	82,550	-	-
SGP	SYNERGY GRID & DEV. PHILS., INC	1,476,300	24,447,528	1,476,300	24,447,528	-	-
SHLPH	SHELL PILIPINAS CORPORATION	521,591	3,614,626	521,591	3,614,626	-	-
SHNG	SHANG PROPERTIES, INC. (EPHI)	144,405	511,194	144,405	511,194	-	-
SLF	SUN LIFE FINANCIAL, INC.	3,901	13,419,440	3,901	13,419,440	-	-
SLI	STA. LUCIA LAND, INC.	166,000	431,600	166,000	431,600	-	-
SM	SM INVESTMENT CORPORATION	867,360	606,718,320	867,360	606,718,320	-	-
SMC	SAN MIGUEL CORPORATION	5,061,236	415,021,352	5,061,236	415,021,352	-	-
SMC2I	SMC SUBSERIES "2I"	146,830	10,938,835	146,830	10,938,835	-	-
SMC2L	SMC SERIES 2-L PREFERRED SHARES	64,690	5,023,179	64,690	5,023,179	-	-
SMC2N	SMC SERIES 2-N PREFERRED SHARES	35,000	2,817,500	35,000	2,817,500	-	-
SMC2O	SMC SERIES 2-O PREFERRED SHARES	31,000	2,511,000	31,000	2,511,000	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
SMC2P	SMC PREF 2P	45,450	₱3,499,650	45,450	₱3,499,650	-	₱-
SMC2Q	SAN MIGUEL CORP. SERIES 2-Q	71,200	5,539,360	71,200	5,539,360	-	-
SMC2R	SMC PREF 2R	27,100	2,100,250	27,100	2,100,250	-	-
SMC2S	SAN MIGUEL CORP. SERIES "2-S"	45,000	3,501,000	45,000	3,501,000	-	-
SMC2T	SMC PREF 2T	29,310	2,242,215	29,310	2,242,215	-	-
SMC2U	SAN MIGUEL CORP. SERIES "2-U"	50,000	3,800,000	50,000	3,800,000	-	-
SMPH	SM PRIME HOLDINGS, INC.	2,258,134	51,372,549	2,258,134	51,372,549	-	-
SOC	SOCRESOURCES, INC.	186,000	33,852	186,000	33,852	-	-
SPC	SALCON POWER CORP.	14,700	143,178	14,700	143,178	-	-
SPM	SEAFRONT RESOURCES CORPORATION	24,115	56,911	24,115	56,911	-	-
SPNEC	SP NEW ENERGY CORPORATION	8,007,215	9,368,442	8,007,215	9,368,442	-	-
SSI	SSI GROUP, INC.	37,600	98,888	37,600	98,888	-	-
STI	STI EDUCATION SYSTEM HOLDINGS INC	940,000	1,325,400	940,000	1,325,400	-	-
STN	STENIEL MANUFACTURING CORP.	82,562	179,985	82,562	179,985	-	-
SUN	SUNTRUST RESORT HOLDINGS, INC.	74,043	56,273	74,043	56,273	-	-
SWM	SANITARY WARES MFG.	500	-	500	-	-	-
T	TKC METALS CORP. (FORMERLY WIZ)	362,000	159,280	362,000	159,280	-	-
TBGI	TRANSPACIFIC BROADBAND GROUP INTL	5,635,000	749,455	5,635,000	749,455	-	-
TCCI	THE COUNTRY CLUB, INC.	1	-	1	-	-	-
TECH	CIRTEK HOLDINGS PHILIPPINES CORP.	68,642	43,244	68,642	43,244	-	-
TEL	PLDT INC.	53,980	68,014,800	53,980	68,014,800	-	-
TFC	PTFC REDEVELOPMENT CORPORATION	1,000	45,200	1,000	45,200	-	-
TFHI	TOP FRONTIER INV. HOLDINGS, INC.	196,655	11,995,955	196,655	11,995,955	-	-
TMGC	TAGAYTAY MIDLANDS GOLF CLUB, INC.	1	-	1	-	-	-
TOP	TOP LINE BUS	2,268,000	3,628,800	2,268,000	3,628,800	-	-
TPHC	TAGAYTAY PROPERTIES HOLDINGS CORP.	1,500,000	-	1,500,000	-	-	-
TUGS	HARBOR STAR SHIPPING SERVICE INC.	385,500	227,445	385,500	227,445	-	-
UBP	UNION BANK OF THE PHILS.	538,634	14,327,664	538,634	14,327,664	-	-
UNI	UNIOIL RESOURCES & HOLDINGS CO. INC	2,835,000	697,410	2,835,000	697,410	-	-
UP	UNIVERSAL RIGHTFIELD PROP.	1,020,000	-	1,020,000	-	-	-
UPM	UNITED PARAGON MINING CORP.	376,873,550	2,185,867	376,873,550	2,185,867	-	-
UPSON	UPSON INTERNATIONAL CORP.	23,000	16,100	23,000	16,100	-	-
URC	UNIVERSAL ROBINA CORP.	165,020	11,105,846	165,020	11,105,846	-	-
V	VANTAGE EQUITIES, INC.	297,748	264,996	297,748	264,996	-	-
VITA	VITARICH CORP.	201,000	106,530	201,000	106,530	-	-
VLL	VISTA LAND & LANDSCAPES, INC.	699,375	727,350	699,375	727,350	-	-
VLL2B	VISTA LAND SERIES 2B PREFERRED	20,000	1,800,000	20,000	1,800,000	-	-
VMC	VICTORIAS MILLING CO., INC.	278,056	481,037	278,056	481,037	-	-
VREIT	VISTAREIT, INC.	237,000	324,690	237,000	324,690	-	-
WEB	PHILWEB CORPORATION	564,158	3,497,780	564,158	3,497,780	-	-
WIN	WELLEX INDUSTRIES, INC.	190,400	49,504	190,400	49,504	-	-
WLCON	WILCON DEPOT, INC	281,200	1,957,152	281,200	1,957,152	-	-
WPI	WATERFRONT PHILS. INC.	37,200	15,066	37,200	15,066	-	-
X	XURPAS INC.	290,200	71,970	290,200	71,970	-	-
XG	NEXGEN ENERGY CORP.	283,000	899,940	283,000	899,940	-	-
		4,808,977,587	₱27,632,236,078	4,808,977,587	₱27,632,236,078	-	₱-

SCHEDULE VII

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
PURSUANT TO SEC MEMORANDUM CIRCULAR 18-2024**

DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	₱395,000	₱385,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
TOTAL AUDIT AND NON-AUDIT FEES	₱395,000	₱385,000

SCHEDULE VIII

**THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
PURSUANT TO THE REVISED SRC RULE 68**

DECEMBER 31, 2025 AND 2024

Ratio	Formula	2025	2024
Current ratio	Total current assets	₱146,224,450	₱146,488,813
	Divided by: Total current liabilities	20,740,702	27,238,161
	Current ratio	705%	538%
Solvency ratio	Net income after tax	₱12,905,303	₱2,195,813
	Add: Depreciation and amortization	3,498,119	3,880,325
	Net income after tax before depreciation and amortization	16,403,422	6,076,138
	Divided by: Total liabilities	42,070,726	49,754,233
	Solvency ratio	39%	12%
Debt-to-equity ratio	Total liabilities	₱42,070,726	₱49,754,233
	Divided by: Total equity	141,645,539	128,251,524
	Debt-to-equity ratio	30%	39%
Asset-to-equity ratio	Total assets	₱183,716,265	₱178,005,757
	Divided by: Total equity	141,645,539	128,251,524
	Asset-to-equity ratio	130%	139%
Interest rate coverage ratio	Income before interest and taxes	₱16,740,973	₱2,390,883
	Divided by: Interest expense	423,715	510,327
	Interest rate coverage ratio	3,951%	469%
Return on equity	Net income after tax	₱12,905,303	₱2,195,813
	Divided by: Average total equity	134,948,532	126,965,956
	Return on equity	10%	2%
Return on assets	Net income after tax	₱12,905,303	₱2,195,813
	Divided by: Average total assets	180,861,011	175,883,230
	Return on assets	7%	1%
Net profit margin	Net income after tax	₱12,905,303	₱2,195,813
	Divided by: Revenues	49,176,073	33,416,201
	Net profit margin	26%	7%