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Industry Classification: J66930
Company Type: Stock Corporation

Document Information

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C O V E R S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 1 9 9 7 0 3 4 5 8

COMPANY NAME

CLSA PHILIPPINES, INC.

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

19/F Ayala Triangle Gardens Tower 2 Paseo De Roxas corner Makati Avenue Makati City 1226

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	BROKER

COMPANY INFORMATION

Company's email Address	Company's Telephone Number/s	Mobile Number
compliance.manila@clsa.com	8860-4000	0998 859 8654

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
11	April/30	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Maria Martha A. de Dios	mitzi.dedios@clsa.com	8860-4000	N/A

CONTACT PERSON'S ADDRESS

19/F Ayala Triangle Gardens Tower 2 Paseo De Roxas corner Makati Avenue Makati City 1226

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

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

CLSA PHILIPPINES, INC.

FINANCIAL STATEMENTS
December 31, 2025 and 2024

With Independent Auditors' Report

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

The Management Committee reviews and approves the financial statements including the schedules attached therein and submits the same to the Parent.

R. G. Manabat & Co., the independent auditor appointed by the management, has audited the financial statements of the Company in accordance with Philippine Standard Auditing, and in its report to the management, has expressed its opinion on the fairness of presentation upon completion of such audit.

MARIA MARTHA A. DE DIOS
Chairman and President

ANGELICA ELAINE S. APOSTOL
Financial Controller

Signed this 24th day of April 2026

CLSA Philippines, Inc.
19th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Barangay Bel-Air,
Makati City 1226, Philippines
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R.G. Manabat & Co.

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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
CLSA Philippines, Inc.
19/F Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Avenue
Makati City 1226

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CLSA Philippines, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and 2024, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes, including a summary of material accounting policies and other explanatory 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 (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits 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.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 audit.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

Vanessa P. Macamos
VANESSA P. MACAMOS
Partner
CPA License No. 0102309
SEC Accreditation No. 102309-SEC, Group A, valid for five (5) years
covering the audit of 2022 to 2026 financial statements
Tax Identification No. 920-961-311
BIR Accreditation No. 08-001987-038-2025
Issued June 10, 2025; valid until June 9, 2028
PTR No. MKT 10764399
Issued January 5, 2026 at Makati City

April 24, 2026
Makati City, Metro Manila

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R.G. Manabat & Co.

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SUPPLEMENTAL WRITTEN STATEMENT OF AUDITOR

The Board of Directors and Stockholders
CLSA Philippines, Inc.
19/F Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Avenue
Makati City 1226

We have audited the accompanying financial statements of CLSA Philippines, Inc. (the "Company") as at and for the year ended December 31, 2025, on which we have rendered our report dated April 24, 2026.

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

R.G. MANABAT & CO.

Vanessa P. Macamos

VANESSA P. MACAMOS
Partner
CPA License No. 0102309
SEC Accreditation No. 102309-SEC, Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements
Tax Identification No. 920-961-311
BIR Accreditation No. 08-001987-038-2025
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PTR No. MKT 10764399
Issued January 5, 2026 at Makati City

April 24, 2026
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:
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SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
CLSA Philippines, Inc.
19/F Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Avenue
Makati City 1226

We have audited in accordance with Philippine Standards on Auditing (PSA) the financial statements of CLSA Philippines, Inc. (the "Company") as at and for the year ended December 31, 2025 and have issued our report thereon dated April 24, 2026.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the *Schedule I - Reconciliation of Retained Earnings Available for Dividend Declaration* is the responsibility of the management. This supplementary information is presented for purpose of complying with the Revised Securities Regulation Code Rule (SRC) 68, and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

Vanessa P. Macamos

VANESSA P. MACAMOS
Partner
CPA License No. 0102309
SEC Accreditation No. 102309-SEC, Group A, valid for five (5) years
covering the audit of 2022 to 2026 financial statements
Tax Identification No. 920-961-311
BIR Accreditation No. 08-001987-038-2025
Issued June 10, 2025; valid until June 9, 2028
PTR No. MKT 10764399
Issued January 5, 2026 at Makati City

April 24, 2026
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:
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SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
CLSA Philippines, Inc.
19/F Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Avenue
Makati City 1226

We have audited in accordance with Philippine Standards on Auditing (PSA) the financial statements of CLSA Philippines, Inc. (the "Company") as at and for the year ended December 31, 2025 and have issued our report thereon dated April 24, 2026.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the following schedules is the responsibility of the management:

Schedule IV	*Statement of Changes in Liabilities Subordinated to Claims of General Creditors*
Schedule V	*Information Relating to Possession or Control Requirements Pursuant to SRC Rule 49.2*
Schedule VI	*Computation of Risk-Based Capital Adequacy (RBCA) Ratio under SRC Rule 49.1*
Schedule VII	*Computation for Determination of Reserve Requirements Pursuant to SRC Rule 49.2*
Schedule VIII	*Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1, As Amended*

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

R.G. Manabat & Co.

KPMG

This supplementary information is presented for the purpose of complying with Rule 52.1.5.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code (RA 8799) and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

VANESSA P. MACAMOS
Partner
CPA License No. 0102309
SEC Accreditation No. 102309-SEC, Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements
Tax Identification No. 920-961-311
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April 24, 2026
Makati City, Metro Manila

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

CLSA PHILIPPINES, INC.
STATEMENTS OF FINANCIAL POSITION

		December 31					
		2025			2024		
			Security Valuation			Security Valuation	
	Note	**Book Value**	**Long**	**Short**	Book Value	Long	Short
ASSETS							
Current Assets							
Cash and cash equivalents	*6*	**P512,662,908**	**P -**	**P -**	P455,040,819	P -	P -
Financial assets at fair value through profit or loss (FVTPL)	*5, 7*	**4,977,857**	**4,977,857**	**-**	3,954,393	3,954,393	-
Trade receivables from:							
Customers	*5, 8*	**160,647,943**	**162,474,473**	**-**	163,484,809	297,031,435	136,136,410
Brokers	*5, 8*	**134,874,541**	**102,509,550**	**-**	-	-	-
Clearing House	*5, 9*	**272,655,617**	**-**	**-**	67,353,689	-	-
Due from related parties	*5, 25*	**22,324,789**	**-**	**-**	9,585,090	-	-
Other current assets	*12*	**6,306,087**	**-**	**-**	13,580,465	-	-
Total Current Assets		**1,114,449,742**	**269,961,880**	**-**	712,999,265	300,985,828	136,136,410
Non-current Assets							
Property and equipment	*10*	**109,582,252**	**-**	**-**	138,255,461	-	-
Trading right	*11*	**7,700,000**	**-**	**-**	8,000,000	-	-
Deferred income tax assets - net	*24*	**18,627,397**	**-**	**-**	23,099,163	-	-
Rental deposit	*5, 22*	**3,132,568**	**-**	**-**	3,132,568	-	-
Other non-current assets	*12*	**58,780,088**	**-**	**-**	55,361,492	-	-
Total Non-current Assets		**197,822,305**	**-**	**-**	227,848,684	-	-
		P1,312,272,047	**P269,961,880**	**P -**	P940,847,949	P300,985,828	P136,136,410

Forward

		December 31					
		2025			2024		
			Security Valuation			Security Valuation	
	Note	**Book Value**	**Long**	**Short**	Book Value	Long	Short
Securities							
With Philippine Depository and Trust Corporation		**P -**	**P -**	**P18,670,874,070**	P -	P -	P29,060,816,581
In transit		**-**	**-**	**-**	-	-	**-**
Current Liabilities							
Trade payable to:							
Customers	*5, 8*	**566,790,448**	**17,723,822,293**	**732,645,070**	227,214,460	29,071,000,023	239,360,535
Due to related parties	*25*	**2,000,939**	**-**	**-**	2,176,371	-	-
Accrued expenses and other liabilities	*13*	**57,572,217**	**-**	**-**	59,548,619	-	-
Total Current Liabilities		**626,363,604**	**17,723,822,293**	**732,645,070**	288,939,450	29,071,000,023	239,360,535
Non-current Liabilities							
Retirement benefit obligation	*14*	**15,104,447**	**-**	**-**	27,403,444	-	-
Lease liability	*22*	**73,276,446**	**-**	**-**	82,443,393	-	-
Total Non-current Liabilities		**88,380,893**	**-**	**-**	109,846,837	-	-
Total Liabilities		**714,744,497**	**17,723,822,293**	**732,645,070**	398,786,287	29,071,000,023	239,360,535
Equity							
Share capital	*15*	**100,268,734**	**-**	**-**	100,268,734	-	-
Remeasurement gain (loss) on retirement liability	*14*	**2,015,968**	**-**	**-**	(9,448,435)	-	-
Retained earnings:							
Unappropriated		**139,870,070**	**-**	**-**	127,197,890	-	-
Appropriated	*15*	**355,372,778**	**-**	**-**	324,043,473	-	-
Total Equity		**597,527,550**	**-**	**-**	542,061,662	-	-
		P 1,312,272,047	**P17,723,822,293**	**P732,645,070**	P940,847,949	P29,071,000,023	P239,360,535

See Notes to the Financial Statements.

CLSA PHILIPPINES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2025**	2024 (As reclassified - Note 26)
REVENUE			
Commission	*16*	**P157,152,713**	P322,306,458
COST OF SERVICES			
Compensation and fringe benefits	*17*	**97,672,239**	94,338,525
Exchange fees	*18*	**30,378,098**	31,760,281
Research	*19*	**15,302,250**	14,482,491
Telephone and postage	*20*	**14,225,494**	14,889,298
Others		**385,002**	733,242
		157,963,083	156,203,837
GROSS PROFIT (LOSS)		**(810,370)**	166,102,621
GENERAL AND OPERATING EXPENSES			
Allocated regional expenses - net	*25, 26*	**77,766,939**	120,578,575
Depreciation and amortization	*10*	**40,297,468**	35,013,871
Compensation and fringe benefits	*17*	**17,641,842**	15,861,725
Occupancy costs	*22*	**9,259,282**	6,562,839
Transportation and travel		**8,119,705**	7,808,696
Repairs and maintenance	*10*	**3,873,242**	17,051,541
Professional fees		**3,672,524**	3,292,999
Taxes and licenses		**1,227,840**	1,535,621
Office supplies		**890,895**	1,006,242
Others	*21*	**10,357,090**	13,649,599
		173,106,827	222,361,708
OPERATING PROFIT		**(173,917,197)**	(56,259,087)
OTHER INCOME - Net			
Transfer pricing adjustment	*25*	**219,848,092**	94,578,479
Interest and other income (expenses) - net	*23*	**11,717,053**	2,579,428
Net gains from financial assets at FVTPL	*7*	**990,190**	28,642
		232,555,335	97,186,549
PROFIT BEFORE INCOME TAX		**58,638,138**	40,927,462
INCOME TAX EXPENSE	*24*	**14,636,653**	11,006,177
PROFIT FOR THE YEAR		**44,001,485**	29,921,285
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plan - net of tax effect	*14*	**11,464,403**	1,768,193
TOTAL COMPREHENSIVE INCOME		**P55,465,888**	P31,689,478

See Notes to the Financial Statements.

CLSA PHILIPPINES, INC.
STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31

	Share Capital (Note 15)				**Remeasurement Gain (Loss) on Retirement Liability**	**Retained Earnings** (Note 15)			
	Preferred	**Common**	**Treasury**	**Total**	(Note 14)	**Unappropriated**	**Appropriated**	**Total**	**Total Equity**
Balance at January 1, 2024	P95,000,000	P5,269,400	(P666)	P100,268,734	(P11,216,628)	P229,295,036	P192,025,042	P421,320,078	P510,372,184
Comprehensive Income									
Profit for the year	-	-	-	-	-	29,921,285	-	29,921,285	29,921,285
Other comprehensive income	-	-	-	-	1,768,193	-	-	-	1,768,193
Total comprehensive income for the year	-	-	-	-	1,768,193	29,921,285	-	29,921,285	31,689,478
Transaction with Owner	-	-	-	-	-	(129,026,300)	129,026,300	-	-
Appropriated earnings	-	-	-	-	-	(2,992,129)	2,992,129	-	-
Balance at December 31, 2024	95,000,000	5,269,400	(666)	100,268,734	(9,448,435)	127,197,892	324,043,471	451,241,363	542,061,662
Comprehensive Income									
Profit for the year	**-**	**-**	**-**	**-**	**-**	**44,001,485**	**-**	**44,001,485**	**44,001,485**
Other comprehensive income	**-**	**-**	**-**	**-**	**11,464,403**	**-**	**-**	**-**	**11,464,403**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,464,403**	**44,001,485**	**-**	**44,001,485**	**55,465,888**
Transaction with Owner	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Appropriated earnings	**-**	**-**	**-**	**-**	**-**	**(26,929,158)**	**26,929,158**	**-**	**-**
Legal reserves	**-**	**-**	**-**	**-**	**-**	**(4,400,149)**	**4,400,149**	**-**	**-**
	-	**-**	**-**	**-**	**-**	**(31,329,307)**	**31,329,307**	**-**	**-**
Balance at December 31, 2025	**P95,000,000**	**P5,269,400**	**(P666)**	**P100,268,734**	**P2,015,968**	**P139,870,070**	**P355,372,778**	**P495,242,848**	**P597,527,550**

See Notes to the Financial Statements.

CLSA PHILIPPINES, INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2025**	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**P58,638,138**	P40,927,462
Adjustments for:			
Depreciation	*10*	**40,297,468**	35,013,871
Retirement expense	*14, 17*	**6,484,069**	5,859,310
Interest expense on lease liability	*22*	**5,222,772**	5,873,027
Unrealized foreign exchange gain - net	*23*	**(4,041,934)**	(696,030)
Interest income on cash	*6, 23*	**(1,868,812)**	(1,431,164)
Unrealized fair value gain on financial assets at fair value through profit or loss	*7*	**(990,190)**	(58,193)
Provision for impairment of trading right	*21*	**300,000**	-
Dividend income	*7, 23*	**(241,074)**	(317,751)
Operating income before changes in operating assets and liabilities		**103,800,437**	85,170,532
Changes in operating assets and liabilities			
(Increase) decrease in:			
Financial assets at fair value through profit or loss		**(33,274)**	374,160
Trade receivables from:			
Customers		**2,836,866**	48,280,809
Brokers		**(134,874,541)**	-
Clearing house		**(205,301,928)**	(67,353,689)
Due from related parties		**(12,579,104)**	15,200,751
Other current assets		**(6,927,745)**	(4,499,602)
Increase (decrease) in:			
Trade payable to:			
Customers		**339,575,988**	225,536,371
Clearing house		**-**	(208,974,651)
Due to related parties		**(175,432)**	1,139,481
Accrued expenses and other liabilities		**(2,383,413)**	(21,947,338)
Cash generated from operations		**83,937,854**	72,926,824
Interest paid on lease liability	*22*	**(5,222,772)**	(5,873,027)
Contributions to plan assets	*14*	**(3,497,195)**	(3,397,925)
Interest received		**1,868,812**	1,431,164
Dividend received		**248,798**	1,476,689
Net cash from operating activities		**77,335,497**	66,563,725

Forward

		Years Ended December 31	
	Note	**2025**	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	*10*	**(P11,624,259)**	(P1,053,175)
Contributions to Clearing and Trade Guaranty Fund		**(3,210,552)**	(3,159,214)
Net cash used in investing activities		**(14,834,811)**	(4,212,389)
CASH FLOWS FROM FINANCING ACTIVITY			
Payment of principal portion of lease liability	*22*	**(8,156,415)**	(7,116,482)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**54,344,271**	55,234,854
CASH	*6*		
January 1		**455,040,819**	399,127,453
Effect of exchange rate changes on cash		**3,277,818**	678,512
		P512,662,908	P455,040,819

See Notes to Financial Statements.

CLSA PHILIPPINES, INC.
NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Corporate Profile

CLSA Philippines, Inc. (the "Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on March 10, 1997 primarily to engage in the business of stockbrokerage and dealing in securities.

The Company is a wholly-owned subsidiary of CLSA B.V. (the "Parent Company"), a company incorporated in the Netherlands. The Company's ultimate holding company is CITIC Securities Company Limited, incorporated in the People's Republic of China.

The Company's registered office address, which is also its principal place of business, is located at the 19/F Ayala Triangle Gardens Tower 2, Paseo De Roxas corner Makati Avenue, Makati City.

2. Basis of Preparation

Statement of Compliance

These financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC). PFRS Accounting Standards are based on IFRS Accounting Standards issued by the International Accounting Standards Board (IASB).

Basis of Measurement

The financial statements have been prepared under the historical cost convention, except for the following items:

Items	Measurement Bases
Financial instruments at fair value through profit or loss (FVTPL)	Fair value
Retirement liability	Present value of the defined benefit obligation less the fair value of plan assets
Lease liabilities	Present value of remaining lease payments discounted using the Company's incremental borrowing rate

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Functional and Presentation Currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

Approval for Issuance of Financial Statements
These financial statements have been approved and authorized for issuance by the Company's Board of Directors (BOD) on April 24, 2026.

3. Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Adoption of New or Revised Standards, Amendments to Standards and Interpretations
The Company has adopted the following new standards, amendments to standards and interpretations starting January 1, 2025, and accordingly, changed its accounting policies.

- *Lack of Exchangeability (Amendments to PAS 21 The Effects of Changes in Foreign Exchange Rates).*

  The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

  When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

  Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

Financial Assets
Classification
The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income (OCI) or through profit or loss], and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

As at December 31, 2025 and 2024, there are no financial assets classified under FVOCI.

Recognition and Measurement of Financial Assets
Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt Instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income (expenses), net, using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expenses), net, together with foreign exchange gains and losses, if any. Impairment losses, if any, are presented in general and operating expenses in the statements of comprehensive income.

  The Company's financial assets at amortized cost consist of cash, trade receivables from customer, brokers and clearing house, due from related parties, rental deposits, and other current and non-current financial assets (except for prepaid expenses, creditable withholding taxes and other non-financial assets).

Equity Instruments
For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company's financial asset carried at FVTPL pertain only to its investments in equity shares (Note 7). As at December 31, 2025 and 2024, financial assets at FVTPL amount to P4,977,857 and P3,954,393, respectively.

Impairment of Financial Assets Carried at Amortized Cost
The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of counterparties over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the inflation rate of the country in which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Financial Liabilities

The Company classifies its financial liabilities in the following categories: financial liabilities at FVTPL and financial liabilities at amortized cost.

Other Liabilities Measured at Amortized Cost

Financial liabilities that are not classified as at FVTPL fall into this category. Financial liabilities measured at amortized cost mainly pertain to trade payable to customers, due to related parties, lease liability and accrued expenses and other liabilities (except sales tax payable, withholding tax payable, provisions, VAT payable and other non-financial liabilities) as shown in the statements of financial position.

These are recognized initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

The financial assets and liabilities that were offset as at and for the years ended December 31, 2025 and 2024 are mainly related to trade receivables from and payable to customers and broker, and clearing house (Note 8 and Note 9).

The Company's income and expenses are reported on a net basis when the following criteria are met:

- The Company has a legally enforceable right to set off the recognized amounts; and

- The Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Clearing and Trade Guaranty Fund (CTGF)

CTGF is the accumulated contribution of the Company to the Securities Clearing Corporation of the Philippines (SCCP). The CTGF shall be a risk management tool designed to protect clearing members against the default of a clearing member to deliver its committed securities and/or cash for settlement. This fund is recognized at the amount of contribution and is refundable to the Company upon cessation of its business or termination of its membership with SCCP.

Property and Equipment

Items of property and equipment, including leasehold improvement, are stated at historical cost less accumulated depreciation and amortization and impairment, if any. Historical cost includes its purchase price and other expenditure that is directly attributable to the acquisition of the items to bring the asset to the location and working condition necessary for the asset to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation and amortization is calculated using the straight-line method to allocate the cost of the asset less residual value over its estimated useful life, as follows:

	Number of Year
Computer equipment	3 - 5
Furniture, fixtures and equipment	5
Leasehold improvements	shorter of lease term or 3

Major renovations are depreciated over the remaining useful life of the related asset.

The assets' residual values and useful lives are reviewed, and adjusted as appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

The Company derecognizes the carrying amount of an item of property and equipment on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Trading Right

Trading right, which has an indefinite useful life, is carried at cost less any accumulated impairment losses. The carrying value of trading right is reviewed for impairment annually and whenever there is an indication that it may be impaired. Trading right that suffered impairment is reviewed for possible reversal of impairment using the last transacted price at each reporting date. Trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. Trading rights are classified as non-current assets as the Company does not intend to sell the trading right in the near future.

Impairment of Non-financial Assets

Assets that have an indefinite useful life, such as trading right, are not subject to amortization and are, instead, tested annually for impairment. Assets that have definite useful life, such as property and equipment, are subject to depreciation or amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Income Taxes

The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Income Tax

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the reporting date.

Deferred Income Tax

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset. Deferred income tax liability is recognized in full for all taxable temporary differences.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provisions

Provisions are recognized when, the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense.

The estimates of outcome and financial effect are determined by the judgement of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting period.

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Employee Benefits

Retirement Plan

The Company maintains a defined contribution (DC) plan that covers all its regular full-time employees. Under the DC plan, the Company pays fixed contributions based on the employees' monthly salaries. The Company, however, is covered under Republic Act (RA) No. 7641, *The Philippine Retirement Law*, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the Company accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the DC plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined obligation over the projected DC obligation at the end of the reporting period. The calculation of defined benefit obligation is performed on a periodic basis by a qualified actuary using the projected unit credit method. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in the statements of income.

The DC asset, on the other hand, is measured at the fair value of the DC assets upon which the DC benefits depend, with an adjustment for the margin on asset returns, if any, where this is reflected in the DC benefits.

Remeasurement of the retirement liability, which comprises actuarial gains and losses and the effect of the asset ceiling, if any, excluding interest, is recognized immediately in other comprehensive income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statements of total comprehensive income. The Company recognized gains or losses on the settlement of a defined benefit plan when the settlement occurs.

The net defined benefit is presented as "Retirement benefit obligation" account in the statements of financial position.

The Company recognized retirement expense as part of "Cost of services" account in the statements of income.

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present or legal constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Bonuses and Incentives
The Company recognizes a liability and an expense for bonus and incentives based on amounts approved by management. The Company recognizes a provision when contractually obliged or when there is a past practice that has created a constructive obligation.

Share Capital
Common and preferred shares are classified as equity. These shares are initially recognized at the amount of consideration received less any incremental transaction costs and the related income tax effects, directly attributable to the issue of new shares. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Company's equity holders.

Where the Company purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity.

Income Recognition
Commission
The Company has applied PFRS 15 where revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset.

The Company's commission income is recognized at point in time upon the execution of the underlying trade transactions.

When control of a good or service is transferred over time, that is, when the customer simultaneously receives and consumes the benefits, the Company satisfies the performance obligation and recognizes revenue over time. Otherwise, revenue is recognized at the point in time at the point of transfer control of the good or service to the customer.

Commissions are recognized in profit or loss on transaction date when trade deals are confirmed.

Leases (Where the Company is the Lessee)
At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease components on the basis of its relative stand-alone prices.

The Company recognizes a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. A lessee applies PAS 36 to determine whether the ROU asset is impaired.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Interest expense is recognized in the statements of comprehensive income under Interest income (expenses) -net over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

- 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 under a residual value guarantee; 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.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payment arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the profit or loss if the carrying amount of the ROU asset has been reduced to zero or the change in the lease liability relates to variable lease payment that does not depend on an index or rate.

Lease Modification
Lease modifications are accounted either as a separate lease or not a separate lease. The Company accounts for the lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right of use to one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modification that is not accounted for a separate lease, at the effective date of lease modification, the Company:

- allocates the consideration in the modified contract on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease; and
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Operating Lease - The Company as Lessor

The Company subleases a portion of the premises it is currently occupying. The Company has determined that the risk and rewards of ownership of the premises have not been transferred to the lessee and so accounts for the lease as an operating lease.

Cost and Other Expenses

Allocated Regional Expenses

The Company recognizes allocated regional expenses arising from intra-group arrangements in accordance with the Service Level Agreement (SLA) and the Transfer Pricing Policy for Institutional Equities. These pertain to allocated expenses incurred for front office brokerage, marketing, sales, and research services.

General and Operating Expenses

Cost and other expenses are recorded in profit or loss in the period in which they are incurred.

Standards Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Company has not early adopted the following new or amended standards in preparing these financial statements.

Effective January 1, 2027

- *PFRS 18 Presentation and Disclosure in Financial Statements* will replace PAS 1 *Presentation of Financial Statements* and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

  - *A more structured income statement.* The standard introduces 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, requiring all income and expenses to be classified as operating, investing, or financing. Operating expenses must be presented by nature, function, or a mix, with the method providing the most useful summary. New disclosures apply if any operating expenses are presented by function.

  - *Management-defined performance measures.* Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements. They reflect management's view of the entity's overall financial performance and are not required subtotals nor common income and expense subtotals under PFRS 18.

  - *Greater disaggregation of information.* PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

  Consequential amendments to PAS 7 *Statement of Cash Flows* require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

  PFRS 18 also amends PAS 33 *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

  PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of income, the statement of total comprehensive income, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

4. Significant Accounting Estimate and Judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities.

The resulting accounting estimate will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions, and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Significant Accounting Estimates

Fair Value of Financial Instruments (Note 7)

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that primarily use as inputs market-based or independently sourced market parameters. The Company's financial assets at FVTPL in 2025 and 2024 comprise primarily of PSE shares which have an active market, wherein these shares are traded or can be bought or sold.

The sensitivity analysis on the reasonably possible changes in market prices of the Company's securities is disclosed in Note 5.

Useful Lives of Property and Equipment (Note 10)

The Company's management determines the estimated useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned.

The table below shows the impact on the carrying amount of property and equipment if the actual useful lives as at December 31 were to differ by +/- 10%:

	2025	2024
+10%	**P2,532,373**	P1,506,768
-10%	**(3,349,310)**	(1,984,463)

Estimation of Retirement Benefit Obligation (Note 14)

The present value of the retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining pension cost include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement obligation.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligation. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement obligation.

Other key assumptions for retirement obligations are based in part on current market conditions.

The sensitivity analysis of retirement benefits is disclosed in Note 14.

Determination of the Incremental Borrowing Rate (Note 22)
The lease payments for the Company's lease agreements are discounted using the interest rate implicit in the lease, or if not available, the Company's incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rate applied to measure the lease liabilities with regard to lease contract with Ayala Land Inc. as at August 1, 2022, commencement date of the lease, is 6.20%.

Critical Accounting Judgments
Impairment of Property and Equipment, net (Note 10)
Assets subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In assessing whether there is any indication that an asset may be impaired, management considers the obsolescence or physical damage of an asset, internal technical evaluation, and anticipated use of assets tempered by related industry benchmark information during the reporting periods. If any such evidence exists, changes in those judgments could have a significant effect on the carrying value of these assets subject to depreciation and the amount and timing of recorded impairment loss for any period.

As at the reporting periods, management believes that there are no indications of impairment or changes in circumstances indicating that the carrying value of the Company's assets subject to depreciation may not be recoverable.

Impairment of Trading Right (Note 11)
The Company's management assesses the carrying amount of trading right at each reporting date to determine whether there is any indication of impairment. The recoverable amount of trading right is determined by reference to its last transacted price. Reversals of impairment loss are recognized if there has been a change in the estimates used to determine the recoverable amount.

As at December 31, 2025 and 2024, allowance for impairment of trading right amounts to P 24,359,524 and P24,059,524, respectively. The Company recognized additional allowance amounting to P300,000 for impairment during the year.

Impairment of Creditable Withholding Tax (Note 12)
The Company reviews the carrying value of creditable withholding tax for impairment. The Company will set up an allowance for impairment at a level considered adequate to provide for potential unrecoverable creditable withholding taxes or write-off if based on the best available facts and circumstances, creditable withholding taxes can no longer be recovered or utilized. The level of allowance is evaluated by the Company on the basis of such factors including but not limited to, ability to support the balance with creditable withholding tax certificates, ability to claim for refund and availability of taxable income against which the creditable withholding tax can be applied. The Company reviews the status of creditable withholding taxes, and identifies accounts to be provided with allowance or to be written-off on a continuous basis.

The amount and timing of recorded expenses for any period would differ if different judgments were made. An increase in allowance for impairment would increase recorded costs and expenses and decrease the related assets.

As at December 31, 2025 and 2024, no allowance for impairment was recognized as management believes that its creditable withholding taxes will be recovered or utilized in the future tax credit.

Realization of Deferred Income Tax Assets (Note 24)
Management reviews at each reporting date the carrying amount of its deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it cannot be utilized due to insufficient taxable profit against which the deferred income tax assets will be applied.

Management believes that sufficient taxable profit will be generated to allow all or part of the deferred income tax assets to be utilized.

5. Financial Risk and Capital Management

The Company's activities expose it to a variety of financial risks, which include market risk (price, foreign exchange and interest rate risks), credit risk and liquidity risk.

Risk management is monitored on the overall by the CLSA Group's Assets and Liabilities Management Committee (ALCO) which comprise a member from the Board of Directors and senior members from certain functional departments. ALCO identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units, including the Company. The Committee issues guidelines for overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance, including the Company.

The accounting policies for financial instruments have been applied to the items below as at December 31:

	2025			2024		
	At Amortized Cost	**At FVTPL**	**Total**	At Amortized Cost	At FVTPL	Total
Assets						
Financial assets at FVTPL	**P -**	**P4,977,857**	**P4,977,857**	P -	P3,954,393	P3,954,393
Trade receivable from:						
Clearing house	**272,655,617**	**-**	**272,655,617**	67,353,689	-	67,353,689
Customers	**160,647,943**	**-**	**160,647,943**	163,484,809	-	163,484,809
Brokers	**134,874,541**	**-**	**134,874,541**	-	-	-
Due from related parties	**22,324,789**	**-**	**22,324,789**	9,585,090	-	9,585,090
Deposit with suppliers	**37,397**	**-**	**37,397**	842,366	-	842,366
Dividend receivable	**13,433**	**-**	**13,433**	21,157	-	21,157
Rental deposits	**3,132,568**	**-**	**3,132,568**	3,132,568	-	3,132,568
	P593,686,288	**P4,977,857**	**P598,664,145**	P244,419,679	P3,954,393	P248,374,072
Liabilities						
Trade payable to customers	**P566,790,448**	**-**	**P566,790,448**	P227,214,460	P -	P227,214,460
Due to related parties	**2,000,939**	**-**	**2,000,939**	2,176,371	-	2,176,371
Accrued expenses and other liabilities*	**43,230,158**	**-**	**43,230,158**	41,725,330	-	41,725,330
Lease liability	**82,443,394**	**-**	**82,443,394**	90,599,809	-	90,599,809
	P694,464,939	**P -**	**P694,464,939**	P361,715,970	P -	P361,715,970

**Amount excludes sales tax payable, withholding tax payable, VAT payable, provisions and other non-financial liabilities*

Market Risk

The Company is exposed to market risk (i.e. price, foreign exchange and interest rate risks), the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices as described below.

Price Risk

The Board of Directors of the Company manages price risk by setting and monitoring objectives and constraints on investment, diversification plan and limit on investments.

The Company is exposed to equity securities price risk to the extent of its investment in listed equity securities classified as financial assets at FVTPL (Note 7).

At December 31, 2025 and 2024, if the market value of PSE shares depreciated or appreciated by 25.24% and (3.53%), respectively, based on previous year's performance of PSE shares, net income after tax and equity as at and for the years ended December 31, 2025 and 2024 would have been higher or lower by P0.75 million and P0.11 million, respectively.

	Movement in Market Value of Shares	**Impact on Profit Before Tax**	**Impact on Equity**
2025	**25.24%**	**P993,600**	**P745,200**
2024	(3.53%)	(144,000)	(108,000)

Foreign Exchange Risk

The Company transacts with its related parties and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Company engages in currency risk management to minimize the risk that the business has from the impact of fluctuations in currency exchange rates. The Company does not speculate in currencies. Active management of exposures involves an ongoing assessment of the risks facing the business, determining the most efficient methods of minimizing these risks, and reducing the overall cost of currency to the business. The Company has developed a clear set of policies and control structures for currency management including the timely and accurate reporting of exposures. Further, management manages the timing of settlements/payments to ensure that the Company is not unfavorably exposed to fluctuations of foreign exchange rates.

The Company's foreign currency denominated assets and liabilities as at December 31 are as follows:

	2025		2024	
	(in USD)	**(in HKD)**	(in USD)	(in HKD)
Cash	**2,538,751**	**-**	1,349,461	-
Due from related parties	**375,424**	**-**	140,939	-
Total assets	**2,914,175**	**-**	1,490,400	-
Due to related parties	**929**	**154,936**	-	146,843
Accrued expenses and other liabilities	**138,609**	**-**	163,446	-
Total liabilities	**139,538**	**154,936**	163,446	146,843
Net foreign currency asset (liabilities)	**2,774,637**	**(154,936)**	1,326,954	(146,843)
Year-end exchange rates	**58.84**	**7.56**	57.84	7.47
PHP equivalent	**P163,259,641**	**(P1,171,316)**	P 76,751,019	(P1,096,917)

The analysis below is performed for reasonable possible movements in USD, the material foreign currency, with all other variables held constant, showing the impact on profit for the year (due to changes in fair value of currency sensitive monetary assets and liabilities) and equity. The impact of HKD is considered not significant to the financial statements. The fluctuation rate is based on the historical movement of foreign currency to Philippine Peso year-on-year.

2025	**Movement in Philippine Peso Against Foreign Currency**	**Impact on Profit Before Tax**	**Impact on Equity**
USD	**+1.73%**	**P2,824,392**	**P2,118,294**
USD	**-1.73%**	**(P2,824,392)**	**(P2,118,294)**

2024	Movement in Philippine Peso Against Foreign Currency	Impact on Profit Before Tax	Impact on Equity
USD	+4.45%	P3,415,420	P2,561,565
USD	-4.45%	(P3,415,420)	(P2,561,565)

Unrealized foreign exchange gain (loss) for the years ended December 31, 2025 and 2024 amounted to P4,041,934 and P696,030, respectively (Note 23).

Interest Rate Risk

The Company is not exposed to any significant interest rate risk as its financial assets and liabilities are non-interest bearing, except for cash in bank which earns interest at fixed bank interest rates.

Credit Risk

Credit risk is the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation.

The Company's significant credit risk arises mainly from securities transactions with a related entity under common control (Note 25), and other customers (Note 8). The amounts due from counterparties for securities transactions are settled using a transaction date plus 2-day market convention. In addition, the Company has policies that limit the amount of credit exposure to counterparties. Customers are allowed to open securities account only upon written endorsement by authorized members of management and after a satisfactory review of financial standing. Annual review of customer's financial standing is conducted to determine if there had been material changes since the last review. Moreover, securities owned by customers are held as collateral for amounts due from customers (Note 8).

To manage its exposures with counterparty banks, the Company's cash and deposit transactions should be limited only to highly rated universal and commercial banks. Furthermore, to control and sustain minimal exposure to credit risk from its trade receivables from customers and brokers, purchase transactions of clients will be allowed against available cash position or earmarked against current stock position. The Company does not maintain margin accounts.

The Company's maximum credit risk exposure relating to financial assets as at December 31 follows:

	Note	**2025**	2024
Trade receivables:			
Customers	*8*	**P160,647,943**	P163,484,809
Brokers	*8*	**134,874,541**	-
Clearing house	*9*	**272,655,617**	67,353,689
Due from related parties	*25*	**22,324,789**	9,585,090
Deposit with suppliers	*12*	**37,397**	842,366
Dividend receivable	*12*	**13,433**	21,157
Rental deposit	*22*	**3,132,568**	3,132,568
		P593,686,288	P244,419,679

All financial assets are current and fully performing as at December 31, 2025 and 2024 with no history of counterparty default. Likewise, there was no history of missed payment or write-offs during the observation period used for ECL measurement purpose. Accordingly, management has assessed that the ECL is deemed insignificant for financial reporting purposes.

(a) Cash in Bank

The credit quality of cash in banks is based on the Bangko Sentral ng Pilipinas' classification of banks based on their resources and operations in the Philippines. Below are the types of banks where cash in bank is maintained as at December 31:

	Note	**2025**	2024
Universal bank		**P283,685,848**	P289,089,139
Commercial bank		**228,937,060**	165,911,680
	6	**P512,622,908**	P455,000,819

As at December 31, 2025 and 2024, the Company's cash in banks bear no significant credit risk, with no history of credit defaults and credit losses.

The rest of the Company's cash represents cash on hand of P40,000 as at December 31, 2025 and 2024 (Note 6).

(b) Trade Receivables from Customers, Brokers, and Clearing House, Due from Related Parties, Dividend Receivable and Rental Deposits

The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from customers, due from related parties and other receivable.

To measure the ECL, the financial assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of customers over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified domestic GDP and the inflation rate as the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Company has trade receivables arising from transactions with customers, clearing house, and related parties. All of these receivables are considered current (not past due) as at December 31, 2025 and 2024. Likewise, there was no history of default or missed payment or write-offs during the observation period used for ECL measurement purposes. These receivables are either fully or partially secured by securities owned by customers.

Due from related parties are classified as fully performing as at December 31, 2025 and 2024. Moreover, the counterparties have a very remote likelihood of default. As at December 31, 2025 and 2024, management assessed that there is no required allowance for impairment losses on its due from related parties as the accounts are classified as current.

Rental deposits, dividends receivable and deposit with suppliers are fully performing with no history of counterparty default.

The Company has no renegotiated financial assets in 2025 and 2024.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, management aims to maintain flexibility in funding by keeping committed credit lines available, to cover the settlement of the following financial liabilities:

	Note	**2025**	2024
Trade payable to:			
Customers	*8*	**P566,790,448**	P227,214,460
Due to related parties	*25*	**2,000,939**	2,176,371
Accrued expenses and other liabilities*	*13*	**43,230,158**	41,725,330
Lease liability	*22*	**99,930,579**	113,309,775
		P711,952,124	P384,425,936

**Excluding sales tax payable, accrued taxes, withholding tax payable, VAT payable, provisions, lease liability and other non-financial liabilities*

The Company expects to settle the above financial obligations in accordance with their contractual maturity date. Financial assets available to settle the above financial liabilities are as follows:

	Note	**2025**	2024
Trade receivables:			
Customers	*8*	**P160,647,943**	P163,484,809
Brokers	*8*	**134,874,541**	-
Clearing house	*9*	**272,655,617**	67,353,689
Due from related parties	*25*	**22,324,789**	9,585,090
Deposit with suppliers	*12*	**37,397**	842,366
Dividend receivable	*12*	**13,433**	21,157
Rental deposits	*22*	**3,132,568**	3,132,568
		P593,686,288	P244,419,679

The Company is also able to meet unexpected net cash outflows by accessing additional funding sources from its Parent Company, if and when necessary.

Fair Value of Financial Assets and Financial Liabilities

The carrying amounts of financial assets classified as trade receivables, due from related parties, deposits with suppliers, dividend receivable and other financial liabilities summarized in Note 5 approximate their fair values at reporting date considering that these have generally short-term maturities. For rental deposits, the carrying amount approximates fair value as the impact of discounting is not significant. For long-term lease liability, the difference between carrying value and fair value is considered immaterial.

The fair value of financial assets at FVTPL is based on the Philippine Stock Exchange daily quotation report.

Fair Value Hierarchy

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.)
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the over-the-counter derivative contracts. The sources of input parameters such as benchmark interest rate yield curves or counterparty credit risk are obtained from Bloomberg.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

As at December 31, 2025 and 2024, the Company's financial assets at FVTPL amounts to P4,977,857 and P3,954,393, respectively are classified under Level 1 (Note 7). There are no other financial instruments that are carried at fair value and that fall under Levels 2 and 3 categories.

Offsetting of Financial Assets and Liabilities

The following financial instruments are subject to offsetting:

	2025		
	Gross Amount of Recognized Financial Assets	**Gross Amounts of Recognized Financial Liabilities Set-off in the Statements of Financial Position**	**Net Amount of Financial Assets Presented in the Statements of Financial Position**
Financial Asset			
Trade receivable from customers	**P160,647,943**	**P -**	**P160,647,943**
Trade receivable from brokers	**134,874,541**	**-**	**134,874,541**
Due from clearing house	**971,838,555**	**(699,182,938)**	**272,655,617**
Financial Liability			
Trade payable to customers	**403,922,629**	**(970,713,077)**	**(566,790,448)**

	2024		
	Gross Amount of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Set-off in the Statements of Financial Position	Net Amount of Financial Assets Presented in the Statements of Financial Position
Financial Asset			
Trade receivables from customers	P394,864,246	(P231,379,437)	P163,484,809
Due from clearing house	484,309,264	(416,955,575)	67,353,689
Financial Liability			
Trade payables to customers	23,054,826	(250,269,286)	(227,214,460)

For the financial assets and liabilities subject to offsetting above, each agreement between the Company and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis.

Capital Management

The Company's objectives when managing capital are to comply with the capitalization requirement through the Risk-Based Capital Adequacy (RBCA) ratio set by the SEC, to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain strong capital base to support the development of its business.

RBCA is the ratio linking the net liquid capital to the broker dealer's total risk exposure calculated as the net liquid capital (NLC) divided by total risk capital requirements (TRCR). TRCR is the sum of the following risks: (a) operational risk requirement, (b) credit risk requirement which include requirements for counterparty risk, settlement risk, large exposure risk and margin financing risk, and (c) position or market risk requirement. As a rule for every trading participant, the Company is required to maintain an RBCA ratio of at least 110% and a NLC of at least P5 million or five percent (5%) of its aggregate indebtedness, whichever is higher. Also, its aggregate indebtedness should not exceed two thousand percent (2,000%) of its NLC. In the event that the minimum RBCA ratio of 110% or the minimum NLC is breached, the Company shall immediately cease doing business as a broker and shall notify the PSE and SEC.

As at December 31, 2025 and 2024, the Company's NLC amounts to P354,448,090 and P289,994,581 which exceeds the required NLC of P35,637,146 and P19,957,415, respectively.

As at December 31, 2025 and 2024, the Company's RBCA ratio is 358% and 261%, respectively which is in compliance with the minimum ratio.

The Company monitors its capital structure, including level of accumulated earnings to meet the required minimum RBCA ratio. Dividends are declared as soon as capital reaches a reasonable level to meet operating and RBCA requirements.

6. Cash and Cash Equivalents

The account as at December 31 consists of:

	2025	2024
Cash in banks	**P318,988,971**	P280,250,731
Short-term investments	**193,633,937**	174,750,088
Cash on hand	**40,000**	40,000
	P512,662,908	P455,040,819

As at December 31, 2025 and 2024, cash in banks carry average annual interest rate of 0.3646% and 0.3310%, respectively.

Interest income recognized for the year ended December 31, 2025 and 2024, amounts to P1,868,812 and P1,431,164, respectively (Note 23).

In compliance with the Securities Regulation Code (SRC) Rule 49.2 covering customer protection and custody of securities, the Company maintains special reserve bank accounts (included in cash in banks) for the exclusive benefit of its customers as at December 31, 2025 and 2024 amounting to P8,153,027 and P1,657,386, respectively.

The Company's reserve requirement is determined based on the SEC's prescribed computations. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

7. Financial Assets at FVTPL

The account as at December 31 consists of investments in listed equity securities as follows:

	2025	2024
PSE	**P4,929,600**	P3,936,000
Others	**48,257**	18,393
	P4,977,857	P3,954,393

In May 2025, the Company received cash dividends of P10 per share from its investment in PSE shares. In April 2024, the Company received cash dividends of P10 per share from its investment in PSE shares.

Total dividend income earned for the years ended December 31, 2025 and 2024 amounted to P241,074 and P317,751, respectively (Note 23).

The net gains from financial assets at FVTPL for the years ended December 31 is shown below:

	2025	2024
Unrealized fair value gain	**P990,190**	P58,193
Realized loss	**-**	(29,551)
	P990,190	P28,642

8. Trade Receivables from and Payables to Customers and Broker

Trade receivables from customers and broker at December 31 and its security valuation are as follows:

	2025		2024	
	Book Value	**Security Valuation**	Book Value	Security Valuation
Cash and fully secured accounts	**P295,522,484**	**P264,984,023**	P163,484,809	P433,167,845
	P295,522,484	**P 264,984,023**	P163,484,809	P433,167,845

The account includes amounts due on cash transactions. Securities owned by customers are held as collateral for amounts due from customers. The fair value of such collateral is presented in the statements of financial position under 'Security valuation'.

There was no provision for impairment required and recognized in 2025 and 2024.

Information on offsetting of financial assets and liabilities is further disclosed in Note 5.

Trade payables to customers and brokers at December 31 and its security valuation are as follows:

	2025		2024	
	Book Value	**Security Valuation**	Book Value	Security Valuation
With money balances	**P566,790,448**	**P14,600,643,619**	P227,214,460	P10,252,295,693
Free balances	**-**	**3,855,823,744**	-	19,058,064,865
	P566,790,448	**P18,456,467,363**	P227,214,460	P29,310,360,558

The account includes amounts due to a related party arising from trading transactions entered in the normal course of business, amounting to P453,764,871 and nil as of December 31, 2025 and 2024, respectively (see Note 25). These balances are generally payable within two (2) trading days from the trade date.

9. Trade Receivables from and Payables to Clearing House

This account represents the net receivable/payable from the Securities Clearing Corporation of the Philippines (SCCP), arising from buying and selling transactions during the last two trading days.

Prior to the amendment to the 2015 Implementing Rules and Regulations of the Securities Regulation Code (the "2015 SRC Rules") and SEC Memorandum Circular (MC) No. 16, Series of 2004 by the Philippine Securities and Exchange Commission (SEC), issued on August 11, 2023, the net receivable/payable from SCCP arose from the last three trading days.

The amendment aims to facilitate more efficient transactions and stimulate activity in the Philippine capital market. It also seeks to reduce credit and market risks from unsettled trades, as well as liquidity risks in the payment system thereby lowering overall systemic risk in the capital market.

As at December 31, 2025 and 2024, the Company's net receivable from Clearing House amounts to P272,655,617 and P67,353,689, respectively.

The reconciliation of gross and net amounts of trade receivables from (payables to) clearing house as at December 31 is as follows:

	2025			2024		
	Gross	**Offsetting**	**Net**	Gross	Offsetting	Net
Brokerage receivables from clearing house subject to master netting agreements or similar agreements	**P971,838,555**	**(P699,182,938)**	**P272,655,617**	P484,309,264	(P416,955,575)	P67,353,689

The amount is collectible/ payable two trading days from the date of transaction.

10. Property and Equipment

The account as at December 31 consists of:

	Note	Computer Equipment	Furniture, Fixture, and Equipment	Leasehold Improvements	Right of Use Asset (Note 22)	Total
Cost						
Balance at January 1, 2024		P84,052,204	P7,384,104	P40,597,732	P102,146,153	P234,180,193
Additions		1,054,041	-	-	-	1,054,041
Retirement		(1,093,499)	-	-	-	(1,093,499)
Adjustments	*22*	-	-	-	(737,225)	(737,225)
Balance at December 31, 2024		84,012,746	7,384,104	40,597,732	101,408,928	233,403,510
Additions		11,624,259	-	-	-	11,624,259
December 31, 2025		**95,637,005**	**7,384,104**	**40,597,732**	**101,408,928**	**245,027,769**
Accumulated Depreciation						
Balance at January 1, 2024		35,247,424	1,293,316	10,310,814	15,112,482	61,964,036
Depreciation		11,892,435	1,424,654	11,662,700	10,034,082	35,013,871
Retirement		(1,093,499)	-	-	-	(1,093,499)
Adjustment	*22*	-	-	-	(736,359)	(736,359)
Balance at December 31, 2024		46,046,360	2,717,970	21,973,514	24,410,205	95,148,049
Depreciation		13,283,988	1,424,654	15,435,148	10,153,678	40,297,468
December 31, 2025		**59,330,348**	**4,142,624**	**37,408,662**	**34,563,883**	**135,445,517**
Net Book Value						
December 31, 2024		P37,966,386	P4,666,134	P18,624,218	P76,998,723	P138,255,461
December 31, 2025		**P36,306,657**	**P3,241,480**	**P3,189,070**	**P66,845,045**	**P109,582,252**

As at December 31, 2025 and 2024, fully depreciated equipment amounting to P25,896,940 and P14,056,601, respectively, are still in use by the Company.

Repairs and Maintenance

Repairs and maintenance for the years ended December 31, 2025 and 2024 amounting to P3,873,242 and P17,051,541, respectively, mainly composed of property and equipment classified as low value assets. Expenditure less than USD1,500 or (equivalent local currency) will be expensed as incurred. If multiple assets are purchased and settled in a single invoice, cost of individual asset is considered for capitalization threshold.

11. Trading Right

The Company assessed that the trading right is an intangible asset with an indefinite useful life since it allows the Company to operate as a broker/dealer in securities as long as it is owned by the Company.

The value of the trading right is pledged with the PSE to secure the payment of all debts to other members of the PSE arising out of or in connection with the present or future members' contracts. There are no other assets of the Company pledged as collateral for liabilities.

The account as at December 31 consists of:

	2025	2024
Cost	**P32,059,524**	P32,059,524
Allowance for impairment	**(24,359,524)**	(24,059,524)
	P7,700,000	P8,000,000

The carrying value of the trading right in 2025 and 2024 is based on its latest sale transacted in the PSE.

As at December 31, 2025, the price of the most recent sale of the exchange trading right as approved by the PSE's BOD on September 17, 2025 amounted to P7,700,000. Therefore, the Company recognized an impairment of P300,000 for the year ended December 31, 2025 booked under "Other general and operating expenses" account in the statements of total comprehensive income (see Note 21).

As at December 31, 2024, there was no change in the market value of trading right as approved by the PSE's BOD on November 16, 2022. Therefore, no impairment nor recovery is needed to be recognized in the Company's trading right for the year ended December 31, 2024.

12. Other Assets

Other Current Assets
The account as at December 31 consists of:

	2025	2024
Creditable withholding taxes	**P3,428,120**	8,978,423
Prepaid expenses - current	**2,612,247**	3,269,746
Deposit with suppliers	**37,397**	842,366
Dividend receivable	**13,433**	21,157
Others	**214,890**	468,773
	P6,306,087	P13,580,465

Creditable withholding taxes pertain to the unutilized portion of the 15% expanded withholding tax on gross commission as stockbroker.

Deposits with suppliers mainly pertain to advances for fit-out works for the Company's leased office with Ayala Land Inc.

Others are composed of deposits for utilities and advances for travel and entertainment.

Other Non-current Asset
The account as at December 31 consists of:

	2025	2024
CTGF	**P57,455,490**	P54,244,938
Prepaid expenses	**1,324,598**	1,116,554
	P58,780,088	P55,361,492

Clearing and Trade Guaranty Fund (CTGF) is the accumulated contribution of the Company to the Securities Clearing Corporation of the Philippines (SCCP) designed to protect clearing members against the default of a clearing member to deliver its committed securities and/or cash for settlement.

In 2025 and 2024, the Company made refundable contributions amounting to P3.21 million and P3.16 million, respectively.

The above contributions are expected to be collected at the cessation of the Company's operations and/or upon termination of its membership with SCCP, provided that all liabilities owing to SCCP at the time of termination shall have been satisfied or paid in full.

13. Accrued Expenses and Other Liabilities

The account as at December 31 consists of:

	Note	**2025**	2024
Accrued expenses:			
Provision for bonuses		**P23,670,314**	P27,203,158
Other accrued expenses		**17,082,575**	11,718,933
Lease liability - current portion	*22*	**9,166,948**	8,156,416
Withholding tax payable		**3,529,200**	3,820,301
Fees payable		**2,192,547**	2,483,465
VAT payable		**1,154,232**	2,406,245
Sales tax payable		**491,679**	3,440,327
Other liabilities		**284,722**	319,774
		P57,572,217	P59,548,619

Provision for bonuses is composed of deferred bonus for key employees vesting for three years and staff compensation packages based on performance to be settled the following year.

Other accrued expenses mainly pertain to accrual of professional fees, occupancy and utility costs.

14. Retirement Plan

Effective January 1, 2021, as a result of a plan amendment, the Company's employees participate in its regional head office defined contribution retirement plan (the Plan). The Plan is funded through payments from employees and by the Company. The Plan is maintained in Hong Kong.

Under the Plan, all employees having regular employment status shall become an eligible member. Under normal retirement, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years and has served at least five (5) years may retire and shall be entitled to the retirement pay. An employee may also elect to retire with the consent of the Company prior to the normal retirement age provided that the employee is at least age fifty (50) and has completed at least ten (10) years of service. A member who is allowed by the Company to continue to work beyond his normal retirement age shall continue to be a member of the Plan up to his late retirement age after attaining normal retirement age but not beyond age sixty-five (65).

Under the Plan, the defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary and any corresponding investment earnings and losses payable to an employee at normal retirement age with the required credited years of service based on the provisions of R.A. No. 7641, *The Philippine Retirement Law*.

The valuation and corresponding disclosures were prepared considering the features of both the defined contribution and defined benefit types pursuant to the minimum regulatory benefit under The Retirement Pay Law (Republic Act No. 7641).

The net defined benefit cost and contributions to be paid by the Company are determined by an independent actuary on an annual basis.

The liability recognized in the statements of financial position at December 31 follows:

	2025	2024
Present value of defined benefit obligation	**P62,517,372**	P80,462,975
Fair value of plan assets	**(47,412,925)**	(53,059,531)
Retirement benefit obligation	**P15,104,447**	P27,403,444

The related movements of defined benefit obligation for the years ended December 31 are as follows:

	2025	2024
Beginning of the year:	**P80,462,975**	P74,074,060
Interest cost	**4,892,149**	4,525,925
Current service cost	**4,500,285**	4,275,960
Benefit payments	**(13,946,367)**	(626,776)
Remeasurements:		
Loss (gain) from changes in financial assumptions	**(829,893)**	97,086
Loss (gain) from changes in demographic assumptions	**260,655**	(1,938,631)
Actuarial loss (gain) from experience adjustments	**(12,822,432)**	55,351
End of the year	**P62,517,372**	P80,462,975

The movements in the fair value of plan assets for the years ended December 31 are as follows:

	2025	2024
Beginning of year	**P53,059,531**	P46,774,411
Contributions	**3,497,195**	3,397,925
Interest income	**2,908,365**	2,942,575
Remeasurement gain from experience adjustments	**1,894,201**	571,396
Benefits paid	**(13,946,367)**	(626,776)
End of year	**P47,412,925**	P53,059,531

The Company has transactions with the plan, including contributions made and benefits paid during 2025 and 2025, as presented above. Likewise, the plan has no investments in the Company or other related parties as of December 31, 2025 and 2024.

The composition of the plan assets as at December 31 follows:

	2025		2024	
	Amount	**%**	Amount	%
Cash and cash equivalents	**P28,134,830**	**59%**	P33,353,221	63%
Investment in bond funds	**17,158,737**	**36%**	17,583,929	33%
Unit investment trust funds	**2,119,358**	**5%**	2,122,381	4%
	P47,412,925	**100%**	P53,059,531	100%

Unit investment trust funds comprise of bond funds and equity securities.

The above assets are valued by the fund manager based in Hong Kong at fair value using the mark-to-market valuation.

The actual return on plan assets for the years ended December 31 follows:

	2025	2024
Interest income	**P2,908,365**	P2,942,575
Remeasurement gain	**1,894,201**	571,396
	P4,802,566	P3,513,971

The Company expects to contribute to the retirement benefit plan amounting to P2,840,000 in 2026.

The components of retirement expense recognized in profit or loss for the years ended December 31 are as follows:

	Note	**2025**	2024
Current service cost		**P4,500,285**	P4,275,960
Net interest cost		**1,983,784**	1,583,350
	17	**P6,484,069**	P5,859,310

Retirement expense is recognized under 'Compensation and fringe benefits' account and part of cost of services in the statements of comprehensive income.

The movements of remeasurement gain (loss) on retirement plan recognized in remeasurement loss on retirement liability for the years ended December 31 are as follows:

	Note	**2025**	2024
Beginning of year - net		**(P9,448,435)**	(P11,216,628)
Remeasurement (gain) loss of defined benefit plan - net of tax effect			
Remeasurement gain from defined benefit obligation		**13,391,670**	1,786,195
Plan asset remeasurement gain		**1,894,201**	571,396
Deferred tax effect	*24*	**(3,821,468)**	(589,398)
		11,464,403	1,768,193
End of year - net		**P2,015,968**	(P9,448,435)

The principal actuarial assumptions used for the years ended December 31 are as follows:

	2025	2024
Discount rate	**6.38%**	6.11%
Future salary increases	**5.00%**	5.00%

Discount Rate

The discount rate is determined by reference to market yields at the end of the reporting period based on high quality corporate bonds with currency and term similar to the estimated term of the benefit obligation. There is no deep market in high quality corporate bonds in the Philippines and therefore, the Company used as reference the yields on long-term Philippine Treasury Bonds and adjusted to reflect the term similar to the estimated term of the benefit obligation as determined by the actuary.

Future Salary Increases

This is the expected long-term average rate of salary increase taking into account inflation, seniority, promotion and other market factors. Salary increases comprise of the general inflationary increases plus a further increase for individual productivity, merit and promotion. The future salary increase rates are set by reference over the period over which benefits are expected to be paid.

Demographic Assumptions

Assumptions regarding mortality experience are set based on published statistics and experience in the Philippines. The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions at December 31 is:

	Change in Assumption	**Impact on Defined Benefit Obligation**	
		Increase	**Decrease**
December 31, 2025			
Discount rate	**1.00%**	**(P2,531,242)**	**P2,910,385**
Salary increase rate	**1.00%**	**2,921,595**	**(2,585,283)**
December 31, 2024			
Discount rate	1.00%	(3,041,495)	3,474,902
Salary increase rate	1.00%	3,472,098	(3,098,484)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to the previous period.

The weighted average duration of the defined benefit obligation as at December 31, 2025 and 2024 is 4.4 years and 4.0 years, respectively.

The projected maturity analysis of undiscounted retirement benefit payments as of December 31 are as follows:

	2025	2024
Less than a year	**P17,650,686**	P40,203,301
Between 1 to 5 years	**40,635,850**	36,656,065
Between 5 to 10 years	**8,729,914**	13,299,696

The defined benefit plan typically exposes the Company to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have term to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the Company.

15. Equity

Share Capital

Details of share capital as at December 31, 2025 and 2024 follow:

	Number of Shares	Amount
Authorized (At P100 Par Value Per Share)		
Redeemable preferred shares	**1,197,000**	**P119,700,000**
Common shares	**53,000**	**5,300,000**
	1,250,000	**P125,000,000**
Issued and Outstanding		
Redeemable preferred shares	**950,000**	**P95,000,000**
Common shares	**52,694**	**5,269,400**
Treasury shares	**(1)**	**(666)**
	1,002,693	**P100,268,734**

In 2013, the Company bought back one common share from an outgoing director giving rise to a treasury share amounting to P666.

The preferred shares are redeemable at the option of the Company. The primary features of the redeemable preferred shares are as follows:

a. right to receive dividends, the rate of which should not be less than one-half of one percent (1/2%) but not more than ten percent (10%) of the par value of the redeemable preferred share. The distribution of dividends is at the discretion of the Company's Board of Directors;
b. right to payment in full at par value, together with all accrued and unpaid dividends, upon the dissolution and liquidation of the Company prior to the payment of any amount to the common shareholders; and
c. right to vote.

Retained Earnings

The risk-based capital adequacy (RBCA) framework also requires, among other things, that every broker/dealer with more than P50,000,000 unimpaired paid-up capital to appropriate, at a minimum, 10% of its audited net income to appropriated retained earnings in accordance with the Securities and Exchange Commission (SEC) Memorandum Circular No. 16, Series of 2004. In 2025 and 2024, the Company made appropriation amounting to P4,400,149 and P2,992,129, respectively.

As at December 31, 2025 and 2024, the Company's unappropriated retained earnings amounting to P139.87 million and P127.20 million, respectively, exceeds its paid-up capital by P39,601,336 and P26,929,158, respectively.

The excess retained earnings in 2025 will be appropriated by Management in 2026 as a further safeguard for its capital build-up program against the volatility of the market in which the Company operates.

As at December 31, 2025 and 2024, the Company's retained earnings amounting to P355,372,778 and P324,043,471, respectively, has been retained as appropriated for the Company's capital build-up program to strengthen the Company's capital base taking into account the volatile nature of the market where the Company operates and to make provisions for funding gaps that could arise in cases of failed trades.

16. Commission Income

This account as at December 31 consists of:

	Note	**2025**	2024
Related parties	*25*	**P103,164,805**	P252,043,756
Third parties		**53,987,908**	70,262,702
		P157,152,713	P322,306,458

17. Compensation and Fringe Benefits

Compensation and Fringe Benefits
Details of the account for the years ended December 31 are as follows:

	Note	**2025**	2024
Cost of Services			
Salaries and wages		**P87,805,691**	P84,619,535
Retirement expense	*14*	**6,484,069**	5,859,310
Medical insurance		**2,121,434**	1,967,932
Other benefits		**1,261,045**	1,891,748
		97,672,239	94,338,525
General and Operating Expenses			
Salaries and wages		**14,369,305**	13,826,136
Medical insurance		**1,536,103**	1,244,681
Other benefits		**1,736,434**	790,908
		17,641,842	15,861,725
		P115,314,081	P110,200,250

Salaries and wages pertain to expenses incurred by the Company as remuneration for its employees and additional benefits such as bonuses. Salaries and wages for employees designated in the front office are part of cost of services while for employees in the back office are part of general and operating expenses.

18. Exchange Fees

Exchange fees for the years ended December 31, 2025 and 2024 amounting to P30,378,098 and P31,760,281 respectively, mainly represent stock transaction costs, custodian fees, exchange subscriptions and other clearing and exchange fees.

19. Research

The Company utilizes financial data and analytics services from various providers, with Bloomberg L.P. as a significant source, to support its financial market analysis, investment evaluation, and risk management functions. Research costs amounted to P15,302,250 and P14,482,491 in 2025 and 2024, respectively.

20. Telephone and Postage

This account consists of:

	2025	2024
General lines	**P9,211,494**	P3,819,419
Leased lines	**5,014,000**	11,069,879
	P14,225,494	P14,889,298

General lines pertain to standard telephone lines commonly used for everyday communication purposes.

Leased lines pertain to expenses incurred by the Company for dedicated communication lines which include the Company's connection to Philippine Stock Exchange, Technistock Inc. which provides information services and technology for financial markets, and connection to foreign/international lines of related party offices through VPN.

21. Others - General and Operating Expenses

This account as at December 31 consists of:

	Note	**2025**	2024
Interest expense on lease liability	*22*	**P5,222,772**	P5,873,027
Other administrative expenses		**2,178,734**	2,737,523
Insurance		**1,669,994**	1,851,411
Provision for impairment loss	*11*	**300,000**	-
Other staff costs		**985,590**	3,187,638
		P10,357,090	P13,649,599

Insurance pertains to professional indemnity insurance, which provides protection against financial losses arising from claims of negligence, errors, omissions, or wrongful advice during the Company’s professional services, as well as office premises insurance.

Other administrative expenses primarily relate to service desktop support, bank charges, and other miscellaneous expenses incurred in the normal course of operations.

22. Leases

On September 2, 2022, the Company entered into a new lease agreement for its office space and parking space with a lease term of 10 years from August 1, 2022 to July 31, 2032. From the commencement date of the new lease, the Company recognized a right-of-use asset and a lease liability in relation to such lease agreement.

As at December 31, 2025 and 2024, right-of-use asset amounted to P66,845,045 and P76,998,723 respectively.

The lease term is negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

I. Right-of-Use Assets

	2025	2024
Balance at January 1	**P76,998,723**	P87,033,671
Additions	**-**	-
Adjustment, net	**-**	(866)
Depreciation	**(10,153,678)**	(10,034,082)
Balance at December 31	**P66,845,045**	P76,998,723

II. Lease Liabilities

	Note	**2025**	2024
Current	*13*	**P9,166,948**	P8,156,416
Non-current		**73,276,446**	82,443,393
		P82,443,394	P90,599,809

Movements in the lease liability for the years ended December 31 are as follows:

	Note	**2025**	2024
At January 1		**P90,599,809**	P97,716,291
Additions		**-**	-
Interest expense	*21*	**5,222,772**	5,873,027
Principal payments		**(8,156,415)**	(7,116,482)
Interest payments		**(5,222,772)**	(5,873,027)
At December 31		**P82,443,394**	P90,599,809

Maturity analysis of contractual undiscounted cash flows of lease liability at December 31 is as follows:

	2025	2024
Less than one year	**P13,854,508**	P13,379,196
More than one year	**86,076,071**	99,930,579
	99,930,579	113,309,775
Imputed interest discount on lease	**(17,487,185)**	(22,709,966)
	P82,443,394	P90,599,809

The statements of comprehensive income show the following amounts relating to lease for the years ended December 31:

	Note	**2025**	2024
Depreciation expense on right-of-use asset	*10*	**P10,153,678**	P10,034,082
Interest expense	*21*	**5,222,772**	5,873,027
		P15,376,450	P15,907,109

The total cash outflow for leases for the years ended December 31, 2025 and 2024 amounted to P13,379,187 and P12,989,509, respectively, of which, P8,156,415 and P7,166,482, respectively pertain to principal payment of the lease liability.

As at December 31, 2025 and 2024, rental deposit from the lease contract amounts to P3,132,568.

Occupancy Costs

Occupancy costs for the years ended December 31, 2025 and 2024 amounting to P9,259,282 and P6,562,839 respectively, mainly composed of the expenses associated with occupying and maintaining the leased office space. This includes various costs related to the premises where the Company conducts its business such as common area charges and utility expenses for air-conditioning, electricity, office cleaning and water.

23. Interest and Other Income - net

The details of the account for the years ended December 31 are as follows:

	Note	**2025**	2024
Foreign exchange gain - net		**P3,385,028**	P332,638
Interest income on cash	*6*	**1,868,812**	1,431,164
Dividend income	*7*	**241,074**	317,751
Order loss		**(96,181)**	(34,208)
Other income - net		**6,318,320**	532,083
		P11,717,053	P2,579,428

The breakdown of foreign exchange gain - net for the years ended December 31 is shown below:

	2025	2024
Unrealized foreign exchange gain	**P4,041,934**	P696,030
Realized loss	**(656,906)**	(363,392)
	P3,385,028	P332,638

Order gain (loss) pertains to price adjustments to executed transactions.

Other expense (income) - net mainly pertains to other miscellaneous income.

24. Income Taxes

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

	2025	2024
Current	**P13,652,948**	P11,378,961
Deferred	**650,298**	(372,784)
Final	**333,407**	-
	P 14,636,653	P11,006,177

A reconciliation between income tax expenses at the statutory tax rate and the effective income tax for the years ended December 31 follows:

	2025		2024	
	Amount	**%**	Amount	%
Profit before income tax	**P58,638,138**		P40,927,462	
Statutory income tax	**P14,659,535**	**101.16**	P10,231,866	92.96
Effect of items not subject to statutory tax rate:				
Income subject to lower tax rate	**(467,203)**	**(3.19)**	(357,791)	(3.25)
Non-taxable income	**(234,275)**	**(1.61)**	(260,606)	(2.36)
Non-deductible expense	**345,189**	**2.36**	1,392,708	12.65
Final taxes	**333,407**	**2.38**	-	-
Income tax expense	**P14,636,653**	**100.00**	P11,006,177	100.00

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises Act (CREATE), was signed into law. Under the CREATE law, effective July 1, 2020, the existing 30% corporate income tax rate (CIT) shall be amended as follows:

- reduction of RCIT rate to 25% shall be applicable to the Company;

The deferred tax assets and liabilities presented as part of 'Deferred income tax assets - net' account in the statements of financial position as at December 31, 2025 and 2024 consists of the following:

	2025		2024	
	Tax Base	**Deferred Tax**	Tax Base	Deferred Tax
Deferred Income Tax Assets				
Lease liability	**P82,443,392**	**P20,610,848**	P90,599,809	P22,649,952
Impairment loss on trading right	**24,359,524**	**6,089,881**	24,059,524	6,014,881
Accrual of employee compensation	**23,575,624**	**5,893,906**	27,203,160	6,800,790
Retirement liability	**17,792,408**	**4,448,102**	14,805,532	3,701,383
Unamortized past service cost	**400,232**	**100,058**	543,876	135,969
Unused annual leave	**503,536**	**125,884**	281,591	70,398
Remeasurement of retirement liability	**-**	**-**	12,597,912	3,149,478
	149,074,716	**37,268,679**	170,091,404	42,522,851
Deferred Income Tax Liability				
Right of use-asset	**66,845,044**	**16,711,261**	76,998,723	19,249,681
Unrealized foreign exchange gain	**4,041,932**	**1,010,483**	696,030	174,007
Remeasurement of retirement liability	**2,687,960**	**671,990**	-	-
Unrealized mark-to-market gain on trading securities	**990,192**	**247,548**	-	-
	74,565,128	**18,641,282**	77,694,753	19,423,688
Net Deferred Tax Assets	**P74,509,588**	**P18,627,397**	P92,396,651	P23,099,163

The roll forward analysis of the Company's net deferred tax assets follows:

	2025	2024
Balance at January 1	**P23,099,163**	P23,315,777
Deferred income tax recognized in other comprehensive income	**(3,821,468)**	(589,398)
Deferred income tax recognized in profit loss	**(650,298)**	372,784
Balance at December 31	**P18,627,397**	P23,099,163

The amount of deferred tax expense relates to the origination and reversal of temporary differences. The movement in the account also includes the application of excess MCIT to the current taxable year.

Management reviews at each reporting date the carrying amount of its deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it cannot be utilized due to insufficient taxable profit against which the deferred income tax assets will be applied.

Management believes that sufficient taxable profit will be generated to allow all or part of the deferred income tax assets to be utilized.

As at December 31, 2025 and 2024, there are no unrecognized deferred tax assets on NOLCO and MCIT.

25. Related Party Transactions

Related party balances and transactions as at and for the years ended December 31 are summarized as follows:

2025	**Transactions**	**Outstanding Balances [Due from (Due to)]**	**Terms and Conditions**
Receivable and Commission			
Entities under common control:			
Due from customers	**(P103,164,805)**	**P1,039**	Contracted trades to be settled on T+2. The outstanding balance pertains to amount receivable from related parties, which includes a portion for commission. Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount and included as part of Trade receivable from customers.
Due to customers		**(453,764,871)**	
Allocated Regional Expenses - net			
Allocated Regional Cost (Income)			
Entities under common control:			
CLSA Ltd.	**P71,941,553**	**P347,329**	Covered by the terms of Service Level Agreement. Allocated regional expenses are shared costs charged by CLSA Ltd. and CLSA Singapore Pte Ltd. to the Company. The majority of them represent office support expenses Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount on a quarterly basis.
CLSA Singapore Pte. Ltd.	**5,825,386**	**(54,658)**	
Residual Profit Split			
Entity under common control:			
CLSA Ltd.	**(219,848,092)**	**21,740,729**	Covered by the terms of Transfer Pricing Policy for Institutional Equities. Residual profit split is a transfer pricing method where the profit of the Institutional Equities (IE) business is allocated amongst CLSA affiliates in order for each CLSA entity involved to receive a return commensurate with the functions it performs, assets it owns and risks it assumes. Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount on a quarterly basis.
Direct Expense Reimbursement			
Entities under common control:			
CLSA Ltd.	**P11,321,831**	**(P1,946,281)**	Covered by the Direct Expense Agreement.
	-	**631**	
CLSA Singapore Pte. Ltd,	**5,108,776**	**-**	The outstanding balance is settled (reimbursed to the Company) within 30 days from the receipt of proof of payment made by related parties. Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount.
CLSA Exchange Capital, Inc.	**939,831**	**147,400**	
CLSA UK	**86,598**	**86,598**	
CLSA Securities Malaysia Sdn. Bhd.	**2,102**	**2,102**	

Forward

2025	Transactions	Outstanding Balances [Due from (Due to)]	Terms and Conditions
Salaries and Employee Benefits			
Key management personnel	**P43,928,400**	**P -**	Salaries and benefit are covered by employment agreement and paid based on payroll period. Bonuses are paid annually.
Contribution to Group Plan			
Entity under common control:			
CLSA Ltd.	**P3,497,195**	**P -**	Contributions to plan assets paid to regional head office

2024	Transactions	Outstanding Balances [Due from (Due to)]	Terms and Conditions
Receivable and Commission			
Entities under common control:			
Due from customers	(P252,043,756)	P61,292,077	Contracted trades to be settled on T+2. The outstanding balance pertains to amount receivable from related parties, which includes a portion for commission. Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount and included as part of Trade receivable to customers.
Allocated Regional Expenses - net			
Allocated Regional Cost (Income)			
Entities under common control			
CLSA Ltd.	P 113,401,399	P2,588,789	Covered by the terms of Service Level Agreement. Allocated regional expenses are shared costs charged by CLSA Ltd. and CLSA Singapore Pte Ltd. to the Company. The majority of them represent office support expenses. Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount on a quarterly basis.
CLSA Singapore Pte. Ltd.	7,177,176	(556,076)	
Residual Profit Split			
Entities under common control:			
CLSA Ltd.	(94,578,479)	7,700,261	Covered by the terms of Transfer Pricing Policy for Institutional Equities. Residual profit split is a transfer pricing method where the profit of the Institutional Equities (IE) business is allocated amongst CLSA affiliates in order for each CLSA entity involved to receive a return commensurate with the functions it performs, assets it owns and risks it assumes. Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount on a quarterly basis.
Direct Expense Reimbursement			
Entities under common control:			Covered by the Direct Expense Agreement.
CLSA Ltd.	P10,839,789	(P1,643,791)	
CLSA Singapore Pte. Ltd,	6,845,605	(1,620,295)	The outstanding balance is settled (reimbursed to the Company) within 30 days from the receipt of proof of payment made by related parties. Outstanding balances are unsecured, unguaranteed, and non-interest bearing, settled in cash at net amount.
CLSA Exchange Capital, Inc.	13,964,338	939,831	
Salaries and Employee Benefits			
Key management personnel	P44,855,190	P -	Salaries and benefit are covered by employment agreement and paid based on payroll period. Bonuses are paid annually.
Contribution to Group Plan			
Entities under common control:			
CLSA Ltd.	P3,397,925	P -	Contributions to plan assets paid to regional head office

As at December 31, 2025, the outstanding balances under 'Due from customers' and 'Due to customers' amounted to P1,039 and P453,764,871, respectively. As at December 31, 2024, the outstanding balance under 'Due from customers' amounted to P61,292,077, with no outstanding balance under 'Due to customers.'

Offsetting Due Financial Assets and Financial Liabilities

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position where the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The following table presents the recognized financial instruments that are offset as at December 31:

2025	**Net Due from (to) Related Parties**	**Due from Related Parties**	**Due to Related Parties**
CLSA Ltd.	**P20,142,408**	**P22,088,689**	**(P1,946,281)**
CLSA Exchange Capital, Inc.	**147,400**	**147,400**	**-**
CLSA UK	**86,598**	**86,598**	**-**
CLSA Singapore Pte. Ltd.	**(54,658)**	**-**	**(54,658)**
CLSA Securities Malysia Sdn Bhd.	**2,102**	**2,102**	**-**
	P20,323,850	**P22,324,789**	**(P2,000,939)**

2024	Net Due from (to) Related Parties	Due from Related Parties	Due to Related Parties
CLSA Ltd.	P8,645,259	P8,645,259	P -
CLSA Singapore Pte. Ltd.	(2,176,371)	-	(2,176,371)
CLSA Exchange Capital, Inc.	939,831	939,831	-
	P7,408,719	P9,585,090	(P2,176,371)

Salaries and employee benefits for key management personnel is included as part of compensation and fringe benefits in profit or loss. This consists of short-term employee benefits and other long-term benefits. Short-term employee benefits relate to salaries and bonuses while other long-term benefits pertain to deferred bonus vesting for three years. There were no post-employment benefits, termination benefits and share-based payment for the years ended. Salaries and employee benefits for key management personnel are as follows:

	2025	2024
Short-term employee benefits	**P40,526,225**	P40,529,605
Other long-term benefits	**3,402,175**	4,325,585
	P43,928,400	P44,855,190

Retirement benefit expense included as part of “Salaries and employee benefits” account in profit or loss amounted to P6.48 million and P5.86 million respectively (Notes 14 and 17).

Other than the aforementioned transactions, there were no share-based payments, post-employment, termination and other long-term benefits recognized for the years ended December 31, 2025 and 2024.

26. Reclassification

During the year ended December 31, 2025, the Company reclassified certain items in the statement of income and expenses to better align with the nature of the account. Amounts previously presented on a net basis under allocated regional expenses were disaggregated, with amounts attributable to residual profit split arrangements with affiliate entities reclassified to transfer pricing adjustment under other income. These flows represent the Company’s allocation of profits from the Institutional Equities business. This presentation reflects the residual nature of the allocation, representing the Company’s share of the Institutional Equities’ business economic performance rather than a settlement for operational services or a recovery of costs. These reclassifications did not affect previously reported net income, total assets, total liabilities or equity and did not have any impact on taxes due in the prior year. The changes relate solely to the presentation and allocation of accounts within the statement of comprehensive income ensuring comparability between periods.

The impact on the reclassification in the statement of comprehensive income for the year then ended December 31, 2024 is as follows:

	Impact of Reclassification		
	As Previously Reported	Adjustments	As Reclassified
Statement of Comprehensive Income			
GENERAL AND OPERATING EXPENSES			
Allocated regional expenses – net	**P26,000,096**	**P94,578,479**	**P120,578,575**
OTHER INCOME			
Transfer pricing adjustment	**-**	**94,578,479**	**94,578,479**

27. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such supplementary information may not necessarily be the same with those amounts disclosed in the basic financial statements which were prepared in accordance with PFRS Accounting Standard. Following are the tax information required for the taxable year ended December 31, 2025:

Based on RR No. 15-2010

A. Value Added Tax (VAT)

		Amount
1.	Output VAT	**P18,872,445**
	Basis of the Output VAT:	
	Vatable sales	**P157,270,376**
	Zero-rated sales	**-**
2.	Input VAT	
	Beginning balance	**P -**
	Current year's domestic purchases/payments for:	
	Domestic purchases	**8,169,743**
	Services rendered by non-residents	**1,893,427**
	Applied against output VAT	**(10,063,170)**
	Ending balance	**P -**
3.	Tax credits/payments	
	Monthly VAT payments	**P -**
	VAT withheld on sales to government	**142,398**
	Total tax credits applied against output VAT	**P142,398**
4.	Quarterly VAT payments	
	First quarter	**P950,462**
	Second quarter	**3,465,043**
	Third quarter	**3,097,140**
	Total quarterly VAT payments	**P7,512,645**

As at December 31, 2025, VAT payable amounting to P1,154,232 is presented under accrued expenses and other liabilities in the statement of financial position.

B. Withholding Taxes

Withholding taxes paid and accrued for the year ended December 31, 2025 consist of:

	Paid	Accrued
Withholding tax on compensation	**P21,419,381**	**P2,558,380**
Final withholding tax	**3,833,672**	**110,969**
Expanded withholding tax	**1,622,499**	**253,515**
Fringe benefit tax	**-**	**553,072**
Withholding VAT	**1,840,162**	**53,265**
	P28,715,714	**P3,529,201**

Accrued withholding taxes are presented under accrued expenses and other liabilities in the statements of financial position.

As at December 31, 2025, creditable withholding taxes amounts to P4,234,147 and are included in Other current assets in the statement of financial position.

C. Stock Transaction Taxes

Stock transaction taxes paid and accrued in 2025 amount to P494,368,415 and P491,679, respectively. These stock transaction taxes were for the account of counterparties. Stock transaction taxes are presented as sales taxes payable under accrued expenses and other liabilities in the statement of financial position.

D. All Other Taxes (Local And National)

All other local and national taxes paid and accrued for the year ended December 31, 2025 consist of:

	Paid	Accrued	Total
Mayor's permit	**P664,269**	**P -**	**P664,269**
Fringe benefit tax	**-**	**553,072**	**553,072**
Community tax	**10,500**	**-**	**10,500**
	P674,769	**P553,072**	**P1,227,841**

As of December 31, 2025, accrued other local and national taxes pertain to fringe benefit tax and penalty charges. Fringe benefit tax amounting to P553,072 pertains to fringe benefits for employees other than rank and file included in withholding tax payable under accrued and other liabilities. All other local and national taxes are presented as taxes in licenses under general and administrative expenses in the statement of total comprehensive income.

E. Deficiency Tax Assessments and Cases

As of December 31, 2025, the Company has three open taxable years, namely TY 2019, 2021, and 2022, which remain subject to examination by the relevant tax authorities. The Company received formal letters of demand on October 17, 2023, December 19, 2015, and August 11, 2025, in relation to alleged tax deficiencies for certain taxable periods.

Based on the information presently available and after considering the advice of external legal and tax advisors, management believes that the Company has reasonable grounds to contest the assessments. However, as the matter is subject to ongoing review and discussions with the tax authorities, the final outcome cannot be determined at this time. Nevertheless, management is of the opinion that any resulting liability, if any, is not expected to have a material adverse effect on the Company's financial position or results of operations.

SEC Form 52-AR

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

ANNUAL AUDITED FINANCIAL REPORT

Information Required of Brokers and Dealers Pursuant to Rule 52.1 of the Securities Regulation Code. Report for the period beginning January 1, 2025 and ending December 31, 2025.

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	**CLSA Philippines, Inc.**
Address of Principal Place of Business	Ayala Triangle Gardens Tower 2 Paseo de Roxas, corner Makati Ave Makati, 1226 Metro Manila

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

Name: Angelica Elaine S. Apostol Tel. No. 8860-4033

IDENTIFICATION OF ACCOUNTANT			
Name of Independent Certified Public Accountant whose opinion is contained in this report:			
Name:	Vanessa P. Macamos	Tel. No.	8885-7000 ext. 8328
		Fax No.	8894-1985
Address:	The KPMG Center, 6/F, 6787 Ayala Avenue, Makati City		
CPA Cert. No.	0102309		
P.T.R. Number	MKT 10764399	Date Issued	January 5, 2026

SCHEDULE I

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION AS AT DECEMBER 31, 2025

CLSA PHILIPPINES, INC.

19 /F Ayala Triangle Gardens Tower 2 Paseo de Roxas, corner Makati Ave Makati, 1226 Metro Manila
(All amounts in the Philippine Peso)

Unappropriated Retained Earnings, beginning of the reporting period		**P124,176,661**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	(31,329,307)	
Effects of restatements or prior-period adjustments	-	
Others (describe nature)	-	
Unappropriated Retained Earnings, as adjusted		**92,847,354**
Add/Less: Net Income (loss) for the current year		**44,001,485**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	-	
Equity in net income of associate/joint venture, net of dividends declared		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(573,087)	
Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(742,643)	
Unrealized foreign exchange gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		**(1,315,730)**

Forward

Add: <u>Category C.2</u>: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	P55,718	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized foreign exchange gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		**P55,718**
Add: <u>Category C.3</u>: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total		**-**
Adjusted Net Income/Loss		**42,741,473**
Add: <u>Category D</u>: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		**-**

Forward

Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	P -	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	
Sub-total		**P -**
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(65,590)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	499,316	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
BASEL III requirements and ICAAP1	-	
Sub-total		**433,726**
Total Retained Earnings, end of the reporting period available for dividend		**P136,022,553**

SCHEDULE II

CLSA Philippines, Inc.
Schedule of Financial Soundness Indicators in Two Comparative Periods Under SRC Rule 68, As Amended
As of December 31, 2025 and 2024

Ratio	**Formula**	**2025**	2024
Current ratio	Current Assets ÷ Current Liabilities	**177.92%**	246.75%
Acid test ratio	(Current Assets - Prepayments) ÷ Current Liabilities	**177.51%**	245.23%
Solvency ratio	(Net income for the year + Non-cash expenses) ÷ Total liabilities	**13.47%**	22.08%
Debt-to-equity ratio	Total Liabilities ÷ Total Equity	**119.62%**	73.57%
Asset-to-equity ratio	Total Assets ÷ Total Equity	**219.62%**	173.57%
Interest rate coverage ratio	Income from operations ÷ Finance cost	**N/A**	N/A
Return on equity	Net income for the year ÷ Total Equity	**7.36%**	5.52%
Return on assets	Net income for the year ÷ Total Assets	**3.35%**	3.18%
Net profit margin	Net income for the year ÷ Total Income	**11.29%**	9.21%

SCHEDULE III

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

	2025	2024
Total Audit Fees	**P918,000**	P780,000
Non-audit service fees:		
Other assurance services	**-**	-
Tax services	**500,000**	-
All other services	**-**	-
Total Non-audit Fees	**-**	-
Total Audit and Non-audit Fees	**P1,418,000**	P780,000

Audit and Non-audit fees of other related entities

	2025	2024
Total Audit Fees	**P466,560**	P -
Non-audit service fees:	**-**	-
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**-**	-
Total Non-audit Fees	**-**	-
Total Audit and Non-audit Fees of other related entities	**P466,560**	P -

SCHEDULE IV

CLSA Philippines, Inc.
Statement of Changes in Liabilities Subordinated to Claims of General Creditors
December 31, 2025

There are no liabilities subordinated to claims of general creditors as at December 31, 2025.

SCHEDULE V

CLSA Philippines, Inc.
Information Relating to Possession or Control Requirements
Pursuant to SRC Rule 49.2 (Under Annex 49.2 - A)
December 31, 2025

1. Customers' fully paid securities and excess margin securities not in the broker's or dealer's possession or control as at December 31, 2025 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 (Annex 49.2-A):

Market valuation	Nil
Number of items	Nil

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

Market valuation	Nil
Number of items	Nil

SCHEDULE VI

CLSA PHILIPPINES INC.
Computation of Risk-Based Capital Adequacy (RBCA) Ratio under SRC Rule 49.1
December 31, 2025
(All amounts in Philippine Peso)

Total Assets	**P1,328,911,760**
Less: Total Liabilities	**731,384,210**
Equity as per books	**597,527,550**
Adjustments to Equity per books	
Add (Deduct):	
Deferred Income Tax	**(37,268,679)**
Total Adjustments to Equity per books	**(37,268,679)**
Equity Eligible For Net Liquid Capital	**560,258,871**
Contingencies and Guarantees	
Deduct: Contingent Liability	**-**
Guarantees or indemnities	**-**
Ineliguible Assets	
a. Trading right and all other intangible asset (net)	**7,700,000**
b. Intercompany receivables	**-**
c. Fixed assets, net of accumulated and excluding those used as collateral	**109,582,252**
d. Prepayment from client for early settlement of Amount	**-**
e. All Other Current Assets	**3,974,588**
f. Securities Not Readily Marketable	**-**
g. Negative Exposure (SCCP)	**-**
h. Notes Receivable (non-trade related)	**-**
i. Interest and Dividends Receivables outstanding for more than 30 days	**-**
j. Ineligible Insurance claims	**-**
k. Ineligible Deposits	**-**
l. Short Security Differences	**-**
m. Long Security Differences not resolved prior to sale	**-**
n. Other Assets including Equity Investment in PSE	**84,553,941**
Total ineligible assets	**205,810,781**
Net Liquid Capital (NLC)	**354,448,090**
Less:	
Operational Risk Reqt (Schedule ORR-1)	**85,217,127**
Position Risk Reqt (Schedule PRR-1)	**13,688,105**
Counterparty Risk (Schedule CRR-1 and detailed schedules)	**-**
Total Risk Capital Requirement (TRCR)	**98,905,232**
Net RBCA Margin (NLC-TRCR)	**255,542,858**
Liabilities	**731,384,210**
Add: Deposit for Future Stock Subscription	**-**
Less: Exclusions from Aggregate Indebtedness	**-**
Subordinated Liabilities	**-**
Loans secured by securities	**-**
Loans secured by fixed assets	**-**
Others	**18,641,282**
Total adjustments to AI	**(18,641,282)**
Aggregate Indebtedness	**712,742,928**
5% of Aggregate Indebtedness	**35,637,146**
Required Net Liquid Capital (> of 5% of AI or P5M)	**35,637,146**
Net Risk-based Capital Excess / (Deficiency)	**P318,810,944**
Ratio of AI to Net Liquid Capital	**201%**
RBCA Ratio (NLC / TRCR)	**358%**

SCHEDULE VII

CLSA PHILIPPINES INC.
Computation for Determination of Reserve Requirements Pursuant to SRC Rule 49.2 (Under Annex 49.2-B)
December 31, 2025
(All amounts in Philippine Peso)

	Credits	Debits
Free credit balances and other balances in customer securities accounts:		
Due to customers	P566,790,448	P -
Due to clearing house	-	
Debit balances in customers cash accounts:		
Due from customer		160,647,943
Customer omnibus accounts		134,874,541
Reduction by 1%		(2,955,224)
Clearing Accounts with net debit balances attributable to customer transactions (Clearing Corporations)		272,655,617
Total	P566,790,448	P565,222,877
Net Credit (Debit)		P1,567,571

SCHEDULE VIII

CLSA Philippines, Inc.
Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1, As Amended
December 31, 2025
(All amounts in Philippine Peso, except number of shares)

Security Name	Number of Shares			Total Market Value
	PCD	In transit	Others	
ABACORE CAPITAL HOLDINGS, INC.	-	400,000	-	104,000
ABS-CBN HOLDINGS CORP. (PDR)	3,505,990	-	-	11,955,426
AYALA CORPORATION	65,404	(13,405)	652,505	329,707,872
ACEN CORPORATION	258,038	(805,000)	805,000	701,863
ABOITIZ EQUITY VENTURES, INC.	30	18,500	-	518,840
ALLIANCE GLOBAL GROUP, INC.	80	(1,547,400)	1,547,400	655
AYALA LAND INC.	172,224	1,106,030	-	28,696,802
Alternergy Holdings Corporation	-	(320,000)	320,000	-
A. SORIANO CORPORATION	-	17,500	-	252,000
ABOITIZ POWER CORP.	196,000	(7,300)	45,000	10,282,800
Altus Property Ventures, Inc	385	-	-	3,234
APEX MINING CO., INC.	2,500	(2,417,000)	2,417,000	31,100
AREIT, INC.	897,112	(68,500)	68,500	39,024,372
RASLAG CORP.	-	(31,000)	31,000	-
ATLAS CONS, MNG & DEV CORP	40,000	76,100	-	700,083
BENGUET CORPORATION "A"	54,000	-	-	270,000
BDO UNIBANK, INC	36,973	(393,119)	408,000	6,979,548
BELLE CORPORATION	100,000	-	-	132,000
BLOOMBERRY RESORTS CORPORATION	11,400	304,000	-	801,116
BANK OF COMMERCE	-	(6,000)	6,000	-
BANK OF PHIL. ISLANDS	62,518	(80,460)	80,460	7,258,340
BASIC ENERGY CORPORATION	-	(200,000)	200,000	-
Chelsea Logistics & Infrastructure Holdings Corp.	-	15,000	-	14,250
CHINA BANKING CORPORATION	280	(59,190)	59,190	15,960
CEBU AIR INC.	40,000	(4,800)	4,800	1,280,000
CEBU AIR, INC. CONVERTIBLE PREFERRED SHARES	177,808	-	-	6,223,280
CEBU LANDMASTERS, INC.	1,800,000	-	-	4,230,000
CENTURY PACIFIC FOOD, INC.	142	(41,120)	41,120	5,538
Converge Info & Comms Tech Solutions, Inc.	-	(37,200)	37,200	-
COAL ASIA HOLDINGS INCORPORATED	5,000,000	-	-	140,000
COSCO CAPITAL, INC.	-	(1,500,000)	1,500,000	-
CITICORE RENEWABLE ENERGY CORPORATION	-	9,000	-	38,520
Citicore Energy REIT Corp.	250,400	(61,000)	61,000	893,928
CROWN ASIA CHEMICALS CORP	-	(14,000)	14,000	-
DDMP REIT, INC.	-	(338,000)	338,000	-
DITO CME HOLDINGS CORP.	-	4,433,000	-	3,014,440
DMCI HOLDINGS, INC.	-	32,900	-	346,766
D&L INDUSTRIES, INC.	-	1,789,000	-	6,887,650
EXPORT AND INDUSTRY BANK, INC.	200,000	-	-	-
EMPIRE EAST LAND HOLDINGS, INC	318,240	-	-	33,097
EMPERADOR, INC.	-	63,000	-	1,008,000
Euro-Med Laboratories Phil., Inc.	-	(6,000)	6,000	-
San Miguel Food and Beverage, Inc.	-	(71,000)	71,000	-
FILINVEST DEVELOPMENT CORP.	131,952	-	-	600,382
FERRONOUX HOLDINGS, INC.	-	3,000	-	15,000
FIRST GEN CORPORATION	-	(1,700)	1,700	-
FILINVEST REIT CORP.	1,428,000	245,000	-	5,186,300
FILINVEST LAND, INC.	550,000	(51,000)	51,000	423,500
GLOBAL FERRONICKEL HOLDINGS INC.	-	267,000	-	360,450
FIRST PHIL. HOLDINGS CORP.	270,000	-	-	20,790,000
GLOBAL ESTATE RESORTS	-	30,000	-	20,700
GLOBE TELECOMMUNICATIONS, INC.	-	(1,015)	1,015	-
GREENERGY HOLDINGS INCORPORATED	-	(130,000)	130,000	-
GINEBRA SAN MIGUEL INC.	-	(2,760)	2,760	-
GT CAPITAL HOLDINGS, INC.	-	90,780	-	54,014,100
GT CAPITAL HLDGS PERPETUAL PREFFERED SERIES B	3,100	-	-	3,100,000
HOUSE OF INVESTMENT INC.	278,900	-	-	1,255,050
ALLHOME CORPORATION	600	-	-	142
INT'L CONTAINER SERVICES, INC	11	(324,802)	330,802	3,408,237
INTEGRATED MICRO-ELECTRONICS, INC.	54,622	-	-	189,538
iPEOPLE, INC.	-	1,400	-	8,400
JOLLIBEE FOODS CORPORATION	2,005	75,546	6,000	15,039,180
JG SUMMIT HOLDINGS, INC.	337	68,200	-	1,620,900
THE KEEPERS HOLDINGS, INC.	2,231,000	-	-	5,532,880
KEPPEL PHIL. PROPERTIES, INC.	-	(6,000)	6,000	-

Forward

Security Name	Number of Shares			Total Market Value
	PCD	In transit	Others	
LOPEZ HOLDINGS CORPORATION	400	(132,000)	132,000	1,488
LORENZO SHIPPING CORPORATION	50,000	-	-	30,500
LT GROUP, INC.	413,600	51,200	-	6,869,744
MANILA MINING CORPORATION "B"	9,337,752	(1,000,000)	1,000,000	67,232
MACROASIA CORP.	-	(1,000)	1,000	-
METRO ALLIANCE HLDGS. & EQUITIES	50,000	-	-	18,500
METRO ALLIANCE HLDGS. EQUITIES	100,000	-	-	69,000
MAX`S GROUP, INC.	-	8,000	-	19,600
METRO BANK & TRUST CO.	168,503	(174,463)	174,463	11,542,456
Medilines Distributors Incorporated	-	20,000	-	5,200
MEGAWORLD CORPORATION	201,482	232,000	-	901,643
MANILA ELECTRIC COMPANY	29,498	(8,184)	8,184	16,931,852
METRO GLOBAL HOLDINGS CORP.	2,000	-	-	-
MONDRAGON INT`L. PHILS., INC.	7,700	-	-	-
MREIT, Inc.	260,863	(18,500)	18,500	3,652,082
METRO RETAIL STORES GROUP, INC.	100,000	-	-	115,000
MANILA WATER COMPANY INC.	444,200	(52,200)	52,200	17,901,260
MEGAWIDE CONSTRUCTION CORPORATION	382,920,604	(13,000)	13,000	1,144,932,606
MAYNILAD WATER SERVICES, INC.	24,904,800	(278,000)	278,000	420,891,120
NICKEL ASIA CORPORATION	1,300	724,000	-	2,821,417
NAT'L REINSURANCE CORP. PHILS.	4,413,400	-	-	3,398,318
OCEANAGOLD (PHILIPPINES), INC.	404	11,800	-	392,969
THE PHILODRILL CORPORATION	20,020,908	-	-	178,186
PAL HOLDINGS, INC.	124,300,353	(9,000)	9,000	472,341,341
PETRON CORPORATION	210,000	(62,000)	62,000	520,800
PICOP RESOURCES, INC.	112,630	-	-	-
PETROENERGY RESOURCES CORP.	-	(1,000)	1,000	-
PUREGOLD PRICE CLUB, INC.	70,120	-	-	2,664,560
PREMIERE HORIZON ALLIANCE CORPORATION	-	(170,000)	170,000	-
PHINMA CORPORATION	-	(300)	300	-
PH RESORTS GROUP HOLDINGS, INC.	17,000,000	(80,000)	80,000	2,261,000
DIGIPLUS INTERACTIVE CORP.	144,617,827	1,162,700	-	2,361,644,537
PRIMETOWN PROPERTY GROUP INC.	5,900	-	-	-
PHIL. NATIONAL BANK	-	68,460	-	3,724,224
PHOENIX PETROLEUM PHILS., INC.	266,044,775	-	-	-
Philtown Properties Inc,	21,482	-	-	-
PETRON CORP PERPETUAL PREFERRED SUBSERIES 3B	5,000	-	-	5,025,000
PRIME MEDIA HOLDINGS INC.	2,000	-	-	2,600
PHIL STOCK EXCHANGE	37,200	(310)	310	7,640,880
PHILEX MINING CORPORATION	315,111,751	(72,100)	72,100	3,119,606,335
PHILEX ENERGY CORP	337	-	-	802
RL COMMERCIAL REIT, INC.	20,000	1,014,500	-	8,296,690
RFM CORPORATION	-	(355,000)	355,000	-
ROBINSONS LAND CORP.	7,978,207	24,600	-	129,325,361
ROCKWELL LAND CORPORATION	25,000,000	(80,000)	80,000	46,250,000
ROBINSONS RETAIL HOLDINGS, INC.	-	(92,200)	92,200	-
SEMIRARA MINING AND POWER CORPORATION	12,000	(117,800)	117,800	339,000
SECURITY BANK CORPORATION	2,014	10,630	-	830,079
PHILIPPINE SEVEN CORP.	46	(99,000)	99,000	1,702
SYNERGY GRID AND DEVELOPMENT PHIL., INC.	20	(66,000)	66,000	331
Shell Pilipinas Corporation	44,920	(389,480)	389,480	311,296
SM INVESTMENTS CORP.	7	(5,074)	17,280	8,542,994
SAN MIGUEL CORPORATION	-	(11,240)	11,240	-
SAN MIGUEL CORPORATION SERIES 2-I PREFERRED	2,230	-	-	166,135
SM PRIME HOLDINGS, INC.	7,155	(1,113,066)	1,113,066	162,776
SPC POWER CORPORATION	-	12,600	-	122,724
SSI GROUP, INC.	350,000	-	-	920,500
STENIEL MANUFACTURING, CORP.	-	(21,000)	21,000	-
VISTAMALLS, INC.	-	5,000	-	6,250
SUNTRUST RESORT HOLDINGS, INC.	-	(31,000)	31,000	-
PLDT, INC.	7,654,330	(4,330)	4,330	9,644,455,800
TOP LINE BUSINESS DEVELOPMENT CORP.	-	778,000	-	1,244,800
UNION BANK OF THE PHILIPPINES	2	(1,100)	1,100	53
UNITED PARAGON MINING CORP.	-	(2,000,000)	2,000,000	-
UNIVERSAL ROBINA CORPORATION	11	(234,070)	234,070	740
VISTA LAND & LIFESCAPES,INC.	150,000	478,000	-	653,120
VICTORIAS MILLING CORP.	209,520	-	-	362,470
VISTAREIT, INC.	-	136,000	-	186,320
PHILWEB.COM, INC.	800	250,100	-	1,555,580
WILCON DEPOT, INC.	174	(169,800)	169,800	1,211
NexGen Energy Corp.	-	(2,000)	2,000	-
TOTAL	**1,370,538,276**	**(1,370,442)**	**16,118,875**	**18,023,024,423**