

FOR PSE

COHERCO SECURITIES, INC.

AUDITED FINANCIAL STATEMENTS

December 31, 2025 and 2024

with Report of Independent Auditors

COHERCO SECURITIES, INC.
ANNUAL AUDITED FINANCIAL REPORT
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REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Metro Manila, Philippines

ANNUAL AUDITED FINANCIAL REPORT

Information required of Brokers and Dealers Pursuant to Rule 52.1-5 to the Revised Securities Regulation Code.

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

IDENTIFICATION OF BROKER

<i>Name of Broker:</i> Coherco Securities, Inc.	
<i>Address of Principal Place of Business:</i> 8th Floor Herco Center No. 114 Benites St., Legaspi Village, Makati City	
<i>Name and Phone Number of Person to Contact in Regard to this Report</i>	
<i>Name:</i> Solomon Teh	<i>Tel. No.</i> 8818-7736
	<i>Fax No.</i> 8376-5197

IDENTIFICATION OF ACCOUNTANT

<i>Name of Independent Certified Public Accountant whose opinion is contained in this report:</i>	
<i>Name:</i> Maria Antoniette V. Mariano-Cruz	<i>Tel No.</i> 8893-8291
	<i>Fax No.</i> _____
<i>Address:</i> Unit 2108 Cityland 10 Tower 2 156 H.V. Dela Costa Street, Salcedo Village Makati Ctiy	
<i>Certificate Number</i> 109720	
<i>PTR Number</i> 7485031	<i>Date Issued</i> January 05, 2026

COHERCO SECURITIES, INC.

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Securities and Exchange Commission
The SEC General Headquarters
7907 Makati Ave, Salcedo Village,
Bel Air, Makati City

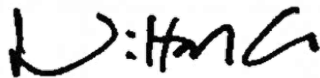
The management of Coherco Securities, Inc. (the 'Company') is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated 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 going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Mariano Caguete & Co. CPAs, the independent auditors appointed by the has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its reports to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



WILFRED T. CO
Chairman of the Board and President



LYNNE Y. CO
Treasurer

Signed this 6th day of May 2026



REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
Coherco Securities, Inc.
8th Floor Herco Center, No. 114 Benavidez St.
Legaspi Village, Makati City.

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Coherco Securities, Inc. 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).

Basis for Opinion

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

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

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 25 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MARIANO CAGUETE & CO. CPAs

By:

Maria Antoniette V. Mariano-Cruz
Partner

CPA Certificate No. 109720

Tax Identification No. 924-998-281-001

BOA/PRC Reg. No. 5612, August 13, 2023, valid until August 12, 2026

SEC Partner Accreditation No. 109720-SEC (Group A)

Valid to cover audit of 2025 financial statements

SEC Firm Accreditation No. 5612-SEC (Group A)

Valid to cover audit of 2025 financial statements

BIR Accreditation No. 08-006268-001-2026, March 19, 2026, valid until March 18, 2029

P.T.R. No. 7485031, issued on January 05, 2026, Tarlac City

May 6, 2026

Makati City, Metro Manila

COHERCO SECURITIES, INC.
STATEMENTS OF FINANCIAL POSITION

	Note	December 31,			
		2025		2024	
		Money Balance	Security Valuation	Money Balance	Security Valuation
		Long	Short	Long	Short
ASSETS					
Current Assets					
Cash	6,21,23	₱ 12,107,343		₱ 8,114,722	
Trade and other receivables	7,21,23	15,706	₱ 296,914	19,234	₱ 402,236
Financial assets at fair value through profit or loss (FVTPL)	8	39,633,251		38,116,393	
Other current assets	9	708,243		598,271	
Total Current Assets		52,464,543		46,848,620	
Noncurrent Assets					
Financial assets at fair value through other comprehensive income (FVTOCI)	10,21,23	49,296,000	49,296,000	39,360,000	39,360,000
Property and equipment, net	11	49,120		70,915	
Trading right	12	7,700,000		8,000,000	
Total Noncurrent Assets		57,045,120		47,430,915	
TOTAL ASSETS		₱ 109,509,663		₱ 94,279,535	
Securities in Box, Transfer Offices, Philippine Depository and Trust Corporation					
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Payable to customers	13	₱ 17,227,588	1,257,696,686	₱ 11,676,917	1,320,025,321
Other current liabilities	14	447,556		473,370	
Total Current Liabilities		17,675,144		12,150,287	
Noncurrent Liability					
Deferred tax liability, net	18	6,029,705		3,249,482	
Total Liabilities		23,704,849		15,399,769	
EQUITY					
Share capital	15	5,000,000		5,000,000	
Additional paid-in capital	15	53,000,000		53,000,000	
Retained earnings	15	2,172,814		1,487,766	
Unrealized gain on financial assets at FVTOCI	10	25,632,000		19,392,000	
Total Equity		85,804,814		78,879,766	
		₱ 109,509,663	₱ 1,307,289,600	₱ 94,279,535	₱ 1,359,787,557
			₱ 1,307,289,600		₱ 1,359,787,557

See Accompanying Notes to Financial Statement.

COHERCO SECURITIES, INC.**STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31,	
	Note	2025	2024
REVENUES			
Commissions	4	₱ 168,418	₱ 543,382
Others:			
Dividend income	10	2,400,000	2,400,000
Unrealized gain on financial asset at FVPL	8	1,516,858	1,689,990
Interest income	6	7,211	10,110
		4,092,487	4,643,482
COST OF SERVICES	16	973,551	965,668
INCOME FROM OPERATION		3,118,936	3,677,814
OPERATING EXPENSES	17	3,048,223	2,889,548
OTHER EXPENSES			
Loss on revaluation of trading right	12	(300,000)	-
(LOSS) INCOME BEFORE INCOME TAX		(229,287)	788,266
BENEFIT FROM INCOME TAX	18	(914,335)	(609,940)
NET INCOME FOR THE YEAR		685,048	1,398,206
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss:			
Unrealized gain (loss) on financial asset at FVTOCI	10	9,936,000	(1,440,000)
Income tax effect	18	(2,484,000)	288,000
		7,452,000	(1,152,000)
TOTAL COMPREHENSIVE INCOME		8,137,048	246,206
EARNINGS PER SHARE			
Basic and diluted	20	₱ 0.14	₱ 0.28

See Accompanying Notes to Financial Statement.

COHERCO SECURITIES, INC.
STATEMENTS OF CHANGES IN EQUITY

	Year Ended December 31, 2025				Unrealized Gain on	
	Share Capital (Note 15)	Additional Paid-in Capital (Note 15)	Retained Earnings Appropriated (Note 15)	Retained Earnings Unappropriated (Note 15)	Financial Assets at FVTOCI (Note 10)	Total Equity
Balances, January 01, 2025	₱ 5,000,000	₱ 53,000,000	₱ 148,777	₱ 1,338,989	₱ 19,392,000	₱ 78,879,766
Effect of change in tax rate	-	-	-	-	(1,212,000)	(1,212,000)
Net income	-	-	-	685,048	-	685,048
Other comprehensive income	-	-	-	-	7,452,000	7,452,000
Total comprehensive income	-	-	-	685,048	6,240,000	6,925,048
Appropriation of retained earnings	-	-	68,505	(68,505)	-	-
Balances, December 31, 2025	₱ 5,000,000	₱ 53,000,000	₱ 217,282	₱ 1,955,532	₱ 25,632,000	₱ 85,804,814

	Year Ended December 31, 2024				Unrealized Gain on	
	Share Capital (Note 15)	Additional Paid-in Capital (Note 15)	Retained Earnings Appropriated (Note 15)	Retained Earnings Unappropriated (Note 15)	Financial Assets at FVTOCI (Note 10)	Total Equity
Balances January 01, 2024	₱ 5,000,000	₱ 53,000,000	₱ -	₱ 400,176	₱ 20,544,000	₱ 78,944,176
As previously reported	-	-	-	-	-	(310,616)
Effect of restatement	-	-	8956	(319,572)	-	-
Balances, January 1, 2024 as restated	5,000,000	53,000,000	8,956	80,604	20,544,000	78,633,560
Net income	-	-	-	1,398,206	-	1,398,206
Other comprehensive income	-	-	-	-	(1,152,000)	(1,152,000)
Total other comprehensive income	-	-	-	1,398,206	(1,152,000)	246,206
Appropriation of retained earnings	-	-	139,821	(139,821)	-	-
Balances, December 31, 2024	₱ 5,000,000	₱ 53,000,000	₱ 148,777	₱ 1,338,989	₱ 19,392,000	₱ 78,879,766

See Accompanying Notes to Financial Statement.

COHERCO SECURITIES, INC.
STATEMENTS OF CASH FLOWS

		Years Ended December 31,	
	<i>Note</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) income before income tax		₱ (229,287)	₱ 788,266
Adjustments for:			
Depreciation	11	24,697	21,597
Dividend income	10	(2,400,000)	(2,400,000)
Unrealized gain (loss) on financial asset at FVPL	8	(1,516,858)	(1,689,990)
Interest income	6	(7,211)	(10,110)
Loss on revaluation of trading rights	12	300,000	-
Operating loss before working capital changes		(3,828,659)	(3,290,237)
Changes in working capital:			
Decrease (increase) in:			
Trade and other receivables	7	(3,528)	16,470
Other current assets	9	(102,916)	(46,194)
Increase (decrease) in:			
Payable to customers	13	5,550,671	(2,996,896)
Other current liabilities	14	(25,814)	16,393
Cash generated from (used in) operations		1,589,754	(6,300,464)
Interest received	6	5,769	8,088
Dividends received	10	2,400,000	2,400,000
Net cash provided by operating activities		3,995,523	(3,892,376)
CASH FLOWS FROM INVESTING ACTIVITY			
Addition to property and equipment	11	(2,902)	(30,791)
NET INCREASE (DECREASE) IN CASH		3,992,621	(3,923,167)
CASH AND CASH EQUIVALENTS, JANUARY 1		8,114,722	12,037,889
CASH AND CASH EQUIVALENTS, DECEMBER 31	6	₱ 12,107,343	₱ 8,114,722

See Accompanying Notes to Financial Statement.

COHERCO SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Coherco Securities, Inc. (the 'Company') was incorporated on May 1, 1980 and was licensed by the Securities and Exchange Commission (SEC) to engage in the business of dealing, acquiring, owning, holding, managing, using or obtaining interest in all kind of securities.

The Company's registered office address is located at 8th Floor Herco Center, No. 114 Benavidez St. Legaspi Village, Makati City.

The financial statements of the Company as at and for the year ended December 31, 2025 (including the comparative financial statements as at and for the year ended December 31, 2024) were authorized for issue by the Company's Board of Directors (BOD) on May 6, 2026.

2. Financial Reporting Framework and Basis of Preparation and Presentation

Basis of Preparation

The accompanying financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI) and trading right which have been measured at fair value. The financial statements are presented in Philippine peso (₱), which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance with Philippine Financial Reporting Standards

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). The term PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretation, which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the Securities and Exchange Commission (SEC), including SEC pronouncements.

Security Valuation

The security position of customers classified as long position pertains to shares of stock that a customer bought with the expectation that the shares will rise in value whereas customers with short position pertains to the sale of shares of borrowed stocks in the open market with the expectation that the price thereof will decrease over time, at which point the customers will purchase the shares and return the shares to the broker (to the Company or other brokers) which the customers borrowed from.

3. Summary of Changes in Accounting Policies

The material accounting policy information that has been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective beginning January 1, 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- *Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates* – Lack of Exchangeability. The amendments clarify the accounting guidance when a currency cannot be exchanged into another currency and introduce additional disclosure requirements in such circumstances. The amendments have no impact on the Company's financial statements as the Company does not have foreign currency transactions.

Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that future adoption of the said pronouncements will have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, Classification and Measurement of Financial Instruments
- Annual Improvements to PFRS Accounting Standards – Volume 11
 - Amendments to PAS 7, Cost Method
 - Amendments to PFRS 1, Hedge Accounting by a First-time Adopter
- Amendments to PFRS 7, Gain on Loss on Derecognition
 - Amendments to PFRS 9, Lessee Derecognition of Lease Liabilities and Transaction Price
 - Amendments to PFRS 10, Determination of a "De Facto Agent"

Effective beginning on or after January 1, 2027

- PFRS 18, Presentation and Disclosure in Financial Statements. The standard replaces PAS 1, Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
 - Required totals, subtotals and new categories in the statement of income
 - Disclosure of management-defined performance measures
 - Guidance on aggregation and disaggregation

The Company is currently assessing the impact of adopting this standard on its financial statements.

- PFRS 19, Subsidiaries without Public Accountability

Deferred effectivity

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

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the financial statements in the year of adoption, if applicable.

4. Material Accounting Policy Information

The material accounting policy information that has been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value

Cash in banks represent current and savings deposits in banks that are subject to insignificant risk of changes in value. Cash in banks earn interest at the prevailing bank deposit rates.

Financial Instruments – Initial recognition and Subsequent Measurement

Date of Recognition

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Initial Recognition of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially recognized at fair value. Except for financial instruments at fair value through profit or loss (FVTPL), the initial measurement of financial instruments includes transaction costs.

Classification and Subsequent Measurement of Financial Instruments

Under PFRS 9, the classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The classification and measurement of financial assets are as follows: financial assets at amortized cost, financial assets at FVTPL and financial assets at fair value through other comprehensive income (FVTOCI).

Financial Instruments at FVTPL

Debt instruments that do not meet the amortized cost or FVTOCI criteria, or that meet the criteria but the Company has chosen to designate as at FVTPL at initial recognition, are measured at fair value through profit or loss. Equity investments are classified as at FVTPL, unless the Company designates an investment that is not held for trading as at FVTOCI at initial recognition. Derivative assets classified as at FVTPL are those that are not designated under hedge accounting treatment.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in 'Trading gains (losses) – net' in the statement of comprehensive income. Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded in other revenues according to the terms of the contract or when the right of the payment has been established.

As of December 31, 2025 and 2024, the Company has a short-term investment consisting of investments in unit investment trust fund (UITF) classified as financial assets at FVPTL.

Financial assets at FVTOCI

Equity securities designated as at FVTOCI are those that the Company made an irrevocable election to present in other comprehensive income the subsequent changes in fair value. The designation is made on instrument-by-instrument basis. Equity securities at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for sale or disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified to profit or loss, but is reclassified directly within equity. Equity securities at FVTOCI are not subject to impairment assessment.

Dividends earned on holding these equity instruments are recognized in the statement of comprehensive income when the Company's right to receive the dividends is established, unless the dividends clearly represent recovery of a part of the cost of the investment. Dividends earned are recognized in the statement of comprehensive income under other revenues.

The Company's equity securities are under this category, (Note 10).

Financial Assets at Amortized Cost

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

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

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for credit losses, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the EIR. The amortization is included in 'Interest' in the profit or loss and is calculated by applying the EIR to the gross carrying amount of the financial asset. The losses arising from impairment are recognized in 'Provision for credit losses' under profit or loss in the statement of comprehensive income.

This accounting policy relates to the statement of financial condition captions 'Cash and cash equivalents' and 'Trade Receivables' which includes receivables from customers and clearing house.

Other Financial Liabilities

Other financial liabilities are financial liabilities not classified or designated at FVTPL and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's other financial liabilities include 'Payable to customers', and 'Other liabilities' (excluding statutory payables).

Financial Asset

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

- The right to receive cash flows from the asset has expired;
- The Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- The Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial Liability

Initial recognition and measurement

Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized costs, the initial measurement is net of any directly attributable transaction costs.

Classification

The Company classifies its financial liabilities at initial recognition as either financial liabilities at FVTPL or financial liabilities at amortized cost.

The Company does have liabilities at FVTPL as at December 31, 2025 and 2024.

Financial Liabilities at Amortized Cost

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

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

The Company's other liabilities (excluding statutory payables) is classified as financial liabilities at amortized cost as at December 31, 2025 and 2024.

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

Classification of Financial Instrument between Liability and Equity

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

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

Offsetting of Financial Assets and Liabilities

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

Other Current Assets

The Company's other current assets are composed of creditable withholding tax (CWT), prepaid expenses, input value-added tax (VAT) and refundable deposits. These assets are classified as current when it is probable to be realized within one (1) year from the end of the reporting period. Otherwise, these are classified as noncurrent assets.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and allowance for any impairment loss. When assets are sold or retired, their cost, accumulated depreciation and any allowance for impairment are eliminated from the accounts and any gain or loss resulting from the disposal is included in the statements of comprehensive income.

The initial cost of property and equipment comprises its purchase price, including import duties and taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to expense in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

<u>Category</u>	<u>Number of Years</u>
Computer system office equipment	5 years
Leasehold improvements	2 years or lease term whichever is shorter

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

Intangible Asset

Trading right

Trading right is initially measured at cost and is subsequently carried at revalued amount (Fair value). The fair value of the asset can be determined by reference to an active market a subsequent measurement date, the revaluation model is applied from that date. If an intangible asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If a revaluation results in a decrease in the carrying amount of an intangible assets, recognize the decrease in profit or loss. However, if there is a credit balance in the revaluation surplus for that asset, recognize the decrease in other comprehensive income to offset the credit balance. The Company does not intend to sell its exchange trading right in the near future. The Company's exchange trading right is a nontransferable right.

Impairment of Nonfinancial Assets

The Company assesses at each end of the reporting period whether there is an indication that its prepayments, property and equipment, intangible and other assets may be impaired. If any such indication exists or when the annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's value-in-use (VIU) or its fair value less costs to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset at an arm's-length transaction, while VIU is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognized by a charge against current operations for the excess of the carrying amount of an asset over its recoverable amount in the year in which it arises. Intangibles with indefinite useful lives are tested for impairment annually at end of the reporting period either individually or at the cash generating unit level, as appropriate.

Intangibles with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. A previously recognized impairment loss is reversed by a credit to current operations to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Equity

Share Capital and Additional Paid-in Capital

Share capital is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction of proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital ("APIC").

Retained earnings

Retained earnings are accumulated profits or loss realized out of normal and continuous operations of the business after deducting therefrom distributions to shareholders and transfers to capital or other accounts. Cash and stock dividends are recognized as a liability and a deduction from equity when they are approved by the BOD and shareholders, respectively. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

Retained earnings may also include retrospective effect of changes in accounting policy as may be required by the transitional provisions of the new or revised accounting policy.

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

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

Commissions

Commissions are recognized upon confirmation of trade deals. These are computed for every trade transaction based on a percentage of the amount of trading transaction.

Revenue outside the scope of PFRS 15

Interest

Interest income from bank deposits is recognized when it is determined that such income will accrue to the Company and is presented gross of applicable tax withheld by the banks.

Trading gains (losses) - net

Results arising from trading activities include all gains and losses from changes in fair value of financial assets and financial liabilities at FVTPL and gains and losses from disposal of investment securities at FVTPL and debt securities at FVTOCI.

Unrealized trading gains (losses)

Unrealized trading gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealized gains and losses for financial instruments which were realized in the reporting period. Realized gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount.

Dividend

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

Other Income

Other income is recognized when earned.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost of services such as commissions, stock exchange dues and fees, central depository fees, research costs, and communication costs are recognized when the related revenue is earned or when the service is rendered. The majority of operating expenses incurred by the Company such as indirect personnel costs, professional fees, computer services, and other operating expenses are overhead in nature and are recognized with regularity as the Company continues its operations.

Employee Benefits

Retirement benefits

The Republic Act 7641 (RA 7641), "the Retirement Pay Law" provides for mandatory retirement pay to qualified employees in the absence of an established retirement plan. Employees who have rendered at least 5 years in the Company and who have reached the age of 60 are qualified for the retirement benefit. Companies that have at least ten employees are required to recognize or accrue retirement liability.

The management did not recognize retirement cost or liability since the Company has less than ten employees.

Short-term employee benefits and compensation absences

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are recognized as employee benefit expense and accrued when the associated services are rendered by the employee of the Company. Other employee benefits include Social Security System, Philhealth and other contributions.

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share (EPS) is computed by dividing net income for the year by the weighted average number of common shares issued and outstanding during the year, after giving retroactive effect to stock dividends declared, stock rights exercised and stock split, if any, declared during the year. The Company does not have any potential dilutive common shares, hence, basic and diluted EPS are the same.

Income Taxes

Current Income Tax

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

Deferred Income Tax

Deferred income tax is provided, using financial position liability method on temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

The carrying amount of deferred tax assets is reviewed at each financial position date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or settled, based on tax rate (and tax laws) that has been enacted or substantively enacted at the financial position date.

Deferred tax liabilities are recognized for taxable temporary differences.

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

Provisions

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are reviewed at each financial position date and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered probable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Contingencies

Contingent liabilities represent possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. They are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Related Entities and Related Party Transactions

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

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

Events After Financial Reporting Period

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

5. Material Accounting Judgments and Estimates

PAS 1, *Presentation of Financial Statements*, requires disclosures about key sources of estimation uncertainty and judgments that management has made in the process of applying accounting policies. The following are critical judgments and key estimates and assumptions that have a significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year and/or in future periods.

Judgments

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

Financial Assets and Liabilities

Where fair values of financial assets and liabilities recorded on the statements of financial position cannot be derived from the active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input of these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Determination of ECL on Trade Receivables

The Company uses a provision matrix, which is based on the Company's historical observed default rates, to calculate ECL for trade and other receivables. The provision rates are based on days past due (age buckets). Management regularly calibrates (i.e., on annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e, forecast economic conditions).

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date 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.

Assessment for the ECL on trade receivables

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

The Company adjust historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any difference between estimates and actual credit loss experience.

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

The Company also considers trade receivables that are more than three (3) days past due to be the latest point at which lifetime ECL should be recognized unless it can be demonstrate that this does not represent a significant increase in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty.

Provision for credit losses on trade receivables amounted to ₱134 in 2025 and 2024. The carrying amount of trade receivables amounted to nil and ₱307 as at December 31, 2025 and 2024, respectively (see Note 7).

Impairment of Financial Assets

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Impairment of Non-Financial Assets

The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements.

No indications of impairment were noted on the Company's property and equipment in 2025 and 2024.

6. Cash

The account consists of:

	2025	2024
Cash on hand	₱ 5,000	₱ 5,000
Cash in bank	12,102,343	8,109,722
	₱ 12,107,343	₱ 8,114,722

Cash in banks represents deposits with a local bank which is unrestricted as to withdrawal. Cash in banks earn interest at prevailing bank deposit rates. Interest income earned from cash in bank and short-term investments amounted to ₱7,211 and ₱10,110 in 2025 and 2024, respectively.

In compliance with Securities Regulation Code (SRC) Rule 49.2 covering customer protection and custody of securities, the Company maintains a special reserve bank account for its customers amounting to ₱4,768,845 and ₱5,666,268 as at December 31, 2025 and 2024, respectively. The Company's reserve requirement is determined based on SEC's prescribed computations. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

7. Trade Receivables

The account consists of:

	2025	2024
Customers	₱ 307	₱ 307
Less: allowance for expected credit losses	134	134
Total	173	173
Other receivables	3,533	7,061
Advances to officers and employees	12,000	12,000
	₱ 15,706	₱ 19,234

The security values of the debit balances of customers' account are presented below:

	2025		2024	
	Money Balance	Security Valuation	Money Balance	Security Valuation
Over 250%	₱ 173	₱ 296,914	₱ 173	₱ 402,236
Between 200%-250%	-	-	-	-
Between 150%-200%	-	-	-	-
Between 100%-150%	-	-	-	-
Below 100%	-	-	-	-
Unsecured accounts	134	-	134	-
Total	307	296,914	307	402,236
Allowance for expected credit losses	134	-	134	-
	₱ 173	₱ 296,914	₱ 173	₱ 402,236

Security valuation represents the fair value of the securities owned by the customers, which are in the custody of the Company and are located either in the vault or the Philippine Dealing and Trust Corporation. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

As at December 31, 2025 and 2024, ₱173 of the total trade receivables from customers are fully covered by collateral.

Allowance for expected credit losses

The Company's receivables have been reviewed for indicators of impairment. Allowance for expected credit losses on receivables from customers as at December 31, 2025 and 2024 amounted to ₱134.

8. Financial Assets at FVTPL

This account represents the Company's investment in unit investment trust fund (UITF) which are carried at fair value. Movements of this account is as follows:

	2025	2024
Balance, January 01	₱ 38,116,393	₱ 36,426,403
Changes in fair value	1,516,858	1,689,990
Balance, December 31	₱ 39,633,251	₱ 38,116,393

In 2025 and 2024, the Company recognized unrealized fair value gain amounting to ₱1,516,858 and ₱1,689,990, respectively. This is presented under the revenue section of the statement of comprehensive income.

The fair value of financial asset at FVTPL is classified under Level 1 of the fair value hierarchy using quoted market prices (see Note 23).

9. Other Current Assets

The account consists of:

	2025	2024
Creditable income tax	₱ 487,672	₱ 467,925
Input VAT	166,445	76,220
Refundable deposit (Note 24)	54,126	54,126
	₱ 708,243	₱ 598,271

Creditable income tax represents taxes withheld and prior years excess tax credits that can be applied against future income tax liabilities.

Input VAT arises from domestic purchases of goods and services and is offset against output tax.

Prepaid expenses pertains to advance transactions fees to be amortized in the next financial year.

10. Financial Asset at FVTOCI

This account pertains to Philippine Stock Exchange (PSE) shares received in exchange of membership seat.

The roll forward analyses of financial asset at FVTOCI for the years ended December 31 follows:

	2025	2024
Balance, January 01	₱ 39,360,000	₱ 40,800,000
Net changes in fair value	9,936,000	(1,440,000)
Balance, December 31	₱ 49,296,000	₱ 39,360,000

The Company has 240,000 PSE shares as at December 31, 2025 and 2024.

Dividends from FVTOCI amounted to ₱2,400,000 in 2025 and 2024.

Presented below are the movements in net unrealized gains on financial asset at FVTOCI for the year ended December 31:

	2025	2024
Balance, January 01	₱ 19,392,000	₱ 20,544,000
Net changes in fair value	6,240,000	(1,152,000)
Balance, December 31	₱ 25,632,000	₱ 19,392,000

11. Property and Equipment

The roll forward analysis of this account is as follows:

	December 31, 2025		
	Leasehold Improvements	Computer and Office Equipment	Total
<u>Cost</u>			
At January 01, 2025	₱ 658,760	₱ 5,274,621	₱ 5,933,381
Additions	-	2,902	2,902
At December 31, 2025	658,760	5,277,523	5,936,283
<u>Accumulated Depreciation</u>			
At January 01, 2025	658,760	5,203,706	5,862,466
Depreciation	-	24,697	24,697
At December 31, 2025	658,760	5,228,403	5,887,163
Net book Value	₱ -	₱ 49,120	₱ 49,120
	December 31, 2024		
	Leasehold Improvements	Computer and Office Equipment	Total
<u>Cost</u>			
At January 01, 2024	₱ 658,760	₱ 5,243,830	₱ 5,902,590
Additions	-	30,791	30,791
At December 31, 2024	658,760	5,274,621	5,933,381
<u>Accumulated Depreciation</u>			
At January 01, 2024	658,760	5,182,109	5,840,869
Depreciation	-	21,597	21,597
At December 31, 2024	658,760	5,203,706	5,862,466
Net book Value	₱ -	₱ 70,915	₱ 70,915

As at December 31, 2025 and 2024, property and equipment with an aggregate cost of ₱5,154,178 are fully depreciated but still being used in business.

The Company did not recognize any impairment losses on its property and equipment in 2025 and 2024 since there are no observable indications that the assets' values have significantly declined during the period.

12. Trading Right

Trading right represents the Company's privilege in trading securities at the PSE floor. Under the PSE rules, the Company's trading right (previously the exchange membership seat) are pledged at its full value to the PSE to secure the payment of all debts due to other members of the exchange arising out of or in connection with the present or future contracts relating to Securities.

In 2001, the demutualization or conversion of PSE into a stock corporation was approved by the Securities and Exchange Commission (SEC) effective August 8, 2001. Each membership seat will be exchanged for shares of stock of PSE. In accordance with the conversion, PSE will issue 9.2 million shares with a par value of ₱1 per share out of the members' contribution of ₱286.6 million. Thus, each of the 184 members/brokers will subscribe to a total of 50,000 shares of stocks with a par value of ₱1 per share. The balance of members' contribution of ₱277.4 million will be treated as additional paid-in surplus in the financial statements of PSE.

In addition to the shares, each member will receive a Certificate of Trading Right to maintain their continued access to the trading floor of PSE. The Right can be assigned and transferred by the members.

The effects of the conversion plan specifically on the separate valuation of the ownership of the exchange seat and the trading rights have been recognized in the Company's financial statements.

The trading right is measured using the revaluation model, with fair value determined using a market-based approach. In determining fair value, management considers the latest transacted price of exchange trading rights, as confirmed by the Philippine Stock Exchange, as the primary input. Management assesses whether there are any significant changes in market conditions that would require adjustment to the observed transaction price. In the absence of such indicators, the transaction price is considered to approximate fair value at reporting date.

The latest transacted price of the exchange trading right as of December 31, 2025 and 2024 amounted to ₱7.7 million and ₱8 million, respectively. Changes in the fair value recognized in other comprehensive income net of tax amounted to ₱300,000.

The trading right is classified under Level 3 of the fair value hierarchy, as observable inputs are limited and transactions are not frequent.

13. Payable to Customers

This account consists of:

	2025	2024
Payables to customers	₱ 17,227,588	₱ 11,376,857
Payable to clearing house	-	300,060
	₱ 17,227,588	₱ 11,676,917

The Company's payables to customers and their security valuation follow:

	2025		2024	
	Account	Security	Account	Security
With money balance	₱ 17,227,588	₱ 152,500,663	₱11,376,857	₱ 154,932,984
Without money balance	-	1,105,196,023	-	1,165,092,337
	₱ 17,227,588	₱ 1,257,696,686	₱11,376,857	₱1,320,025,321

14. Other Current Liabilities

This account consists of:

	2025	2024
Accrued expenses	₱ 414,554	₱ 449,080
Taxes payable	21,945	14,710
Statutory payables	11,057	9,580
	₱ 447,556	₱ 473,370

Accrued expenses pertain to professional fees, commissions, and other expenses. These payables are non-interest bearing and are normally settled within 30-60 days.

Taxes payable consists of output VAT, withholding tax on compensation, and expanded withholding tax. These are noninterest-bearing and are normally settled within 30 days.

Statutory payables are payable to government agencies for mandatory contributions to the Social Security System (SSS), Philippine Health Insurance Corporation (PHIC) and Home Development Mutual Fund (HDMF).

15. Equity

Share Capital

The details of the Company's share capital are as follows:

	2025		2024	
	Shares	Amount	Shares	Amount
<u>Common stock</u>				
Authorized - ₱1.00 per share	20,000,000	₱ 20,000,000	20,000,000	₱ 20,000,000
Issued and outstanding	5,000,000	5,000,000	5,000,000	5,000,000

As at December 31, 2025 and 2024, the Company has two (2) shareholders owning 100 or more shares each.

Additional Paid-in Capital

Additional paid-in capital (APIC) is the difference between the proceeds and the par value when the shares are sold at a premium. Contributions received from shareholders are recorded at the fair value of the items received with the credit going to share capital and any excess to APIC. Additional paid-in capital amounted to ₱53,000,000 as at December 31, 2025 and 2024.

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

- a. Trading participants should have a minimum unimpaired paid-up capital (defined as the trading participant's total paid up capital less any deficiency in the retained earnings account) of ₱20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid-up capital shall be ₱30,000,000; and
- b. Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all debts and claims due to the trading participant, the government, PSE and to other trading participants of the PSE and to the Securities Clearing Corporation of the Philippines.

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

Retained Earnings

SRC Rule 49.1 (B) *Reserve Fund*, requires that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to appropriated retained earnings. Appropriation shall be 30.00%, 20.00% and 10.00% of profit after tax for broker dealers with unimpaired paid-up capital between ₱10.00 million to ₱30.00 million, between ₱30.00 million to ₱50.00 million and more than ₱50.00 million, respectively.

As at December 31, 2025 and 2024, the Company's unimpaired paid-up capital amounted to ₱58.0 million. Therefore, the Company falls within the "more than ₱50 million" bracket where the required appropriation is 10% of profit after tax. Accordingly, the Company appropriated ₱68,505 and ₱139,821 in 2025 and 2024, respectively. As at December 31, 2025 and 2024, total appropriated retained earnings amounted to ₱217,282 and ₱148,777 in 2025 and 2024, respectively.

16. Cost of Services

This account consists of:

	2025	2024
Salaries and wages	₱ 538,801	₱ 507,136
PCD fees	429,755	437,909
Commission	4,995	20,624
	₱ 973,551	₱ 965,668

17. Operating Expenses

This account consists of:

	2025	2024
Salaries and wages	₱ 2,041,223	₱ 1,939,572
Rent expense (Note 24)	216,505	211,351
Communication, light and water	212,008	79,021
SSS, HDMF, PHIC contributions	154,238	161,381
Taxes and licenses	140,898	121,703
Repair and maintenance	71,429	76,266
Professional fees	60,000	60,000
Insurance	42,211	41,491
Janitorial services	38,694	38,694
Depreciation (Note 11)	24,697	21,597
Transportation and travel	4,817	2,107
Trainings and seminars	3,125	3,125
Stationeries and office supplies	101	9,910
Miscellaneous	38,277	123,330
	₱ 3,048,223	₱ 2,889,548

18. Income Tax

The components of tax expense as reported in the profit or loss section of statement of comprehensive income are as follows:

	2025	2024
Deferred	₱ (915,777)	₱ (611,962)
Final tax	1,442	2,022
	₱ (914,335)	₱ (609,940)

A reconciliation of income tax computed at the statutory income tax rate to net provision income tax shown in the statements of comprehensive income follows:

	2025	2024
Income tax at statutory income tax rate	₱ (57,322)	₱ 157,653
Effect of items not subject to statutory income tax:		
Income exempt from income tax	(600,000)	(480,000)
Income subject to different tax rate	(361)	-
Income not subject to income tax	(379,215)	(337,998)
Movement of deferred taxes	47,563	37,205
Deffered tax on temporary differences	75,000	13,200
	₱ (914,335)	₱ (609,940)

The components of deferred tax liability as of December 31, 2025 and 2024 are as follows:

	2025	2024
Deffered tax liability on:		
Unrealized gain on financial assets at FVTOCI	8,544,000	4,848,000
Unrealized gain on financial assets at FVPL	379,215	337,998
	8,923,215	5,185,998
Deffered tax asset on:		
Revaluation loss on trading right	₱ 732,200	₱ 657,200
NOLCO	2,066,990	1,179,234
MCIT	94,320	100,082
	2,893,510	₱ 1,936,516
Deffered tax liability - net	₱ (6,029,705)	₱ (3,249,482)

The Company is subject to MCIT which is computed at 2% of gross income net of allowable deductions, as defined under the tax regulations or to RCIT, whichever is higher. In 2025 and 2024, no MCIT or RCIT was reported as the Company is in taxable loss position.

The details of the Company's NOLCO, which can be applied against future taxable income within three years or five years from the year the tax loss was incurred, is shown below:

Year Incurred	Expiry Date	NOLCO Applied Amount	NOLCO Applied Previous Year	NOLCO Expired	NOLCO Applied Current Year	Balance
2025	2028	₱ 3,853,356	₱ -	₱ -	₱ -	₱ 3,853,356
2024	2027	3,245,834	-	-	-	3,245,834
2022	2025	2,023,086	-	2,023,086	-	-
2021	2026	1,439,843	812,594	-	-	627,249
		₱10,562,119	₱ 812,594	₱ 2,023,086	₱ -	₱ 7,726,439

Specifically, the NOLCO incurred in 2021 and 2020 can be claimed as a deduction from future taxable income within five years immediately following the year of such loss, pursuant to Republic Act (R.A.) No. 11494, *Bayanihan to Recover as One Act*.

Details of the Company's MCIT which may be applied and credited against the normal income tax due, if any, for the three (3) immediately succeeding taxable years, are as follows:

Year Incurred	Expiry Date	MCIT Applied Amount	MCIT Applied Previous Year	MCIT Expired	MCIT Applied Current Year	Balance
2024	2027	₱ 94,320	₱ -	₱ -	₱ -	₱ 94,320
2022	2025	5,762	-	5,762	-	-
		₱ 100,082	₱ -	₱ 5,762	₱ -	₱ 94,320

19. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Company. Key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market. In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Compensation of Key Management Personnel

Key management personnel of the Company include all directors and senior management. There are no agreements between the Company and any of its key management personnel that provide for their compensations, remunerations and benefits.

20. Earnings Per Share

This figure is computed as follows:

	2025	2024
Net income	₱ 685,048	₱ 1,398,206
Weighted average number of shares outstanding	5,000,000	5,000,000
Balance, December 31	₱ 0.14	₱ 0.28

21. Financial Risk Management Objectives and Policies

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

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

The policies for managing specific risks are summarized below and in succeeding pages:

Market / Price Risk

Market risk is the risk that the value of an investment will decrease due to movements in market factors such as, but not limited to, equity risk or the risk that the stock prices will change; interest rate risk or the risk that interest rates will change; currency risk or the risk that foreign currency will change; equity index risk or the risk that stock and other index prices will change.

Equity Price Risk

Equity price risk is the risk that the fair values of quoted equity securities would decrease as a result of the adverse changes in the quoted equity prices as affected by both rational and irrational market forces. The Company is exposed to price risk in relation to its financial assets at FVPL and financial asset at FVOCI.

The following table sets forth the impact, for the period indicated, of the changes in price quotation to the Company's unrealized gain or loss on financial assets at FVOCI and FVPL for 2025 and 2024.

	2025		2024	
	21.00%	(21.00%)	78.75%	(78.75%)
Change in PSEi				
Change in other comprehensive income	5,372,240	(5,372,240)	15,271,200	(15,271,200)

The price fluctuation assumed in the *sensitivity analysis* represents the defined shift used by the Company to manage its equity price risk. The assumed changes in rate are based on the average volatility of PSEi at year-end.

Interest Rate Risk

As at December 31, 2025 and 2024, the Company has no significant interest rate risk exposure due to the short-term maturities of its interest-bearing financial assets and the Company does not have financial instruments which are subject to floating interest rate.

Foreign Currency Risk

The Company does not have exposure to foreign currency risk as most of its transactions are denominated in Philippine Peso, its functional currency.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments or that market for derivatives may not exist in some circumstances.

The Company manages its liquidity profile to meet the following objectives:

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

As at December 31, 2025 and 2024, all of the Company's current liabilities which consist of payable to customers and other current liabilities (except statutory payables), are contractually payable on demand and up to sixty (60) days' term.

	2025			Total
	On demand	Less than 1 Year	1 Year and Above	
Trade payables	₱ -	₱ 17,227,588	₱ -	₱ 17,227,588
Other current liabilities*		414,554		414,554
	₱ -	₱ 17,642,142	₱ -	₱ 17,642,142

**excluding statutory liabilities*

	2024			Total
	On demand	Less than 1 Year	1 Year and Above	
Trade payables	₱ -	₱ 11,676,917	₱ -	₱ 11,676,917
Other current liabilities*	-	449,080	-	449,080
	₱ -	₱ 12,125,997	₱ -	₱ 12,125,997

**excluding statutory liabilities*

Correspondingly, the financial assets that can be used by the Company to manage its liquidity risk as at December 31, 2025 and 2024 consists of cash and cash equivalents and receivables.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Trading limits for each customer are set after assessment of the true risk and profile of the customers (i.e., financial capacity, reputation and collateral) on top of risk management procedures. Receivable balances are also monitored regularly.

Concentration arises when a number of counterparties are engaged in similar activities or have similar economic features that would cause the ability to meet contractual obligation to be similarly affected by changes in political, economic or other conditions. In order to avoid excessive concentrations of risk, the Company's policy and procedures include the objective of achieving a well-diversified portfolio that limits the Company's risk to any group or industry.

Credit quality per class of financial assets

The table below shows the credit quality by class of the financial assets of the Company:

	2025			Total
	Neither Past Due nor Impaired High Grade	Past Due nor Impaired Standard Grade	Past due but not impaired	
Cash*	₱ 12,102,343	₱ -	₱ -	₱ 12,102,343
Trade receivables	173	-	134	307
Other Receivables	134	-	-	134
Financial Asset at FVTPL	39,633,251	-	-	39,633,251
Financial Asset at FVOCI	49,296,000	-	-	49,296,000
Other current assets				
Refundable deposits	54,126	-	-	54,126
	₱ 101,086,027	₱ -	₱ 134	₱ 101,086,161

**excluding cash on hand*

	2024			
	Neither Past Due nor Impaired		Past due but not impaired	Total
	High Grade	Standard Grade		
Cash*	₱ 8,109,722	₱ -	₱ -	₱ 8,109,722
Trade receivables	173	-	134	307
Other Receivables	7,061	-	-	7,061
Financial Asset at FVTPL	38,116,393	-	-	38,116,393
Financial Asset at FVOCI	39,360,000	-	-	39,360,000
Other current assets				
Refundable deposits	54,126	-	-	54,126
	₱ 85,647,475	₱ -	₱ 134	₱ 85,647,609

**excluding cash on hand*

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

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

Trade Receivables

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

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

Days from Transaction Date of Counterparty	2025		
	Amount	Collateral (net of haircut)	Counterparty Exposure
T+2 - T-12	₱ -	₱ -	₱ -
T+3 - T+30	-	-	-
T-31 - T+365	307	192,994	(192,687)
	₱ 307	₱ 192,994	₱(192,687)

Days from Transaction Date of Counterparty	2024		
	Amount	Collateral (net of haircut)	Counterparty Exposure
T+0 - T+1	₱ -	₱ -	₱ -
T+2 - T-12	-	-	-
T+3 - T+30	-	-	-
T-31 - T+365	307	261,453	(261,146)
	<u>₱ 307</u>	<u>₱ 261,453</u>	<u>₱(261,146)</u>

Counterparty exposure is computed based on the rules provided by SRC 52.1.11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

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

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

As at December 31, 2025 and 2024, trade receivables from customers amounting to ₱173 and ₱173 are secured by collateral comprising of equity securities of listed companies with a total market value of ₱296,914 and ₱402,236, respectively (see Note 7).

Other Financial Assets at Amortized Cost

The Company measures ECL on other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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

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

The Company has assessed that the ECL on other financial assets at amortized cost is insignificant because the transactions with respect to these financial assets were entered into by the Company with reputable banks and companies with good credit standing and low risk of defaults.

Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2025 and 2024.

22. Capital Management

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

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

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

In compliance with SRC Rule 28 of the 2015 Implementing Rules and Regulations of SRC, trading participants are required to have an unimpaired paid-up capital of ₱100.0 million for those who will be participating in a registered clearing agency. However, other broker/dealer not meeting the ₱100.0 million capitalization and not seeking authorization to engage in market making transaction shall maintain a ₱30.0 million unimpaired paid-up capital and file surety bond not less than ₱10.0 million for brokers and not less than ₱2.0 million for dealer.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. Given that the Company's unimpaired paid-up capital exceeds ₱50,000,000, this places the Company within the "more than ₱50.00 million" bracket under SRC Rule 49.1(B), where the required appropriation rate is 10% of audited profit after tax. Accordingly, the Company appropriated retained earnings amounting to ₱68,505 and ₱139,821 in 2025 and 2024, respectively.

Net Liquid Capital (NLC)

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

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

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

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

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

- a. Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;
- b. Deducting fixed assets and assets which cannot be readily converted into cash (less any AI in accordance with SRC Rule 49.1);

- c. Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by the SEC; and
- d. Deducting long and short securities differences.

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

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

	2025	2024
NLC:		
Equity eligible for NLC	₱ 91,834,519	₱ 82,129,248
Less: Ineligible assets	57,753,363	48,029,186
	34,081,156	34,100,062
Required NLC:		
Higher of:		
5% of AI	882,107	606,300
Minimum amount	5,000,000	5,000,000
	5,000,000	5,000,000
Net risk-based capital excess	₱ 29,081,156	₱ 29,100,062

Ratio of AI to NLC

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

The Company's ratio of AI to NLC is 52% and 36% as at December 31, 2025 and 2024, respectively.

RBCA Requirement/Ratio

The RBCA requirement/ratio refers to the minimum level of capital to be maintained by firms which are licensed or securing a broker/dealer license, taking into consideration the firm size, complexity, and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting, and margin financing risks. The RBCA ratio should be greater than or equal to 1.1 or 110%.

The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR. The TRCR, in accordance with SRC Rule 49.1, is the sum of:

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

	2025	2024
NLC	₱ 34,081,156	₱ 34,100,062
TRCR:		
Operational risk	1,744,388	1,292,578
Position risk	-	-
Counterparty risk	-	-
Total risk capital requirement	1,744,388	1,292,578
RBCA ratio	5.2 : 1	3.6: 1

As at December 31, 2025 and 2024, the Company is not exposed to credit risk requirements defined under SRC Rule 49.1.

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

Ratio of Core Equity to ORR

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

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

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

	2025	2024
Share capital	₱ 58,000,000	₱ 58,000,000
Beginning retained earnings	1,487,766	89,560
Core equity	59,487,766	58,089,560
ORR	1,744,388	1,292,578
Ratio of core equity to ORR	44.4: 1	44.8: 1

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

Position risk requirement

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

Counterparty risk requirement

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

Aggregate indebtedness (AI)

This is the total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities that the broker dealer failed to receive, the market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short positions in securities, but subject to certain exclusions.

23. Fair Value Measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market conditions regardless of whether the price is directly observable or estimated using another valuation technique.

The carrying amounts of cash and cash equivalents, trade receivables, other receivables, refundable deposit, trade payables and other current liabilities, which are all subject to normal trade credit terms and are short-term in nature, approximate their fair values.

Financial asset at FVTOCI

The Company's financial asset at FVTOCI is carried at their fair values as at December 31, 2025 and 2024. Fair value of equity securities is based on the closing quoted prices of stock investments published by the PSE.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

	2025			Total
	Quoted prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<i>Asset measured at fair value:</i>				
Financial asset at FVTOCI	₱ 49,296,000	₱ -	₱ -	₱ 49,296,000
Financial asset at FVTPL	-	39,633,251	-	39,633,251
Trading right	-	-	7,700,000	7,700,000
	2024			Total
	Quoted prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<i>Asset measured at fair value:</i>				
Financial asset at FVTOCI	₱ 39,360,000	₱ -	₱ -	₱ 39,360,000
Financial asset at FVTPL	-	38,116,393	-	38,116,393
Trading right	-	-	8,000,000	8,000,000

As at December 31, 2025 and 2024, there are no transfers among levels 1,2 and 3 of fair value measurements.

24. Commitment

Operating Lease – Company as Lessee

The Company entered into a lease contract with Sunnymede Land Corporation for an office and parking space for a period of one (1) year, renewable upon mutual agreement of both parties. The Company has determined that all the risks and rewards of ownership remains with the lessor.

Refundable deposits, which may be applied to unsettled balances or refunded at the end of the lease term, amounted to ₱54,126 as at December 31, 2025 and 2024.

Rent expense arising from this agreement amounted to ₱216,505 and ₱211,351 in 2025 and 2024 and was recognized as part of operating expense in the statement of comprehensive income.

25. Supplementary Information Required by the Bureau of Internal Revenue

Presented below and in the succeeding pages is the supplementary information which is required by the BIR under Revenue Regulation (RR) No. 15-2010 and RR No. 34-2020 to be disclosed as part of the notes to the financial statements. This supplementary information is not a required disclosure under PFRS.

Requirements Under RR No. 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued for the year ended December 31, 2025:

A. Value-Added Tax (VAT)

The Company's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

Output VAT

In 2025, the Company declared output VAT of ₱20,172 arising from commission income amounting to ₱168,102.

Input VAT

The movements in input VAT as at December 31, 2025 are summarized below:

	2025
Balance, January 01, 2025	₱ 76,220
Current years domestic purchases	100,256
Total available input VAT	176,476
Input VAT applied against output VAT	(10,030)
Balance, December 31, 2025	₱ 166,446

B. Withholding Taxes

Withholding taxes for 2025 which are either paid or accrued are as follows:

	Paid	Accrued	Total
Taxes on compensation and benefits	₱ 151,380	₱ 10,238	₱ 161,618
Expanded withholding taxes	14,344	5,095	19,439
	₱ 165,724	₱ 15,333	₱ 181,057

C. Other Taxes and Licenses

The details of taxes and licenses for the year ended December 31, 2025 follow:

	2025
Business permits and licenses	₱ 107,725
SEC fees	32,855
CMIC fees	71,428
	₱ 212,008

D. Deficiency Tax Assessments and Tax Cases

As at December 31, 2025, the Company has no outstanding final deficiency tax assessments or tax cases pending in courts or bodies outside of the BIR.

Requirements Under RR No. 34-2020

RR No. 34-2020 prescribes the guidelines and procedures on the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents for related party transactions. The Company is not covered by these requirements as the Company did not fall in any of the categories identified under Section 2 RR No. 34-2020.



**SUPPLEMENTAL WRITTEN STATEMENT
OF INDEPENDENT AUDITORS**

The Shareholders and Board of Directors
Coherco Securities, Inc.
8th Floor Herco Center, No. 114 Benavidez St.
Legaspi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Coherco Securities, Inc. (the 'Company') for the year ended December 31, 2025, on which we have issued our attached report dated May 6, 2026.

In compliance with Securities Regulation Code Rule 68, we are stating that the Company has two (2) shareholders owning one hundred (100) or more shares each as at December 31, 2025.

MARIANO CAGUETE & CO. CPAs

By:

Maria Antoniette V. Mariano-Cruz
Partner

CPA Certificate No. 109720

Tax Identification No. 924-998-281-001

BOA/PRC Reg. No. 5612, August 13, 2023, valid until August 12, 2026

SEC Partner Accreditation No. 109720-SEC (Group A)

Valid to cover audit of 2025 financial statements

SEC Firm Accreditation No. 5612-SEC (Group A)

Valid to cover audit of 2025 financial statements

BIR Accreditation No. 08-006268-001-2026, March 19, 2026, valid until March 18, 2029

P.T.R. No. 7485031, issued on January 05, 2026, Tarlac City

May 6, 2026

Makati City, Metro Manila



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES**

The Shareholders and Board of Directors
Coherco Securities, Inc.
8th Floor Herco Center, No. 114 Benavidez St.
Legaspi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Coherco Securities, Inc. (the 'Company') for the year ended December 31, 2025 and have issued our report thereon dated May 6, 2026. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules I to VIII are the responsibility of the management of the Company. These schedules are presented for the purpose of complying with Securities and Regulation Code Rule 68, as Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

MARIANO CAGUETE & CO. CPAs

By:

Maria Antoniette V. Mariano-Cruz
Partner

CPA Certificate No. 109720

Tax Identification No. 924-998-281-001

BOA/PRC Reg. No. 5612, August 13, 2023, valid until August 12, 2026

SEC Partner Accreditation No. 109720-SEC (Group A)

Valid to cover audit of 2025 financial statements

SEC Firm Accreditation No. 5612-SEC (Group A)

Valid to cover audit of 2025 financial statements

BIR Accreditation No. 08-006268-001-2026, March 19, 2026, valid until March 18, 2029

P.T.R. No. 7485031, issued on January 05, 2026, Tarlac City

May 6, 2026

Makati City, Metro Manila

SCHEDULE I

**COHERCO SECURITIES, 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.

SCHEDULE II

**COHERCO SECURITIES, INC.
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY RATIO
UNDER SRC RULE 49.1
DECEMBER 31, 2025**

Assets	₱ 109,509,663
Liabilities	23,704,849
Equity as per books	85,804,814
Adjustment to equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated liabilities	
Unrealized Gain/Loss in Proprietary Accounts	
Deferred tax liability	6,029,705
Revaluation Reserve	
Deposit for Future Stock Subscription	
Minority Interest	
Total Adjustments to Equity per books	
Equity Eligible For Net Liquid Capital	91,834,519
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or Indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets	7,700,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	49,120
d. All Other Current Assets	
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	
g. Notes Receivables (non-trade related)	
h. Interest and Dividend Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investments in PSE	50,004,243
Total ineligible assets	57,753,363
Net Liquid Capital (NLC)	34,081,156
Less:	
Operation Risk Requirement	1,744,388
Position Risk Requirement	
Counterparty Risk	
Large Exposure Risk	
LERR to a single client	
LERR to a single debt	
LERR to a single issuer and group of companies	
Total Risk Capital Requirement (TRCR)	1,744,388

Net RBCA Margin (NLC-TRCR)	32,336,768
Liabilities	23,704,849
Add: Deposit for Future Sock Subscription	
Less: Exclusions from Aggregate Indebtedness	
Deferred Tax Liabilities	6,029,705
Loans and Secured Liabilities	
Loans Secured by Fixed Assets	
Others	33,002
Total Adjustment to AI	6,062,707
Aggregate Indebtedness	17,642,142
5% of Aggregate Indebtedness	882,107
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess/(Deficiency)	₱ 29,081,156
Ratio of AI to Net Liquid Capital	52%
RBCA Ratio (NLC/TRCR)	1954%

COHERCO SECURITIES, INC.
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER
ANNEX 49.2-A OF SRC RULE 49.2
DECEMBER 31, 2025

Customers fully paid securities and excess margin securities not in the broker's or dealer's possession or control as of the reporting date (for which instructions to reduce 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 Annex F of SRC Rule 49.2):

Market Valuation	NIL
Number of Items	NIL

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

Market Valuation	NIL
Number of Items	NIL

**COHERCO SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER ANNEX 49.2-B OF SRC RULE 49.2
DECEMBER 31, 2025**

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts.	₱4,487,512	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old,		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱ 173
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		
12. Failed to deliver customers' securities not older than 30 calendar days.		
13. Others:		
Total		
Net Credit (Debit)	₱ 4,487,339	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱ 4,487,339	

SCHEDULE V

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

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

**COHERCO SECURITIES, INC.
RESULTS OF QUARTERLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC 52.1-10, AS AMENDED
DECEMBER 31, 2025**

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

COHERCO SECURITIES, INC.
SECURITIES POSITION REPORT
 December 31, 2025

STOCK CODE	MARKET VALUE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		TRANSFER OFFICE		IN VAULT	
			No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AB	2,060	JATOK-BIG WEDGE CO., INC	8,890,100	18,313,606			8,890,100	18,313,606				
ABS	4,210	ABS-CBN CORPORATION	35,000	147,350			35,000	147,350				
AC	468,000	JAYALA CORPORATION	3,760	1,759,680			3,760	1,759,680				
ACEN	2,720	JACEN CORPORATION	215,200	585,344			215,200	585,344				
ACENB	1070,000	JACEN CORPORATION SERIES B PREFERRED	1,000	1,070,000			1,000	1,070,000				
ACPAR	2540,000	JAYALA CORPORATION PREFERRED A (R)	8,690	22,072,600			8,690	22,072,600				
ACPB3	1988,000	JAYALA CORP PREFERRED CLASS B SERIES 3	20,125	40,008,500			20,125	40,008,500				
ACPB4	1989,000	JAYALA CORP PREFERRED CLASS B SERIES 4	21,000	41,769,000			21,000	41,769,000				
ALCPD	485,000	ARTHALAND CORP. PREFERRED "D"	6,400	3,104,000			6,400	3,104,000				
ALCPF	500,000	ARTHALAND CORP. PREFERRED "F"	6,610	3,050,000			6,610	3,050,000				
ALI	22,450	JAYALA LAND, INC	65,700	1,474,965			65,700	1,474,965				
ALLDY	0,031	JALLDAY MARTS, INC.	845,000	26,195			845,000	26,195				
ALPHA	0,000	ALPHALAND CORPORATION	1,000	-			1,000	-				
AREIT	43,500	AREIT, INC.	979,000	42,586,500			979,000	42,586,500				
BDO	134,600	BDO UNIBANK, INC.	25,839	3,477,929			25,839	3,477,929				
BEL	1,320	BELLE CORPORATION	804,000	1,061,280			804,000	1,061,280				
BHI	0,039	BOULEVARD HOLDINGS, INC.	1,000,000	39,000			1,000,000	39,000				
BKR	0,650	BRIGHT KINDLE RES & INVESTMENTS INC	1,068,097	694,263			1,068,097	694,263				
BLOOM	2,540	BLOOMBERY RESORTS CORPORATION	25,000	63,500			25,000	63,500				
BNCOM	9,200	BANK OF COMMERCE	10,000	92,000			10,000	92,000				
BPI	116,100	BANK OF THE PHIL ISLANDS	19,519	2,266,156			19,519	2,266,156				
BRN	0,930	A. BROWN COMPANY, INC.	501,000	465,930			500,000	465,000			1,000	930
BRNP	97,000	A. BROWN CO. INC. PREFERRED "A"	1,216,000	117,952,000			1,216,000	117,952,000				
BRNPC	105,500	A. BROWN CO. INC. PREFERRED "C"	20,000	2,110,000			20,000	2,110,000				
C	0,950	CHESEA LOG. & INFRA. HOLDINGS CORP	6,000	5,700			6,000	5,700				
CAL	0,000	CALATA CORPORATION	100,000	-			-	-	100,000			
CAT	9,710	CENTRAL AZUCARERA DE TARLAC	129,000	1,252,590			129,000	1,252,590				
CBC	57,000	CHINA BANKING CORPORATION	26,968	1,537,176			26,968	1,537,176				
CEB	32,000	CEBU AIR, INC.	4,000	128,000			4,000	128,000				
CHP	1,090	CONCREAT HOLDINGS PHILS., INC.	20,779	22,649			20,779	22,649				
CLI	2,350	CEBU LANDMASTERS, INC.	155,654	365,787			155,654	365,787				
CLIA2	1073,000	CEBU LANDMASTERS INC. A2 PREFERRED	2,000	2,146,000			2,000	2,146,000				
CNVRG	15,320	CONVERGE INFO & COM TECH SOLUTIONS	68,600	1,050,952			68,600	1,050,952				
COAL	0,000	COAL ASIA HOLDINGS INC.	2,000,000	-			2,000,000	-				
CPG	0,690	CENTURY PROPERTIES GROUP, INC.	241,323	166,513			241,323	166,513				
CPM	2,390	CENTURY PEAK HOLDINGS CORPORATION	320,000	764,800			320,000	764,800				
CREC	4,280	CITICORE RENEWABLE ENERGY CORP.	50,000	214,000			50,000	214,000				
CRET	3,570	CITICORE ENERGY RET CORP.	4,709,000	16,811,130			4,709,000	16,811,130				
CTS	0,360	CTS GLOBAL EQUITY GROUP, INC.	50,000	18,000			50,000	18,000				
DD	9,280	DOUBLEDRAGON CORPORATION	2,400	22,272			2,400	22,272				
DDMPR	1,020	DDMP RET. INC.	16,490,000	16,819,800			16,490,000	16,819,800				
DDPR	97,000	DOUBLEDRAGON PROP. CORP.-PREFERRED	143,500	13,919,500			143,500	13,919,500				
DELM	4,700	DEL MONTE PACIFIC LIMITED	243,000	1,142,100			243,000	1,142,100				
DITO	0,680	DITO CME HOLDINGS CORP.	2,097	1,426			2,097	1,426				
DMC	10,540	DMCT HOLDINGS, INC.	67,500	711,450			67,500	711,450				
DNL	3,850	D & L INDUSTRIES, INC.	42,800	164,780			42,800	164,780				

STOCK CODE	MARKET VALUE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		TRANSFER OFFICE		IN VAULT	
			No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
ECVC	0.270	EAST COAST VULCAN MINING CORP.	1,094,000	295,380			1,094,000	295,380				
EEPB	98.400	EEL CORP. SERIES "B" PREFERRED	5,100	501,840			5,100	501,840				
ELI	0.104	EMPIRE EAST LAND HOLDINGS, INC	150,000	15,600			150,000	15,600				
EMI	16.000	EMPERADOR INC.	50,000	800,000			50,000	800,000				
FB	55.000	SAN MIGUEL FOOD & BEVERAGE, INC.	2,000	110,000			2,000	110,000				
FDCPA	1010.000	FLINVEST DEVT CORP. PREFERRED "A"	2,000	2,020,000			2,000	2,020,000				
FDCPB	1004.000	FLINVEST DEVT CORP. PREFERRED "B"	10,000	10,040,000			10,000	10,040,000				
FLIRT	3.100	FLINVEST REIT CORPORATION	6,260,000	19,406,000			6,260,000	19,406,000				
GEO	0.087	GEOGRACE RESOURCES PHILS. INC.	858	75			858	75				
GLO	1584.000	GLOBE TELECOM, INC.	350	554,400			350	554,400				
GREEN	0.180	GREENERGY HOLDINGS INCORPORATED	10,000	1,800			10,000	1,800				
GTGAP	595.000	GT CAPITAL HOLDINGS	2,000	1,190,000			2,000	1,190,000				
GTPPB	1000.000	GT CAPITAL PREFERRED SERIES B	5,000	5,000,000			5,000	5,000,000				
JAS	1.120	JACKSTONES, INC.	550,000	616,000			550,000	616,000				
JFC	180.000	JOLLIBEE FOODS CORPORATION	7,570	1,362,600			7,570	1,362,600				
JFCPB	994.000	JOLLIBEE FOODS CORP. SERIES B PREF.	12,800	12,723,200			12,800	12,723,200				
JGS	23.650	JG SUMMIT HOLDINGS, INC.	17,920	423,808			17,920	423,808				
KEPR	2.480	THE KEEPERS HOLDINGS, INC.	30,000	74,400			30,000	74,400				
LAND	0.530	CITY & LAND DEVELOPERS, INC.	867	460			867	460				
LBC	8.800	LBC EXPRESS HOLDINGS, INC.	1,283,100	11,291,280			1,283,100	11,291,280				
LC	0.185	LEPANTO CONS. MNG. CO.	120,000	22,200			120,000	22,200				
LMG	0.250	LMG CORPORATION	1,000,000	250,000			1,000,000	250,000				
LTG	14.780	LT GROUP INC.	100,000	1,478,000			100,000	1,478,000				
MA	0.007	MANILA MINING CORP.	20,000,000	146,000			20,000,000	146,000				
MARC	0.700	MARCVENTURES HOLDINGS INC.	900,000	630,000			900,000	630,000				
MAXS	2.450	MAX'S GROUP, INC.	25,000	61,250			25,000	61,250				
MB	0.164	MANILA BULLETIN PUBLISHING COR	180	30			180	30				
MBT	68.500	METROPOLITAN BANK & TRUST CO.	22,300	1,527,550			22,300	1,527,550				
MEDIC	0.260	MEDILINES DISTRIBUTORS INC.	47,000	12,220			47,000	12,220				
MER	574.000	MANILA ELECTRIC COMPANY	3,850	2,209,900			3,850	2,209,900				
MONDE	5.800	MONDE NISSIN CORPORATION	22,900	132,820			22,900	132,820				
MREIT	14.000	MREIT INC.	1,392,800	19,499,200			1,392,800	19,499,200				
MRSI	1.150	METRO RETAIL STORES, INC.	200,000	230,000			200,000	230,000				
MWC	40.300	MANILA WATER COMPANY INC.	13,100	527,930			13,100	527,930				
MWPF	103.000	MEGAWIDE CONS. CORP. PREFERRED 5	40,000	4,120,000			40,000	4,120,000				
MWPF6A	100.000	MEGAWIDE CONS. CORP. PREFERRED 6-A	10,000	1,000,000			10,000	1,000,000				
MWPF7B	105.000	MEGAWIDE CONS. CORP. PREFERRED 7-B	30,000	3,150,000			30,000	3,150,000				
NIKL	3.890	NICKEL ASIA CORPORATION	138,827	540,037			138,827	540,037				
NOW	0.680	NOW CORPORATION	9,000	6,120			9,000	6,120				
NRCP	0.770	NATIONAL REINSURANCE CORP. PHIL	1,376,000	1,059,520			1,376,000	1,059,520				
OGP	32.200	OCEANAGOLD (PHILS.), INC.	40,000	1,288,000			40,000	1,288,000				
OPM	0.012	ORIENTAL PET. & MIN. CORP.	30,000,000	360,000			30,000,000	360,000				
PCOR	2.480	PETRON CORPORATION	169,002	404,245			169,002	404,245				
PGOLD	38.000	PLUREGOLD PRICE CLUB, INC.	10,000	380,000			10,000	380,000				
PHES	0.280	PHILIPPINE ESTATES CORPORATION	1,000,000	280,000			1,000,000	280,000				
PNX4	0.000	PHOENIX PET. PREFERRED SERIES 4	10,000	-			10,000	-				
PRFB	1005.000	PETRON PREFERRED SERIES 3B	21,000	21,105,000			21,000	21,105,000				
PRF4E	1000.000	PETRON PREFERRED SERIES 4E	23,000	23,000,000			23,000	23,000,000				
PSB	54.000	PHILIPPINE SAVINGS BANK	4,434	239,436			4,434	239,436				
PSE	205.400	PHIL STOCK EXCHANGE	-	-	240,000	49,296,000	240,000	49,296,000				
PX	9.900	PHILEX MINING CORP.	38,252	378,695			38,252	378,695				
PXP	2.380	PXP ENERGY CORPORATION	10,355	24,645			10,355	24,645				
RCB	25.950	RIZAL COMM'L BANKING CORP.	71,061	1,844,033			71,061	1,844,033				
RCI	2.680	ROXAS AND COMPANY, INC.	575,000	1,541,000			575,000	1,541,000				
RCR	8.020	RL COMMERCIAL REIT, INC.	5,610,000	44,992,200			5,610,000	44,992,200				

STOCK CODE	MARKET VALUE	NAME OF STOCKS	CUSTOMER'S ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		TRANSFER OFFICE		IN VAULT	
			No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
RLC	16,160	ROBINSONS LAND CORP.	73,100	1,181,296			73,100	1,181,296	-	-	-	-
RRH	33,050	ROBINSONS RETAIL HOLDINGS, INC.	17,919,900	592,252,695			17,919,900	592,252,695	-	-	-	-
SCC	28,250	SEMIRARA MIN. & PWR. CORP.	21,240	600,030			21,240	600,030	-	-	-	-
SECBP	0.000	SECURITY BANK CORP. PREFERRED	13,200	-			-	-	-	-	13,200	-
SFI	0.047	SWIFT FOODS, INC.	9,500,000	446,500			9,500,000	446,500	-	-	-	-
SGI	1,270	SOLID GROUP, INC.	1,252,000	1,590,040			1,252,000	1,590,040	-	-	-	-
SGP	16,560	SYNERGY GRID AND DEV. PHILS., INC.	137,500	2,277,000			137,500	2,277,000	-	-	-	-
SHLPH	6,950	SHELL PILIPINAS CORPORATION	50,000	346,500			50,000	346,500	-	-	-	-
SM	699,500	SM INVESTMENTS CORPORATION	960	671,520			960	671,520	-	-	-	-
SMC	82,000	SAN MIGUEL CORPORATION	290	23,780			290	23,780	-	-	-	-
SMC21	74,500	SMC SERIES "2" PREFERRED SUBSERIES 2-1	185,000	13,782,500			185,000	13,782,500	-	-	-	-
SMC2N	80,500	SMC SERIES "2" PREFERRED SUBSERIES 2-N	25,000	2,012,500			25,000	2,012,500	-	-	-	-
SMC2P	77,000	SMC SERIES "2" PREFERRED SUBSERIES 2-P	285,500	21,983,500			285,500	21,983,500	-	-	-	-
SMC2Q	77,800	SMC SERIES "2" PREFERRED SUBSERIES 2-Q	285,500	22,211,900			285,500	22,211,900	-	-	-	-
SMC2R	77,500	SMC SERIES "2" PREFERRED SUBSERIES 2-R	285,500	22,126,250			285,500	22,126,250	-	-	-	-
SMPH	22,750	SM PRIME HOLDINGS, INC.	121,500	2,764,125			121,500	2,764,125	-	-	-	-
SPNEC	1,170	SP NEW ENERGY CORPORATION	224,000	262,080			224,000	262,080	-	-	-	-
STR	1,250	VISTAMALLS, INC.	10,000	12,500			10,000	12,500	-	-	-	-
TBGI	0.133	TRANS-PACIFIC BROADBAND GRP INTL INC.	80,000	10,640			80,000	10,640	-	-	-	-
TEL	1260,000	PLDT INC.	2,090	2,633,400			2,090	2,633,400	-	-	-	-
UBP	26,600	UNION BANK OF THE PHILS.	32,430	862,638			32,430	862,638	-	-	-	-
URC	67,300	UNIVERSAL ROBINA CORPORATION	12,700	854,710			12,700	854,710	-	-	-	-
VLL2B	90,000	VISTA LAND & L PREFERRED SERIES 2B	10,000	900,000			10,000	900,000	-	-	-	-
VREIT	1,370	VISTAREIT, INC.	5,200,000	7,124,000			5,200,000	7,124,000	-	-	-	-
WILCON	6,960	WILCON DEPOT, INC.	70,000	487,200			70,000	487,200	-	-	-	-
TOTAL			148,980,697	1,257,993,600	240,000	49,296,000	149,106,497	1,307,288,670	100,000	14,200	930	

SCHEDULE VII

COHERCO SECURITIES, INC.
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS
IN TWO COMPARATIVE PERIODS
UNDER SRC RULE 68, AS AMENDED
DECEMBER 31, 2025

Ratio	Formula	2025	2025	2024	2024
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<u>47,695,698</u>	2.70	$\frac{41,182,352}{12,150,287}$	3.39
Acid Test ratio	$\frac{\text{Cash + Receivables + Financial assets at FVPL}}{\text{Current Liability}}$	<u>46,987,455</u>	2.66	$\frac{40,584,081}{12,150,287}$	3.34
Debt-to-equity to ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	<u>23,704,849</u>	0.28	$\frac{15,399,769}{78,879,766}$	0.20
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<u>109,509,663</u>	1.28	$\frac{94,279,535}{78,879,766}$	1.20
Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	<u>685,048</u>	0.01	$\frac{1,398,206}{94,279,535}$	0.01
Return on Equity	$\frac{\text{Net income}}{\text{Total equity}}$	<u>685,048</u>	0.01	$\frac{1,398,206}{78,879,766}$	0.02
Net profit margin	$\frac{\text{Net income}}{\text{Revenues}}$	<u>685,048</u>	0.17	$\frac{1,398,206}{4,643,482}$	0.30
Interest coverage ratio	$\frac{\text{Earnings before income tax}}{\text{Interest Expenses}}$	<u>(229,287)</u>	(0.00)	$\frac{788,266}{0}$	(0.00)

**COHERCO SECURITIES, INC.
RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
DECEMBER 31, 2025**

Unappropriated Retained Earnings, beginning of reporting period		₱1,338,989
Add:	Category A: Items that are directly credited to Unappropriated Retained Earnings	
	Prior period adjustment	₱- -
Less:	Category B: Items that are directly credited to Unappropriated Retained Earnings	
	Dividend declaration during the reporting period	-
	Retained Earnings appropriated during the reporting period	(68,505) (68,505)
		1,270,484
Unappropriated Retained Earnings, as adjusted		1,270,484
Add/Less Net income (loss) for the current year		685,048
Less:	Category C.1: Unrealized income (loss) recognized in the profit or loss during the reporting period (net of tax)	
	Unrealized fair value adjustment (mark- to- market gains/losses) of financial instruments at FVPL	- -
		1,955,532
Add:	Category C.2: Unrealized income (loss) recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
	Unrealized fair value adjustment (mark- to- market gains/losses) of financial instruments at FVPL	- -
Add:	Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)	
	Reversal of previously recorded fair value adjustment (mark- to- market gains) of financial instruments as FVPL	- -
Adjusted net income/loss		1,955,532
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
		- -
Add:	Category E: Adjustments related to relief granted by the SEC and BSP	
		- -
Add:	Category E: Other items that should be excluded from the determination of the amount of available dividends for distribution	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	- -
Total Retained Earnings, end of the reporting period available for Dividend		₱1,955,532

COHERCO SECURITIES, INC
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees (Section 2.1a)	₱69,000	₱69,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees (Section 2.1b)	-	-
Total Audit and Non-audit Fees	₱69,000	₱69,000