

A S O 9 4 0 0 1 4 2 0
S.E.C. Registration Number

F I R S T A B A C U S F I N A N C I A L
H O L D I N G S C O R P O R A T I O N A N D
S U B S I D I A R I E S
(Company's Full Name)

E-2904A EAST TOWER PSE CENTER
EXCHANGE ROAD PASIG CITY
(Business Address: No. Street City/Town/Province)

ATTY. A. FRANCESCA A. RESPICIO
Contact Person

667-8900
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC FORM SEC 17-A
Form Type

Dec. 31, 2025
Month Day
Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.
Total No. of Stockholders

Amended Articles Number/Section
Foreign

Domestic

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A (Annual Report)

1. For the year : December 31, 2025
2. SEC Identification Number : ASO94-001420
3. BIR Tax Identification Number: 043-003-507-219
4. Exact name of the registrant as specified in its charter:
FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
5. Pasig City, Philippines
Province, Country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code
7. Unit –E2901 PSE Center, Exchange Road, Pasig City 1605
Address of the principal office Postal Code
8. Registrant's telephone number, including area code
(+632)-6678900
9. Former name, former address, and former fiscal year, if changed since last report
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code:

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
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<u>Common Stock, P1.00 par value</u>	<u>1,193,200,000 shares</u>
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11. Are any or all these securities listed on the Philippine Stock Exchange?

+

Yes (x) No ()

12. Check whether the registrant

- (a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code(SRC) and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes (x) No ()

- (b) Has been subject to such filing requirements for the past 90 days.

Yes (x) No ()

13. Aggregate market value of the voting stock held by non-affiliates of the registrant as of **March 31, 2026** : **₱555,112,170**
- a) Total number of shares held by non-affiliates as of March 31, 2026 : 973,881,000 shares

 - b) Closing price of the Registrant's shares on the Exchange
As of March 31, 2026 : P0.57

 - c) Aggregate market price (a x b) as of
As of March 31, 2026 : **₱555,112,170**

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENT PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the SRC subsequent to the distribution of securities under a plan confirmed by a court or the SEC.

Yes () No () (Not Applicable)

DOCUMENTS INCORPORATED BY REFERENCE

None

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

First Abacus Financial Holdings (FAFHC) traces its roots from the Seven Seas Oil Exploration and Resources, Inc. (SSOERI). Seven Seas was incorporated on February 15, 1994 and became a publicly listed company on November 21, 1994. It was primarily engaged in the business of oil exploration and development. Presently, FAFHC is engaged in, through its wholly subsidiaries, stockbroking activities, investment banking, real estate business and other financial services.

Realizing that the local capital and equities markets have a pivotal role in the long-term development of the national economy, the board of directors decided to change SSOERIS's primary purpose from being an oil exploration company into a financial holding company. Thus, on October 26, 1996, the SSOERI's stockholders approved the recommendations of the board to transform the firm. Consequently, on January 25, 1996, the Securities and Exchange Commission (SEC) approved the Company's change of name from Seven Seas Oil Exploration and Resources, Inc. to First Abacus Financial Holdings Corporation. The SEC likewise approved on January 25, 1996 the change on par value of FAFHC's capital stock from Php0.01 to Php 1.00 a share to remove the issue's speculative characteristic and reflect the stock's shift into a full-fledged commercial/industrial issue.

The Company's first strategic corporate re-alignment move was to acquire the Abacus Capital & Investment Corporation (ACIC)- an operating investment house- via a cash and stock swap. ACIC effectively became a wholly owned subsidiary. ACIC, in turn, owned 100% of Abacus Securities Corporation (ASC), one of the leading members of the Philippine Stock Exchange, and Vista Holdings Corporation (VHC), a real estate holding company.

The Company, through ASC, also acquired 25% of Prosperity Properties and Management Corporation (PPMC), used to own a 16-storey building at the Ayala Business Park in Cebu City. In 1996, the Company acquired from its subsidiaries – ACIC and ASC- interests in VHC and PPMC. This resulted in a direct investment in these companies. In 1999, upon approval by the Securities and Exchange Commission of the increase in authorized capital stock of ASC from Php50 million divided into 500,000 shares with a par value of Php100 per share to Php400 million divided into 4 million shares with Php100 par value per share, the Company subscribed to 3.5 million shares representing 87.525% ownership interest. The remaining 12.475% remained with ACIC. Accordingly, the Company's ownership over ASC was changed from 100% indirect to 87.525% direct and 12.475% indirect.

On December 18, 2002, the Board of Directors approved the conversion of advances to Abacus Capital & Investment Corporation (ACIC) as deposit for future stock subscription amounting to Php100,000,000. In 2008, the Company applied P90,000,000 of its deposit for future stock subscription to paid in capital as payment for the remaining subscriptions for the same amount.

Subsidiaries

Abacus Capital and Investment Corp(ACIC). ACIC was incorporated on January 6, 1995. ACIC is engaged in investment banking activities, management services, and treasury and other financial services.

Abacus Securities Corporation(ASC). ASC was incorporated on December 27, 1991. A member of the Philippine Stock Exchange, ASC is engaged in stock brokering services. It engages in buying and selling stocks in Philippine stock market for the accounts of the clients as a broker and for its own account as a dealer.

Vista Holdings Corporation(VHC). VHC was incorporated on January 21, 1993. Presently, Vista Holdings Corporation is engaged in buying and leasing out condo units primarily to its affiliated companies.

FAFHC's Vision

FAFHC's vision is to provide best value integrated financial services to its clients. In the process, Filipinos from all walks of life are enabled to become a part of the capital and equities market. Toward this end, progress and prosperity have stronger prospects of being shared by all.

Abacus Capital and Investment Corporation (ACIC)

ACIC is financially secure, with capital resources of over 400 million; complemented by a core of investment managers providing highly ethical, professional, and client-oriented investment management services.

ACIC provides the following financial services:

a) Corporate Finance

Equity Underwriting Transactions

- Initial Public Offerings
- Stock Rights Offerings
- New Tranche Offerings
- Private Placements of Listed Companies

Financial Advisory

- Share or corporate acquisitions, Buy-Ins/Mergers/Divestments
- Financial review and Restructuring
- Project Development

Debt Underwriting and Loan Arrangements

- Short, Medium, or Long Term Loan Arrangements
- Short and Long Term Commercial Papers Underwriting
- On-going oversight, issue management, agency functions

b) Treasury sales

- Government Securities
- Treasury Bills
- Long and Short Term Commercial Papers
- Preferred Notes

- Promissory Notes
 - Money Market Placements`
- c) Financing
- Share Margin
 - Working Capital Credit Facilities

Abacus Securities Corporation (ASC)

Due to its commitment for quality service, ASC was awarded the Best Local Brokerage House in the Philippines Award from 1990-2008 granted by the Asiamoney.

ASC was the recipient of the Best Securities House in the Philippines Award granted by the EuroMoney International Awards for Excellence for the past two consecutive years, 1998 and 1999. Likewise, the Fund Managers Association of the Philippines honored ASC with a number of citations including Best in Institutional Sales/ Execution and in Settlements in 1998. The awards put ASC in an enviable position as it proved that local stockbrokerages could prove equal to international stockbroker houses.

ASC started operations in March 1992. In five years, ASC established itself as a top Filipino brokerage firm in PSE. The key factors for ASC's successes are: professional management, sound investment advisory, strong research team, real-time market information, and commitment to technology and training.

All these resulted in a strong retail franchise, a top tier domestic institutional sales organization, and growing foreign institutional sales based. Thus, ASC is now positioned to best serve the expanding domestic equities market. Strategically located branches in Binondo, Cebu and Davao support ASC's Head Office operations.

Abacus Securities Corporation was the second ranking stock brokerage house among the top ten PSE brokers. In past years, the large foreign stockbrokerage houses dominated the top ten list of brokers. ASC believes that it can effectively compete with other brokers because of its strong sales groups, the Retail and Institutional Teams. At present, the firm has one of the most extensive based of retail clients driven by the number of branches established and envisioned to be established. Its Institutional Sales Team, on the other hand, has managed to obtain accreditation and establish active working relationships with a number of domestic institutional investors and foreign fund management companies. ASC also has a Research Group that comes out with action-driven reports and recommendations, a quality admired by most of its clients, and even the other stockbrokers. The registrant has an excellent customer service to service its clients. The company established a website to keep its clients abreast of the new developments in stock market.

For the calendar year ended 2025, Abacus Securities Corporation ranked 15th in terms of total value traded with the total value traded of **₱67,668,432,433**.

MyTradePh by Abacus Securities Corporation

MyTrade PH, the digital arm of Abacus Securities Corporation, has emerged as a trailblazer in the online stock brokerage landscape of the Philippines. It offers advanced trading tools which are

accessible via desktop and mobile applications, with features that are tailored to give a premium trading experience to clients and ensure seamless operations, even during off-market hours.

A defining feature of MyTrade PH is its robust commitment to research and client education. By providing concise, actionable market insights and analysis, the platform equips investors with the knowledge required to make informed decisions. These efforts align with its mission to make stock market investing accessible, enjoyable, and part of a sustainable financial lifestyle for Filipinos.

Notable milestones further solidify MyTrade PH's position in the industry. MyTrade offers flexible solutions tailored for every type of investor. The MATE (MyTrade Account for Trading Enthusiasts) is a regular trading account that provides users with access to all listed stocks, comprehensive fundamental and technical analysis tools, an investment summary featured in the Navigator, and an exclusive online community where they can engage directly with experts. For those seeking a more guided approach, MyTrade also offers MARGe (MyTrade Affordable Retirement Guide) — often referred to as a "playlist of investments" — a monthly-curated selection by the Research experts, designed to help even beginners confidently navigate the stock market.

MyTrade PH's commitment to innovation has been recognized on multiple occasions, most notably with its three consecutive wins as the "Most Innovative Trading Platform" as well as the "Most Innovative Online Broker" in 2021 by the Global Banking and Finance Review.

With a vision firmly rooted in progress and customer success, MyTrade PH is poised to remain a trusted partner for investors navigating the complexities of the stock market, paving the way for a more inclusive investment landscape in the Philippines.

Vista Holdings Corporation

The primary purpose of the Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell (without engaging in retail trade), assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description.

VHC continues with its investment program through the acquisition of condominium units. At present, VHC leases its condominium units its affiliated companies.

Vista is not involved in real estate development.

VHC continues to lease its condominium units to its affiliates to be used for its operations.

The Contribution of each service and line of business

	Amounts (In mio)
Commissions and fees	P 105,731,628
Gain on sale of financial assets	21,258,924
Others	1,149,505
	<u>P 128,140,057</u>

Competition

The direct competitors of the Company and its subsidiaries are companies engaged in stock brokering business and are members of the Philippine Stock Exchange; companies engaged in investment banking, financial and management services, and treasury operations; companies and individual owners of condominium units within the area of Ortigas Center, as properties are located in the Philippine Stock Exchange Center Condominium. The indirect competitors of the Company and its subsidiaries are Financing Institution, Growth Funds, Pension and Pre-need companies.

As to the stock brokerage business segment, the Company and its competitors cater the requirements of both institutional and retail clients of our local stock and financial market. In 2021, a total of Php118 billion were traded or done through the local bourse which were divided among the foreign and local brokers. The total value turnover or total amount of value traded are considered the total size of the registrant and its competitors which broker commissions are generated.

The registrant and its competitors almost offering the same services and strengths. Most of the brokerage and financial houses are fully capitalized, offering services for the needs of the institutional and retail clients, they all have created and established a good backroom support, established a good internal and financial control systems. Just recently, numbers of stock brokerage houses have launched an online trading facility to attract more investors and to give investors the easy access of the trading facility, and to keep them abreast with the local and financial market. Long before competitors have applied, focused and established themselves to catch up with the requirements to be a full-fledged financial and brokerage company, the registrant has long pioneered and can rightfully say was the first to institute those strengths.

The consistent exemplary performance comes as a result of the company's steadfast commitment to deliver the best value to customers through professional management, sound investment advisory, strong research team, real-time market information, and commitment to technology and training. The Company is now positioned to best serve the expanding domestic equities market. Its branches are now strategically located in Binondo, Cebu, and Davao to support the Company's Head Office operations.

Customers

The Company's market for its financial products and services include both retail and institutional customer base. No data is available for brokers commission contributed by foreign nationalities as to the regional market. It must be noted that brokers commissions derived from the marketable securities were all transacted through the Philippine Stock Exchange.

The market for the Company's property development and leasing is primarily the upper income level market.

The Company and its wholly owned subsidiaries are not dependent upon a single customer or few customers. The Company and its subsidiaries do not have a customer that has over 20% or more of the Company's turnover.

Distribution methods of the product services

The Company and its subsidiaries distribute its services to its clientele by or through:

- Certified Sales Representatives (CSRs) are licensed by the Securities and Exchange Commission to transact for the accounts of the clients of our stock broking business.
- Corporate Finance Group is composed of our top caliber professionals in charge in our investment banking, management and financing activities.
- Our brokerage house has just opened its online trading facility for its existing and prospective clients. With the new online trading platform, our clients can already view their portfolios online, trade their accounts, view their transactions online using their mobile phones, tablets and desktops.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts.

- License granted by the Securities and Exchange Commission (SEC) to Abacus Capital & Investment Corp. as an Investment House.
- License granted to Abacus Securities as a broker and dealer of Securities which is renewable every year

Aside from the above licenses granted, the registrant and its subsidiaries have no pending applications that need for any government approval.

EMPLOYEES

As of December 31, 2025, the Company and its operating subsidiaries employ 71 permanent employees.

Type Employees	# of Employees	No. of Additional Employees for Ensuing 12 Mos. *	Collective Bargaining Agreement(CBA)	Supplemental Benefits or other incentives
Operations	29	3	N/A	None
Corporate Finance	3	1	N/A	None
Administrative	8	None	N/A	None
Sales	18	1	N/A	None
Accounting & Finance	10	-	N/A	None
Total	68	4		

For the past three years, the Company and its subsidiaries have not experienced any strike or threat of strike from its employees.

Government Approval of Principal products or Services

No existing application needs for government approval

Amount Spent for Research and Development Activities

None

Cost and effects of Compliance with Environmental Laws

Not Applicable

Risk Management Objectives and Policies

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

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Item 2. Properties

The following properties are in prime condition directly owned by the Company and its subsidiaries:

Approximately 110 square meters of office space located at Federal Towers, Binondo (through Vista Holdings Corporation). The unit is being occupied by a subsidiary, Abacus Securities Corporation. The lease agreement was renewed for two (2) years and will expire December 31, 2026. The monthly rental is Seventy Eight Thousand Seven Hundred Ten and 02/100 (₱78,710.02).

Approximately 940 square meters of office space located at the 29th Floor of the East Tower of the Philippine Stock Exchange Center (through Vista Holdings Corporation). The unit is being leased by a subsidiary, Abacus Securities Corporation, for a period of two (2) years. The lease agreement will end December 31, 2026 with a monthly rental of Six Hundred Seventy Two Thousand Six Hundred Twelve and 86/100 (₱672,612.86).

Approximately 483 square meters of office space located at the 29th Floor of the East Tower of the Philippine Stock Exchange Center (Direct).

All properties, as stated above, are owned by First Abacus Financial and its wholly owned subsidiaries. The company has no intention of acquiring/leasing additional properties.

Item 3. Legal Proceedings

The Company is not aware of any material proceeding involving the issuer and its directors, executive officers, underwriter or control person during the past five (5) years.

Item 4. Submission of Matters to Vote of Security Holders

No matters were submitted to a vote of the security holders of the Company during the fourth quarter of 2025.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's common equity and related stockholder matters

1) Market Information

The shares of the Company are listed in and traded on the Philippine Stock Exchange. The high and low closing prices for each quarter within the last two (2) fiscal years are as follows:

Applicable Quarter	2025		2024		2023		2022	
	High	High	Low	High	High	Low	High	Low
First Quarter	0.69	0.60	0.58	0.72	0.68	0.58	0.72	0.55
Second Quarter	0.69	0.60	0.60	0.72	0.68	0.60	0.72	0.58
Third Quarter	0.67	0.59	0.58	0.62	0.66	0.58	0.62	0.53
Fourth Quarter	0.66	0.56	0.60	0.72	0.70	0.60	0.72	0.58

During the first quarter of 2026, the issue's highest price per share was at ₱0.66 and its lowest was at ₱0.56. As of the close of trading hours of March 31, 2026, the price at which the Registrant's shares were traded at ₱0.66 per share.

2) Holders

The number of *common shares* issued and outstanding as of **March 31, 2026** was 1,193,200,000. As of **March 31, 2026**, Registrant had 104 shareholders, on the said date the following were the top 20 shareholders:

	Stockholder	Nationality	No. of Shares	%
1	PCD Nominee Corp. – Filipino	Filipino	852,445,000	71.44
2	Paulino S. Soo	Filipino	133,000,000	11.15
3	Abacus Capital & Investment Corp.	Filipino	59,644,000	4.99
4	ACIC FAO 20001	Filipino	32,361,000	2.71
5	Edgardo Limtong	Filipino	28,527,000	2.39
6	Phee Bon Kang	Malaysian	20,000,000	1.68
7	Vista Holdings Corp.	Filipino	14,095,000	1.18
8	Cecilio Pedro	Filipino	12,260,000	1.03
9	Quality Investments & Securities Corp	Filipino	10,720,000	0.90
10	Jimmy S. Soo	Filipino	10,010,000	0.84
11	Elizabeth K. Soo	Filipino	6,000,000	0.50
12	Solar Securities, Inc.	Filipino	4,000,000	0.34
13	Abacus Capital & Investment Corp	Filipino	2,547,000	0.21
14	Uy Louis	Filipino	2,000,000	0.17
15	George Q. Go & Shirley D. Go	Filipino	1,443,000	0.12
16	Jack T. Huang	Filipino	500,000	0.04
17	Quality Investment Securities Corp	Filipino	500,000	0.04
18	Lim, Francisco &/or Dulce	Filipino	304,000	0.03
19	Ong, Henry	Filipino	231,000	0.02
20	Po, Ronald S.	Filipino	200,000	0.017

3) Dividends

No dividends, neither in cash nor stock were declared on the shares for the last two (2) fiscal years, i.e. 2025 and 2024. There are no restrictions that limit the ability to pay dividends on common equity but the Company, as a general rule, shall only declare from surplus profit as determined by the Board of Directors as long as such declaration will not impair the capital of the Company.

4) Recent sales of Unregistered Securities

No unregistered securities or shares of the Company were sold during the last three (3) years (2025, 2024, and 2023).

Item 6. Management's Discussion and Analysis or Plan of Operation

2025

General Business Environment

The Philippine stock market faced a challenging year in 2025. The benchmark Philippine Stock Exchange Index (PSEi) experienced volatility driven by slowing economic growth, weaker investor confidence, and global uncertainties. Throughout the year, the market reacted sharply to domestic economic data, particularly GDP growth and inflation figures.

Investor sentiment declined whenever growth fell below expectations. Reports of weaker consumer spending, reduced investments, and governance concerns contributed to market downturns. By late 2025, the PSEi had dropped significantly compared to previous years, with several analysts describing it as one of the weakest-performing equity markets in the region.

The Philippine economy expanded by 4.4 percent in 2025, according to the Philippine Statistics Authority, slower than the 5.7 percent growth recorded in 2024 and below the government's target. Inflation averaged 1.7 percent, down from 3.2 percent in 2024, marking the lowest annual inflation rate since 2016.

In summary, while economic growth slowed and investor sentiment weakened, low and stable inflation provided some support to overall economic activity.

Performance of the Company

The performance of the Philippine equities market was reflected in the financial results of the company and its subsidiaries during the year under review.

The Group's consolidated core revenues amounted to Php128.1 million, down from Php463.8 million in the previous year, a decline of Php335.7 million. This decrease was largely due to the temporary drop in the value of financial assets at year-end, shifting from a gain of Php317.8 million last year to a decline of Php170.3 million this year. Brokerage commissions totaled Php105.7 million, compared to Php111.3 million in 2024, while gains on the sale of financial assets fell to Php21.3 million from Php34.4 million.

Total costs and expenses rose to Php824.6 million, up from Php634.5 million in 2024. This included fair value losses on financial assets at FVTPL amounting to Php170.4 million. Debt servicing fees related to short-term borrowings remained a major expense at Php427.6 million, reflecting the company's commitment to meeting financial obligations. Other costs and expenses remained relatively stable.

The company reported a consolidated net loss of Php679.4 million, compared to a net loss of Php179.8 million in the previous year.

Total assets decreased by Php170.8 million, from Php7,758.5 million in December 2024 to Php7,587.7 million in December 2025. This decline was primarily due to valuation losses in financial assets at fair value through profit and loss, which dropped from Php1,873.8 million to Php1,604.3 million. Financial assets at fair value through other comprehensive income also decreased from Php3,114.8 million to Php2,958.9 million. These declines were partially offset by higher trade receivables, which rose from Php2,341.4 million to Php2,697.2 million.

Correspondingly, total liabilities increased by Php750 million, from Php6,731.3 million in 2024 to Php7,481.3 million in 2025. The increase was driven by accounts payable and other liabilities, which grew from Php132.7 million to Php593.7 million, and short-term borrowings, which rose from Php5,974.2 million to Php6,512.9 million.

The decline in financial assets and the Group's net losses resulted in a sharp drop in stockholders' equity, which fell from Php1,027.2 million in 2024 to Php106.4 million in 2025.

Despite these challenges, the Group continues to leverage synergies among its investment house and subsidiaries, adopting a holistic approach to serving the financial, investment, and brokerage needs of its institutional, niche, and expanded clientele. Its full-service and online brokerage operations remain instrumental in supporting investment banking activities—including mergers and acquisitions—while collectively enhancing the Group's potential to recover from deficits.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), or other relationships with unconsolidated entities were created during the reporting period.

FINANCIAL RATIOS (SRC Rule 68, as amended October 2011). The following are the Company’s financial soundness indicators in two comparative periods:

			31-Dec 2025	31-Dec 2024
CURRENT/LIQUITY RATIO				
	<u>Current Assets</u>	=	0.56:1	0.63:1
	Current Liabilities			
	<u>Quick Assets</u>	=	0.56:1	0.63:1
	<u>Current Liabilities</u>			
The ratio is used to give an idea of the company’s ability to pay back its short term liabilities with its short term assets.				
DEBT TO EQUITY RATIO	<u>Debt</u>	=	70.31:1	6.55:1
	Equity			
ASSETS TO EQUITY RATIO	<u>Assets</u>	=	71.31:1	7.55:1
	Equity			
Net Profit Margin	<u>Net Income (Loss)</u>	=	-5.30	-0.39
	Total Revenue			
Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.				

2024

General Business Environment

In 2024, the Philippine business environment demonstrated resilience and adaptability, marked by steady economic growth, proactive policy reforms, and strategic positioning amid global uncertainties.

The Philippines economy expanded by 5.6% in 2024, ranking as the second-fastest among ASEAN nations. This growth was fueled by robust domestic consumption, increased public investments, and a rebound in exports, particularly in electronic and semiconductors. Inflation pressures eased significantly, with rate declining to 3.4% in 2024 from a peak of 6.0% in 2023. This moderation allowed for amore accommodative monetary policy stance.

The Philippine equities market experienced modest gains in 2024, marking its first annual increase since 2019. The Philippines Stock Exchange Index (PSEi) concluded the year at 6,528.79 points, reflecting a 1.2% rise from its 2023 year-end level of 6,454.04.

Despite the overall positive performance, the market faced significant volatility throughout the year. Factors such as shifts in U.S. Federal Reserve policies, geopolitical tensions, and the U.S. elections contributed to market fluctuations.

Performance of the Company

The performance of the Philippine equities market reflects the financial results of the company and its subsidiaries for the year under review.

The Group's consolidated core revenues experienced a significant increase, rising to Php463.8 million from the previous year's Php120.9 million. This growth was largely driven by the valuation gain of financial assets at year-end, which surged from Php20.09 million from last year to Php317.8 million this year. Additionally, the gain on the sale of financial assets rose to Php34.4 million, up from last year's Php0.8 million, marking an increase of Php33.6 million. Commission and fee income also grew by Php13.07 million (13.3%), from Php98.2 million last year to Php111.3 million this year.

The hawkish stance of the BSP Monetary Board had a trailing effect on debt servicing fees, bringing the Group's total costs and expenses for the year to Php634.5 million, a slight increase from the previous year's Php633.3 million. Debt servicing fees related to short-term borrowings continued to represent a major portion of the company's expenses, reflecting its commitment to honoring financial obligations. Other costs and expenses remained relatively stable during the period under review.

The company is reporting a consolidated net loss of Php179.8 million for the year, improving from the previous year's reported net loss of Php512.5 million.

Total assets increased by Php741.4 million, rising from Php7,017.1 million in December 2023 to Php7,758.5 million in December 2024. This growth was primarily attributed to valuation gains in the Group's financial assets at fair value through profit and loss, which grew from Php1,628.5 million last year to Php1,873.8 million this year. Similarly, financial assets at fair value through other comprehensive income increased from Php2,523.04 million last year to Php3,114.8 million this year. These increases were partially offset by the collection of trade receivables, which totaled Php229 million, decreasing from Php2,570.4 million last year to Php2,341.4 million this year.

Correspondingly, total liabilities increased by Php322.2 million, rising from Php6,409.1 million last year to Php6,731.3 million this year. The increase was primarily driven by additional trade payable transactions recorded at month-end, which grew from Php393.6 million last year to Php624.4 million this year. Short-term borrowings also rose by Php87.9 million, from Php5,886.3 million last year to Php5,974.2 million this year. Additionally, other accounts payable and liabilities increased slightly by Php3.4 million, from Php129.3 million last year to Php132.7 million this year.

The rise in total assets had a direct impact on the Group's stockholders' equity, which increased from Php607.9 million last year to Php1,027.2 million this year. This growth was mainly due to the valuation gain of financial assets at fair value through other comprehensive income, as well as the Group's net income/loss results for the year.

The Group continues to leverage synergies among its investment house and other units, adopting a holistic approach to serving the financial, investment, and brokerage needs of its institutional, niche, and expanded clientele. The Group's subsidiaries, particularly its full-service and online brokerage operations, will remain instrumental in supporting investment banking activities—including mergers and acquisitions—while collectively enhancing the Group's potential to revitalize its business and recover from deficits.

Aside from the discussions above, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

FINANCIAL RATIOS (SRC Rule 68, as amended October 2011). The following are the Company's financial soundness indicators in two comparative periods:

			31-Dec 2024	31-Dec 2023
CURRENT/LIQUITY RATIO				
	<u>Current Assets</u>	=	0.63:1	0.64:1
	Current Liabilities			
	<u>Quick Assets</u>	=	0.63:1	0.63:1
	<u>Current Liabilities</u>			
The ratio is used to give an idea of the company's ability to pay back its short term liabilities with its short term assets.				
DEBT TO EQUITY RATIO	<u>Debt</u>	=	6.55:1	10.54:1
	Equity			
ASSETS TO EQUITY RATIO	<u>Assets</u>	=	7.55:1	11.54:1
	Equity			
Net Profit Margin	<u>Net Income (Loss)</u>	=	-0.39	-4.12
	Total Revenue			
Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.				

2023

General Business Environment

The Philippine economy and the Philippine Stock Exchange (PSE) faced multiple challenges in 2023, resulting in performances that fell short of expectations.

Despite overwhelming optimism, the Philippine economy managed to grow by only 5.6% in 2023, a decrease from the 7.6% growth in 2022, and below the government's target range of 6-7%. Expectations were not met due to a number of challenges from both global and domestic fronts. Continuing geopolitical risks such as the Israel-Hamas conflict, the collapse of Silicon Valley Bank which raised concerns about the banking sector, the budget impasse in the US Congress, the weakening of the China's economy had investors adopting a risk-off mode, and consequently cautious tradition behaviors. On the domestic front, continuing concerns over peaking inflation weighed heavily on consumer spending and investment. The central bank's response through monetary policy adjustments had a dual impact, temporarily stabilizing the market but also constraining economic growth due to higher borrowing costs.

The local equities market reflected the broader economic challenges, with the PSE index closing the year at 6,450.04, down 1.77% from the beginning of the year. Volatility was a key factor throughout the year as the PSE experienced significant fluctuations, hitting a yearly high of 7,094.86 and a low of 5,961.99. Technology and renewable energy sectors showed robust growth, driven by global trends towards sustainability and innovation. However, these gains were offset by losses in other sectors due to inflationary pressures and shifts in monetary policies.

Nevertheless, the biggest story of the year was one of resilience. Overall, 2023 served as a strong reminder of the interconnectedness of global markets and the importance of agility and diversification in navigating the ever-evolving landscape of equities investing.

Performance of the Company

The conditions in the financial market during the year in review was mirrored in the company's performance during the year. The Company's consolidated core revenues during the year dropped to Php120.9 million from last year's Php347.5 million. There was a significant reduction in the total fees made by the Company's brokerage house and investment house at Php98.2 million, a decline of Php85.2 million from the previous year's Php183.4 million. At the close of the reporting year, fair value gains on financial assets at fair value through profit and loss registered a gain in its value by Php20.1 million, a significant decline by Php141.9 million, from last year's Php162 million.

Money-tightening measures by the BSP Monetary Board pushed interest rates up bringing the Company's total costs and expenses for the year at Php633.4 million, representing an increase of Php8.9 million from last year's Php624.5 million. The additional expenses were mainly due to higher payments of debt servicing fee as other costs and expenses remained flat during the period under review. Our debt servicing fee from our short-term borrowings continued to comprise a large chunk of the company's expenses in keeping with the Company's commitment to honor its obligations.

As can be expected in a bleak investing environment, the company is reporting a consolidated net loss of Php498 million for the year from last year's reported net loss of Php282 million.

There was a decrease noted in total assets for the year amounting to Php1,221.3 million, from Php8,238.4 million in December 2022 to Php7,017.1 million in December 2023. The significant decrease in total assets was brought about by the collection of accounts receivables from Php3,701.2 million last year and ended this year with Php2,570.4 million or a decrease of Php1,130.8 million.

Correspondingly, there was a decrease noted in total liabilities amounting to Php733.4 million from last year's Php7,142.6 million to this year's Php6,409.1. The payments of our short term borrowings including the trade and non trade payables at year end contributed to the decrease in total liabilities during the year.

The combination of the decrease in total assets, the decrease in total revenues during the year, and expensive borrowing costs contributed to the decrease in our stockholders equity at year end.

The Group is leveraging the synergy among its investment house and other units and adopting a holistic approach towards serving the financial, investment, and brokerage requirements of its institutional, niche and expanded clientele. The Group subsidiaries, specifically the full service and online brokerage, will continue to provide distribution muscle in support of investment banking operations, including mergers and acquisitions, and together enhance the potential of the Group to revitalize its business and recover from deficit.

Aside from the discussions above, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

FINANCIAL RATIOS (SRC Rule 68, as amended October 2011). The following are the Company's financial soundness indicators in two comparative periods:

			31-Dec 2023	31-Dec 2022
CURRENT/LIQUITY RATIO				
	<u>Current Assets</u>	=	0.64:1	0.74:1
	Current Liabilities			
	<u>Quick Assets</u>	=	0.63:1	0.74:1
	<u>Current Liabilities</u>			
The ratio is used to give an idea of the company's ability to pay back its short term liabilities with its short term assets.				
DEBT TO EQUITY RATIO	<u>Debt</u>	=	10.54:1	6.52:1
	Equity			
ASSETS TO EQUITY RATIO	<u>Assets</u>	=	11.54:1	7.52:1
	Equity			
Net Profit Margin	<u>Net Income (Loss)</u>	=	-4.12	-0.81
	Total Revenue			
Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.				

Item 7. Financial Statements

Please see consolidated financial statements and schedules and annexes

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

For the years 2025, 2024, and 2023, the auditing firm of Punongbayan and Araullo was re-nominated and re-appointed by the Board of Directors to conduct the examination of the financial statements of the Company and its Subsidiaries. In compliance with the SEC Memorandum Circular No. 8 Series of 2003, the assignment of Mr. Yusoph Maute, the engagement's partner, shall not exceed five (5) consecutive years.

There have been no changes in or disagreements with accountants on accounting and financial disclosure.

The audit and audit-related fees paid by the Company in the last two (2) years are as follows:

	2025	2024
A. Audit and Audit-related Fees		
1. Audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with the statutory and regulatory filings or engagements.	₱3,400,000	₱3,220,000
2. Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements	-0-	-0-
B. Tax fees	0	0
C. All other fees	-0-	-0-

The Company's Board of Directors reviews and approves the engagement of services of the Company external auditors, who are appointed upon the recommendation of the Audit Committee. Engagement Agreements are executed for every type of engagement, which provides for the scope of the work, timetable, fees, engagement team, etc. for each project.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

The names and ages of all incumbent Directors, elected on **September 25, 2025** during the Annual Stockholders Meeting and are to serve for a term of one (1) year until their successors shall have been elected and qualified, with their business experiences for the past five (5) years:

Position	Name	Citizenship	Age	Year of Assumption of Office	Number of yrs. as Director
Chairman & President	Paulino S. Soo	Filipino	74	1994 to present	30
Treasurer	Jimmy S. Soo	Filipino	68	1995 to present	28
Director	Anna Francesca Respicio	Filipino	40	2017- present	8
Director	Yolanda M. Eleazar	Filipino	71	2025 to present	1
Independent Director	Alden M. Castañeda	Filipino	68	2021 to present	4
Independent Director	Maricel P. Arenas	Filipino	69	2021 to present	4
Corporate Secretary	Mariel Angeli R. Quines	Filipino	39	2017 to present	8
Asst Corporate Secretary	Jeseraire Noc L Quisaot	Filipino	30	2014 to present	8

Mr. Paulino S. Soo Chairman and Chief Executive Officer

Mr. Soo holds a Master in Business Administration degree from the University of Pittsburgh Graduate School of Business and Bachelor of Science degree in Industrial Management Engineering from the De La Salle College. He is the President of Philippine Gaming Management Corporation, Berjaya Pizza Phils. Inc., Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Cosway Philippines Inc., and Bagan Resources PTE Inc.

Mr. Soo is a Director of Bermaz Auto Philippines Inc. He is the Treasurer of Kailash PMN Management Corporation.

He is Chairman of Abacus Securities Corporation and Abacus Capital & Investment Corporation (1994-present), and Vista Holdings Corporation (1994 - present)

Mr. Jimmy S. Soo
Director - Treasurer

Atty. Soo is a Director of the Company. He obtained his Bachelor of Laws degree from the University of the Philippines and was admitted to the Philippine Bar in 1985. He is the Managing Partner of Soo Gutierrez Leogardo and Lee Law Offices (1992-present). He is currently the Corporate Secretary and a Director of Abacus Capital & Investment Corporation (1995-present) and Vista Holdings Corporation. He is also a Director of Berjaya Pizza Philippines, Inc. He is also an Executive Officer, and/or Director and/or Corporate Secretary of various companies.

Ms. Maria Cristina B. Encarnacion
Director

Ms. Maria Cristina B. Encarnacion, is an incumbent Director of the Company. She has been Chairman and President of Where At Freezines, Inc. since 2010. She is an Editor and/or Writer, and Contributor of several lifestyle books. She is Editor of WhereAt Cebu, and a Contributor to Metro Society and lifestyle publications. She has been a Director of AsiaPhil Manufacturing Industries, Inc. since 1980, and was Chairman from 1993 to 2008. She was Governor of the Society of Philippine Electrical Contractors & Suppliers, Inc. (SPECS) from 1990-2002, and was Executive Vice President of SPECS in 2002. She was Secretary General of the ASEAN Federation of Electrical Engineering Contractors from 2004 to 2007. Ms. Encarnacion received her Bachelor of Science (Statistics) degree from the University of the Philippines, Diliman (1978).

Ms. Yolanda M. Eleazar
Director

Yolanda M. Eleazar obtained her Bachelor of Science in Foreign Service and Bachelor of Laws Degrees, *Cum laude* and No. 7 in class 1983, respectively, from the University of the Philippines. She also placed 7th in the 1983 Philippine Bar examinations. She spent most of her professional life in private law practice with Castillo Laman Tan Pantaleon & San Jose (CLTPSJ) Law Offices where she became a Senior Partner from 2000, an Executive Committee member from 2008 and Managing Partner from 2017, until her retirement in December 2020. She concentrated in project finance, M & A, business counselling and other areas of corporate law practice. She held officer and/or director positions in various companies. She is currently a director of Abacus Securities Corporation and Abacus Capital and Investment Corporation, a trustee of Tahanan Outreach Projects and Services, Inc., and a fellow of the Institute of Corporate Directors.

Mr. Alden Alfonso M. Castañeda
Independent Director

Mr. Castañeda holds a Master in Business Administration degree from the University of Philippines Diliman and graduated as one of the top 10 graduates of 1983-1984. He earned his Bachelor of Science degree in Chemical Engineering from University of the Philippines Diliman where he graduated as a Cum Laude. Mr. Castaneda was a board topnotcher and he was a second placer during the Chemical Engineering board examination in 1980.

Mr. Castaneda is a part time Faculty of University of Asia and Pacific and teaching Marketing Effectiveness Research, Product Development and Management, and Business Mathematics. He is a Senior Consultant at Acumen Strategy Consultants.

He served as Vice President of the various companies: San Miguel PureFoods Company, Inc. (July 2010- June 2016), Wisehill Business Corporation (July 2007-December 2009), ABS- CBN (January 2001-June 2007), and ABS-CBN Broadcasting Corporation (January 2001-January 2003).

Mr. Castaneda occupied various positions in Procter and Gamble Philippines, Inc. in 1979 until 1999 until he became a Marketing Director in July 1999- December 2000.

Ms. Maricel Pangilinan Arenas
Independent Director

Ms. Arenas took her undergraduate studies from the University of the Philippines Diliman. She was the President and Chief Executive Officer of KidZania Manila, Play Innovations, Inc. from 2012 to 2016. She was the Governor of Kidzania Philippines, and member of the Board of Director from 2013-2020. She was a member of the Management Board of McCann Worldgroup Philippines from 2002-2012; The Managing Director of MRM Partners Philippines from 2004-2016; She was the Managing Director of Harrison Communications from 2002-2012; She was a member of the Management Board of McCann-Erickson Philippines from 1990-1998, and was the Senior Vice President for Corporate Affairs of McCann-Erickson Philippines from 1992 to 1998.

Currently, Ms. Arenas is the Chairman and President, and a member of the Board of Trustees of Bantay Bata Foundation.

Ms. Anna Francesca C. Respicio
Director

Ms. Respicio is the incumbent Director of First Abacus Financial Holdings Corporation. She is likewise Corporate Secretary of the following listed companies, Discovery World and its subsidiaries, I-Remit, Inc., Jolliville Holdings Corporation, as well as the following registered corporations: Sterling Bank of Asia, Inc. (A Savings Bank), Tagaytay Highlands International Golf Club, Inc., Tagaytay Midlands Golf Club, Inc., The Country Club At Tagaytay Highlands, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc.

She obtained her Bachelor of Arts degree (Major in Philosophy) in 2007 and her Juris Doctor degree in 2011 from Ateneo de Manila University. She is currently a Partner at Tan Venturanza Valdez. She was admitted to the Philippine bar in April 2012.

Atty. Mariel Angeli R. Quines
Corporate Secretary

Atty. Quines is currently the Corporate Secretary of the Company. She also holds the position of Corporate Secretary for the following corporations: Clever Genius Ventures Corporation, Sapiental Dragons Corporation, Fortune Genius Development Corporation, Stage Craft International Inc., Sino Cargoworks Agencies, Inc., Lamvien Philippines Inc., and Fr. Barbero Foundation for PGH Charity Patients, Inc.

She is the Assistant Corporate Secretary of the following reporting and/or listed companies: I-Remit, Inc., Sterling Bank of Asia Inc. (A Savings Bank), Fidelity Securities, Inc., Star Equities, Inc., JTKC Equities, Inc., Stanley Electric Philippines Inc., Demikk Realty, Inc., Demikk Holdings, Inc., JSD Solutions, Inc., Rythmos DB Inc., Tagaytay Highlands Condominium Community Homeowners Association Inc., Tagaytay Midlands Community Homeowners Association Inc., and Greenlands Community Homeowners Association Inc.

Atty. Quines obtained her Bachelor of Science in Business Economics degree from the University of the Philippines, and her Juris Doctor degree from the Ateneo De Manila University Law School. She was admitted to the Philippine Bar in June 2019.

Currently, she is a Senior Associate at Tan Venturanza Valdez.

Atty. Jeseraire Noc L. Quisaot
Assistant Corporate Secretary

Atty. Quisaot is currently the Assistant Corporate Secretary of the Company. He also holds the position of Assistant Corporation Secretary for the following corporations: Stage Craft International, Inc., Raemulan Lands, Inc., Extraordinary Enclaves, Elanvital Enclaves, Everyhome Enclaves, Katharo Water Solutions, Inc., Kabankalan Bulk Water, Inc., Aviva Global Marine Corp, Manfel Piastrelle Corporation and Navstars Aviation Services, Inc.

Atty. Quisaot obtained his Bachelor of Science in Accountancy and Juris Doctor degrees from the University of San Carlos. He is a Certified Public Accountant and was admitted to the Philippine Bar in May 2023.

Currently, he is an Associate at Tan Venturanza Valdez.

FAMILY RELATIONSHIP

Paulino S. Soo, Chairman of the Board, is the brother of Jimmy S. Soo, Director

There are no other significant employees.

Involvement in Certain Legal Proceedings

The Corporation is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter or control person were involved during the past five (5) years:

- (a) any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and,
- (c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

The Company and its major subsidiaries and associates are not involved in, nor are any of their properties subject to, any material legal proceedings that could potentially affect their operations and financial capabilities.

Item 10. Executive Compensation

(1) General

All Compensation Covered

Except for executive officers included under the compensation table below, all other executive officers and directors do not receive salaries.

(2) Summary of Compensation Table

The following is a summary of the aggregate compensation paid or accrued during the last two (2) fiscal years, i.e. 2025 and 2024, and to be paid in the ensuing fiscal year 2025 to the Company's Chief Executive Officer and four (4) other mostly highly compensated executive officers who are individually named, and to all other officers and director of the Company as a group:

Name and Principal Function	Fiscal Year	Salary	Bonus	Other Annual Compensation
Paulino S. Soo Chairman and President	2024			
	2025			
	2026			
Jack T. Huang Vice President – Cebu	2024			
	2025			
	2026			
Sheila Marie Aguilar Vice President	2024			
	2025			
	2026			
Melanio C. Dela Cruz Vice President	2024			
	2025			
	2026			
Raymond Neil Franco Vice President - Research	2024			
	2025			
	2026			
Total for the Group	2024	14,418,040	2,772,261	-0-
	2025	14,381,513	2,779,508	-0-
	2026	14,452,340	2,832,160	-0-
All Officers as a Group Unnamed	2024	17,840,846	3,598,833	-0-
	2025	20,654,114	4,291,186	-0-
	2026	21,303,140	4,538,840	-0-

(3) Compensation of Directors

(A) Standard Arrangement

The Member of the Board of Directors are not entitled to receive salaries and bonuses

(B) Other Arrangements.

None

(4) Employment Contracts and Termination of Employment and Change-in Control Arrangements.

None

(5) Warrants and Options Outstanding :

None

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership (more than 5%) of Certain Beneficial Owners and Management as of March 31, 2026.

Class	Name and Address record owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Owner	Citizenship	No. of Shares Held	Percentage Of Class
Common	PCD Nominee Corp. 2 nd Floor Makati Stock Exchange Bldg. Ayala Avenue Makati City		Filipino	852,445,000	71.44
Common	Paulino S. Soo (record and beneficial) Chairman and President 29 th Floor Abacus Securities Corp. East Tower PSE Center, Exchange Road, Pasig City	(Same as owner)	Filipino	133,000,000	11.15
Common	**Abacus Capital and Inv. Corp.(record and beneficial); subsidiary and stockholder 29 th Floor East Tower PSE Center, Exchange Road, Pasig City	(Same as owner)	Filipino	62,191,000	5.21
Total				1,047,636,000	87.8

There is no arrangement that may result in a change in control of the registrant and any voting trust holders

*PCD Nominee corporation (“PCDNC”) is a wholly-owned subsidiary of the Philippine Central Depository, Inc. (“PCD”). The beneficial owners of such shares registered under the name of PCDNC are PCD’s participants, who hold the shares in their own behalf or in behalf of their clients. Individual or Group owners reported under PCD Nominee Corporation have less than 10% ownership of the outstanding capital stock of the Corporation.

There are no Individuals or Corporate stockholders who own more than 5% of the Company’s voting securities under PCD Nominee Corporation.

** Mr. Paulino S. Soo, Chairman and President of Abacus Capital and Investment Corporation, directs the voting/disposition of shares held by both Companies.

1. Security Ownership of Management

The following is a summary of the beneficial holdings of the Company's Directors and Executive Officers as of March 31, 2026:

Class	Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership[record (r) or beneficial (b)]		Percent of Class
Common	Paulino S. Soo	Filipino	133,000,000	r / b	11.15
-do-	Jimmy S. Soo	Filipino	10,010,000	r / b	0.84
-do-	Anna Franchesca Respicio	Filipino	10,000	r/b	.000
-do-	Maria Therese P. Santos	Filipino	10,000	r/b	.000
-do-	Ma.Cristina B. Encarnacion	Filipino	10,000	r /b	.000
-do-	Maricel Pangilinan Arenas	Filipino	10,000	r/b	.000
-do-	Alden M. Castaneda	Filipino	10,000	r / b	.000
-do-	All directors and Executive Officers as group unnamed		143,060,000	r / b	11.99

2. Voting Trust Holders of 5% or More

There is no voting trust or similar arrangement

3. Changes in Control

There are no arrangements that may result in a change of control of the registrant and no change of control occurred during the year.

Item 12. Certain Relationship and Related Transactions

Except as provided below, during the last two years, there are no related transactions either direct or indirect with the Company's Board of Directors.

In the normal course of business, the Company grants to and obtains advances from its affiliates. These advances earn interest at rates to the weighted average of the interest rates of the outstanding loans payable to the banks.

There are no transactions with any promoter nor are there any assets to be acquired from a promoter. Registrant has no parent.

PART IV – CORPORATE GOVERNANCE

The Company has been monitoring compliance with SEC Memorandum Circular No.2, Series of 2002, as well as other relevant SEC Circulars and rules on good corporate governance. All directors, officers, and employees complied with all the leading practices and principles on good corporate governance as embodied in the Corporation’s Manual. The Company complied with the appropriate performance self-rating assessment and performance evaluation system to determine and measure compliance with the Manual of Corporate Governance.

The Company is not aware of any non-compliance with or deviation from its Manual of Corporate Governance. The Company will continue to monitor compliance with the SEC Rules on Corporate Governance, and shall remain committed in insuring the adoption of other systems and practices of good corporate governance to enhance its value for its shareholders. Please refer to the attached 2025 ACGR.

PART V- EXHIBITS AND SCHEDULES

a) Exhibits

(Please see supplemental financial statements schedules).

b) Sustainability Report

SIGNATURE PAGE

Pursuant to the requirements of the Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of _____ on 14 MAY 2026, 2026.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
Issuer

By:


PAULINO S. SOO
Chairman and President


JIMMY S. SOO
Treasurer


ANNA FRANCESCA A. RESPICIO
Director


MARIA CRISTINA B. ENCARNACION
Director


MARIEL ANGELI R. QUINES
Corporate Secretary

**REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S.**

11 4 MAY 2026

SUBSCRIBED AND SWORN TO before me this _____ 2026 affiants exhibiting to me their passport number, as follows:

NAMES	CTC/PASSPORT#	DATE OF ISSUE	PLACE OF ISSUE
PAULINO S. SOO	P3984265A	Sept. 09, 2017	NCR East
JIMMY S. SOO	P0076899B	Jan. 02, 2019	Manila
ANNA FRANCESCA RESPICIO	P0286448A	Sept. 16, 2016	NCR East
MARIEL ANGELI R. QUINES	P9513760B	April 06, 2022	Manila
MA. CRISTINA B. ENCARNACION	P6227789A	Feb. 28, 2018	Manila

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Page No. **12**
Book No. **II**
Series of 2026.



ALTHEA DOMINIQUE R. MALIWANAG

Notary Public for

Pasig City and Municipality of Pateros

Appointment No. 132 (2026-2027)

Commission Expires on December 31, 2027

2704 East Tower, Tektite Towers, Exchange Road

Ortigas Center, 1605 Pasig City

PTR No. 3986121/01.14.26/Pasig City

IBP No. 576298/12.29.25/Quezon

Roll of Attorneys No. 86401

MCLEC No. VIII-0039127/06.27.25

**FIRST ABACUS FINANCIAL HOLDINGS
CORPORATION
SUSTAINABILITY REPORT
For the year ended December 31, 2025**

Contextual Information

Company Details	
Name of Organization	First Abacus Financial Holdings Corp (FAF)
Location of Headquarters	29 th Floor East Tower, The Philippine Stock Exchange Center, Pasig City
Report Boundary : Legal Entities (e. g. Subsidiaries) included in this report	Covered in the reporting boundary are First Abacus Financial Holdings Corporation and its subsidiaries namely : Abacus Securities Corporation, Abacus Capital & Investment Corporation, and Vista Holdings Corporation
Business Model, including Primary Activities, Brands, Products, and Services	FAFHC is engaged in, through its wholly subsidiaries, stockbroking activities, investment banking, real estate business and other financial services
Reporting Period	January 01, 2025– December 31, 2025
Highest Ranking Person responsible for this report	Mr. Melanio Dela Cruz, Vice President and Group Controller

Materiality Process

We conducted a series of discussions with our key persons in our Group to help us identify the truly important to us and to our stakeholders. To address the materiality concern, we have adopted the following:

1. Understanding the Sustainability Context:

Our Group identified key economic, social, and environmental areas where our business creates value. This process allowed us to identify which impacts are most material considering the three dimensions of sustainability. Furthermore, this identification process guided us in addressing our current and future challenges, and in establishing priorities.

2. Identifying Material Topics: Guided by the Sustainability Framework released by the Securities and Exchange Commission (SEC), we were able to cover the following focus areas: corporate governance, resource and impact management, and contribution to sustainable development through our products and services.

Our Group went through a materiality assessment process that consisted of a series of consultations with key representatives from the different business divisions, which brought forth the concerns of their respective stakeholders. We considered the key impacts of each of our activities and relevant risks and opportunities, including the key capitals we rely on to sustain and grow our business. The senior management drew out the Group's sustainability drivers and aspirations.

3. Measuring Performance and Defining Management Approaches: In 2025, our Group obtained baseline data on each of the material topics identified, which includes substantial content on impacts, risks, opportunities and the subsequent management approaches. The collected metrics were accurate and comparable to GRI reporting standards. We conducted a data gap assessment on each of the performance areas, and began setting-up procedures to systematically collect more data to better measure our sustainability performance.

We also referred to the UN Sustainable Development Goals (SDGs) to see how our business impacts and value creations are linked to delivering on specific SDG targets.

Identifying materiality is an iterative process for us. We will continue to review how we impact the environment and society, how we measure our performance on these

impact areas, and how we can better communicate these impacts to our stakeholders.

Important Note: The discussion of impacts, risks, and opportunities are made per topic, instead of per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. For example, for the topic of Anti-corruption, only one discussion on Impacts, Risks, and Opportunities was made that covered both metrics: a) Training on Anti-corruption Policies, and b) Procedures and Incidents of Corruption. This made the disclosure on the management approach more focused and not repetitive.

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed

Disclosure			Amount(2025)	Units
Direct Economic value generated:			128,140,057	Php
Direct economic value distributed:				
	a.	Employee wages and benefits	80,797,596	Php
	b.	Operating costs		Php
		Payments to suppliers of raw materials	Not applicable	Php
		Other operating costs	288,209,428	Php
	c.	Dividends given to stockholders	None	Php
	d.	Interest paid to loan providers	427,562,295	Php
	e.	Taxes paid to government	28,007,180	Php
	f.	Investments made to community		
		Donations	₱35,000 Donations made by individual officers and employees	Php

PROCUREMENT PRACTICES

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Not applicable	%

Most of our supplies are sourced locally except for the developer of system for our online trading platform and subscription on Bloomberg software.

What is the impact and where does it occur? Not applicable

Which stakeholders are affected ? Not applicable

MANAGEMENT APPROACH

This is not applicable to us as most procurement for the group are just procurement of supplies for our office needs, and not for our products.

What are the Risk/s identified?

We assess the risk/s associated with our procurement practices are just considered low risk since we only deal with not material amounts and items

MANAGEMENT APPROACH

The management is dependent on its Officers to handle the risk associated to our procurement practices. To date, we have not received any matter of mispractices reported to management on our procurement practices to date .

Direct Economic Performance & Procurement Practices

Impact and Risks : The performance of the local equities market has a direct effect on the performance of our company and its subsidiaries.

Economic drivers and impact: Almost 100% of our revenues flows back primarily to our key stakeholders, which include our employees, clients, different government agencies, and investing community.

Our businesses directly support more than 109 employees, which are either permanent or contractual employees. Other employment opportunities are created from our newly launch online trading platform for brokerage business. As to the stock brokerage business segment, the Company and its competitors cater the requirements of both institutional and retail clients of our local stock and financial market. We also make sure that all taxes set by the government regulations are properly remitted to them, and that our financial gains are distributed to all our other stakeholders.

Direct Economic Value Distribution

Since we are operating in a simple environment, our suppliers are just within the area where we conduct our business activities, and all of our suppliers accredited who do business with us comply with all of the requirements prescribed by the laws. There are accreditation process being implemented by the Company and subsidiaries before dealing with them.

With regard to suppliers, we make sure that contracts agreements are followed diligently by all involved parties. Contracts are standardized to ascertain that the content encompasses all types of transactions with a particular supplier, and that the suppliers are given ample time to review the document before signing. In cases of revisions, a separate document reviewed by our legal is attached. Detailing all agreed revisions as a complementing agreements to the standard contract.

Management Approach for Impacts and Risks

The entire Group – from our top management down to our employees – maintains the highest standard of corporate governance, ensuring that we conduct business ethically at all level of operations. This warrants that the economic value we generate flows only to the right stakeholders who drive the success of our company. Our code of Business Ethics outlines our commitment to act responsibly in all of our professional dealings and relationships.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti corruption policies and procedures have been communicated to	100.00	%
Percentage of business partners to whom the organization's anti corruption policies and procedures have been communicated to	100.00	%
Percentage of directors and management that have received anti- corruption training	100.00	%
Percentage of employees that have received anti-corruption training	100.00	%

The group’s anti-corruption approach is part of the Code of Business Ethics of the Company.

All employees are oriented with the Code of Business Ethics of the Company before On-boarding to its new job. Each employee is given a copy of the Company’s Manual. A townhall meeting is conducted from time to time to remind and review the Company’s Manual.

Incident of Corruption

Disclosure	Quantity (2025)	Units
Number of incident in which directors were removed or disciplines for corruption	0	%
Number of incidents in which employees are dismissed or disciplined for corruption	0	%
Number of incidents in which contracts with business partners were terminated due to incidents of corruption	0	%

In 2024, as shown in the table above, there is no incident of corruption recorded by the Company. We discourage and prevent any form of corruption across our value chain, as this would go against our ethical and moral principles. Since we are in financial services company, it may affect our reputation as institution, where dealing with clients and maintaining relationships are difficult if trust is not present.

Identify the impact and where it is occurs? Not applicable

Indicate involvement in the impact ? Not applicable

What are the Risk identified ?

There is an inherent risk identified, the natural level of risk inherent in a process or activity without doing anything to reduce the likelihood or mitigate the severity or a mishap, but control process in place so we can avoid the risk.

What are the opportunity identified?

The management has put in place all security measures and controls so we can avoid and avert any risk associated with all phases of operations. We will continue to study and conduct a comprehensive study to identify the aspects of our business

operations that are most vulnerable to corruption. As our company's anti-corruption policies are only part of our Code of Business Ethics, there is also an opportunity to create a single policy on preventing corruption in our company at all levels.

Management Approach for Impacts and Risks

Our Code of Business Ethics (COBE) provides a value-based framework to guide our decisions as we carry out our business. We hold the COBE in high regard and we expect all our employees and contractors to abide by it. Policies against corruption are stipulated in the COBE.

Formal training for COBE, which includes anti-corruption policies, is annually conducted for all our employees, including directors and managers. For the suppliers, they are reminded of the Gift Policy during the annual supplier summit. Our anti-corruption policy is also included in the standard terms and conditions signed by suppliers during accreditation, supplier performance review, and regular sourcing reports.

The following are COBE policies² in place that are aligned with anti-corruption:

We conduct our business with Integrity. We earn and maintain the trust of those we deal with, both internally and externally, by conducting ourselves with integrity at all times.

We act in good faith, and are upright and fair in our dealings. Whether verbally or in writing, whether to external or internal parties, we communicate honestly and accurately.

We honor our commitments and make only commitments that we can deliver. We stand by our commitments and make only those commitments that are within our authority to make and that the company can deliver. In carrying out our commitments, we act fairly and responsibly.

We do business, build relationships, and make decisions based on merit. We do not seek to influence others or obtain any advantage, or allow ourselves to be influenced or give to others any advantage, on the basis of gifts or favors. For a better understanding of the applicable gifts and business entertainment policy applicable in your territory, please refer to the Policy on Gifts.

We are committed to Lawful Business Practices. We have the responsibility to know and comply with the laws in the territories where we operate.

We comply with laws and regulations in the territories where we operate. The various aspects of our business are governed by multiple laws and regulations, some spanning multiple territories. We ensure that our business practices are in accordance with such law and regulations as they apply to us. Legal issues can be complex; in case of doubt as to the laws applicable to a particular course of action, consultation with the appropriate legal resource is recommended.

We comply with legal limitations on the use of non-public information. In the course of carrying out our responsibilities, we may be exposed to material non-public information. We do not use such information for personal gain; this includes a prohibition on insider trading, or dealing in securities on the basis of such material non-public information. For a better understanding of what constitutes insider trading, please refer to our Policy on Insider Trading.

We Safeguard the Company's Resources and Interests. We are stewards of the company's resources, and have been entrusted to carry out our professional responsibilities in furtherance of the company's legitimate interests. We do so with diligence and loyalty to the company.

We are stewards of all company resources entrusted to us. Company resources include physical assets, intellectual property and business information, documents and records, and company time. We safeguard all company resources entrusted to us, and ensure that these are used responsibly, and only for legitimate business purposes. We avoid any loss, destruction or waste of company resources.

We keep confidential all non-public information. In the course of performing our functions, we may be entrusted with or given access to non-public information. We respect and preserve the confidentiality of such information and do not divulge, reproduce, or use such confidential information other than for the purposes intended by the company. We do not use such confidential information for personal gain.

We base all decisions on the best interests of the company. We protect and advance the company's business interests. We avoid interests, relationships or activities that

may compromise or impair (or appear to compromise or impair) our ability to (i) act in the best interests of the company, (ii) exercise objectivity in the discharge of our functions, or (iii) perform our duties to the best of our physical and mental abilities. We comply with the company's disclosure rules and conflict of interest policies.

We take action on incidents of corruption when we deem it appropriate to investigate and act on violations of the COBE, subject to the employees' rights to due process and the commitment of confidentiality to the informant. Incidents of corruption are handled immediately in accordance with the Labor Code, and the corresponding sanctions as defined in our Code of Discipline are applied. Non-compliance may result in disciplinary action, including termination. Certain violations may result in the filing of a criminal case, if warranted.

Moreover, our suppliers sign the inclusion of standard terms and conditions during accreditation. Buyers or managers are required to report any violations made by suppliers. We rigorously evaluate and investigate the report, and the confirmation of non-compliance leads to immediate delisting. To prevent the recurrence of such cases, we follow the stipulations indicated in our legal documents regarding non-compliance and the corresponding repercussions of the violation.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (Renewable sources)	Not applicable	N/A
Energy Consumption (gasoline)	Not applicable	N/A
Energy consumption (LPG)	Not applicable	N/A
Energy consumption (diesel)	Not applicable	N.A
Energy consumption (electricity)	119,017 (12 mos.)	Kwh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	This is not applicable to our Company's operations	
Energy reduction (LPG)		
Energy reduction (diesel)		
Energy reduction (electricity)		
Energy reduction (gasoline)		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	Not applicable	
Water consumption	1,507	Cu. meter
Water recycled and reused	Not applicable	

Materials used by the organization

Disclosure	Quantity	Units
Materials used weight or volume	Not applicable	
Percentage of recycled input materials used in manufacture the organization's primary products and organization	Not applicable	

Ecosystem and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	
IUCn Red list species and national conservation list species with habitats in areas affected by operations	Not applicable	

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (scope 1) GHG Emissions	Not applicable	
Energy indirect (Scope 2) GHG Emissions	Not applicable	
Emissions of ozone – depleting substances	Not applicable	

Air pollutants

Disclosure	Quantity	Units
Nox	Not applicable	
Sox	Not applicable	
Persitent organis pollutants (POPs)	Not applicable	
Volatile organic compounds (VOCs)	Not applicable	
Hazardous air pollutants(HAPs)	Not applicable	
Particulate matter (PM)	Not applicable	

Solid and Hazardous Wastes
Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		
Reusable	Not applicable	
Recyclable	Not applicable	
Composted	Not applicable	
Incinerated	Not applicable	
Residuals	Not applicable	

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not applicable	
Total weight of hazardous transported	Not applicable	

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not applicable	
Percent of waste water recycled	Not applicable	

Environmental compliance

Non-compliance with environmental Laws and regulations

Disclosure	Quantity	Units
Total amount of monetary fined for non-compliance with environmental laws and/or regulations	-0-	-0-
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	-0-	-0-
No of cases resolved through dispute		

resolution mechanism	-0-	-0-
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As can be noticed, almost all the answers were not applicable since our business background has no connections or any relationship with any questions above.

S O C I A L

Employee Management
Employee Hiring and Benefits

Employee data

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Total number of employees	68	
# of female employees	36	53%
# of male employees	32	47%
Attrition rate	9%	Rate
Ratio of lowest paid employee against minimum wage	0	Ratio

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	6%	2%
Philhealth	Y	14%	6%
Pag- ibig	Y	9%	8%
Parental leaves	Y	0	0
Vacation Leaves	Y	100%	100%
Sick Leaves	Y	89%	84%
Medical Benefits	Y	100%	97%
Housing Assistance	N		
Retirement fund	Y	3%	1%
Further education support	N		
Company stock option	N		
Telecommuting	N		
Flexible-working hrs	N		

Diversity and Equal Opportunity

Disclosure	Quantity	Units
Percentage of female workers in the workforce	53%	%
Percentage of male workers in the workforce	47%	%
Percentage of female in management positions*	18	%
Number of employees from indigenous communities and/or vulnerable sector?	None	#



First Abacus Financial Holdings Corp.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **First Abacus Financial Holdings Corporation & Subsidiaries** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year ended **December 31, 2025**, 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 **First Abacus Financial Holdings Corporation's & Subsidiaries** 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 **First Abacus Financial Holdings Corporation & Subsidiaries** or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the **First Abacus Financial Holdings Corporation's & Subsidiaries** financial reporting process.

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

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the **First Abacus Financial Holdings Corporation & Subsidiaries** in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

PAULINO S. SOO
Chairman, President and Chief Executive Officer

JIMMY S. SOO
Treasurer

APR 20 2026

QUEZON CITY

SUBSCRIBED AND SWORN to before me this _____ at _____, affiants Paulino S. Soo and Jimmy S. Soo exhibiting to me their TIN: 107-047-406 and 133-832-627, respectively.

Signed this _____ day of _____.

Doc. No. 222;
Page No. 46;
Book No. XC/11;
Series of 2024

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304629 / 1/05/2025-Q.C
IBP NO. INV 562041 / 12-01-2025-Q.C
Roll No. 28436
MCLE NO VIII-0008E00 / 05-07-2024
Add: 473 Bont Serrano Road, Barangay
San Roque, Murphy, Quezon City



P&A
Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

**First Abacus Financial Holdings Corporation and
Subsidiaries**

December 31, 2025, 2024 and 2023

Report of Independent Auditors

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and the Stockholders
First Abacus Financial Holdings Corporation and Subsidiaries
Unit 2904-A East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Opinion

We have audited the consolidated financial statements of First Abacus Financial Holdings Corporation and subsidiaries (together hereinafter referred to as the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and the notes to consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements, which indicates that the Group has a deficit of P2.9 billion and P2.2 billion as at December 31, 2025 and 2024, respectively, because of the Group's recurring net loss from operations. As stated in Note 1 to the consolidated financial statements, this condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. However, management has assessed the Company's ability to continue as a going concern by considering expected profitability in the future, debt repayment schedules, and potential sources of replacement financing. Based on this assessment, management concluded that the going concern basis of accounting remains appropriate, as stated in Note 3 to the financial statements. In connection with our audits, we have performed sufficient audit procedures to evaluate the reasonableness of management's assumptions on the ability of the Group to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described as follows to be the key audit matter to be communicated in our report.

Impairment of Receivables

Description of the Matter

As at December 31, 2025, the Group's receivables amounted to P2.7 billion, net of an allowance for impairment of P432.2 million, representing 36% of the Group's consolidated total assets.

The Group's management exercised significant judgment and estimation in determining the allowance for impairment of receivables using an expected credit loss (ECL) model in accordance with PFRS 9, *Financial Instruments*. The application of the ECL model requires management to assess the credit risk characteristics of receivables arising primarily from the Group's brokerage, investment banking, and other financial services activities. This includes the identification of default events, evaluation of repayment behavior, assessment of collateral values, and incorporation of forward-looking information through management overlays.

Given the size of the receivables balance, the concentration of exposures to certain counterparties, the presence of long-outstanding balances, and the inherent subjectivity involved in assessing recoverability and forward-looking assumptions, the impairment of receivables was an area of significant auditor attention and was therefore determined to be a key audit matter.

The Group's significant accounting policies and the significant judgments and estimates applied by management in relation to credit risk assessment are disclosed in Notes 2, 3 and 4 to the consolidated financial statements. Additional disclosures related to receivables and the allowance for impairment are presented in Note 10 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures included, among others, evaluating the design and implementation of the Group's ECL methodology for receivables, including assessing whether the probability of default assumptions and loss given default estimates were consistent with the requirements of PFRS 9 and appropriate for the nature of the Group's receivables portfolio.

We assessed the credit quality and repayment capacity of significant counterparties by examining historical collection patterns, ageing analyses, subsequent cash receipts, and, where available, the latest financial information of counterparties, with particular focus on long-outstanding and individually significant balances.

Where receivables were secured, we evaluated the existence and valuation of collateral and compared the assessed collateral values to the related outstanding receivable balances in determining the adequacy of the allowance for impairment.

In addition, we assessed the identification and application of forward-looking information and management overlays incorporated in the ECL model, including evaluating the relevance of macroeconomic indicators used and validating the reasonableness of these assumptions against publicly available information and our understanding of the Group's operating environment and industry conditions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Yusoph A. Maute.

PUNONGBAYAN & ARAULLO


By: **Yusoph A. Maute**
Partner

CPA Reg. No. 0140306
TIN 415-417-641
PTR No. 10770764, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 140306-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-046-2025 (until November 11, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-018 (until August 12, 2027)

May 14, 2026

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
<u>A S S E T S</u>			
CASH	7	P 52,025,233	P 173,812,088
RECEIVABLES - Net	10	2,697,194,202	2,341,359,748
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	8	1,604,283,828	1,873,848,807
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	9	2,958,924,350	3,114,849,330
PROPERTY AND EQUIPMENT - Net	12	10,157,233	10,725,716
DEFERRED TAX ASSETS - Net	20	34,490,915	15,511,565
OTHER ASSETS - Net	13	<u>230,649,916</u>	<u>228,399,919</u>
TOTAL ASSETS		<u>P 7,587,725,677</u>	<u>P 7,758,507,173</u>
<u>LIABILITIES AND EQUITY</u>			
INTEREST-BEARING LOANS AND BORROWINGS	14	P 6,512,918,802	P 5,974,206,490
DUE TO CUSTOMERS	15	374,724,865	624,390,783
ACCOUNTS PAYABLE AND OTHER LIABILITIES	16	<u>593,679,247</u>	<u>132,721,142</u>
Total Liabilities		<u>7,481,322,914</u>	<u>6,731,318,415</u>
CAPITAL STOCK	17	1,193,200,000	1,193,200,000
ADDITIONAL PAID-IN CAPITAL		3,104,800	3,104,800
TREASURY SHARES - At Cost	17	(385,670,581)	(385,670,581)
REVALUATION RESERVES	17	2,195,472,667	2,437,012,138
DEFICIT	1	<u>(2,899,704,123)</u>	<u>(2,220,457,599)</u>
Total Equity		<u>106,402,763</u>	<u>1,027,188,758</u>
TOTAL LIABILITIES AND EQUITY		<u>P 7,587,725,677</u>	<u>P 7,758,507,173</u>

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
REVENUES				
Commissions and fees	2	P 105,731,628	P 111,283,694	P 98,213,833
Gain on sale of financial assets at fair value through profit or loss (FVTPL) - net	8	21,258,924	34,364,214	800,354
Interest income	7	396,014	263,620	383,078
Fair value gains on financial assets at FVTPL - net	8	-	317,758,072	20,087,081
Others	8, 10, 22	753,491	150,854	1,412,372
		<u>128,140,057</u>	<u>463,820,454</u>	<u>120,896,718</u>
EXPENSES				
Interest expense	14, 16, 18	427,562,295	413,783,830	414,051,574
Fair value losses on financial assets at FVTPL - net	8	170,378,535	-	-
Salaries and employee benefits	18	80,797,596	77,263,521	75,827,790
Commissions		38,325,837	38,937,687	36,464,086
Taxes and licenses		28,007,180	29,184,159	28,920,760
Membership fees and dues		20,341,466	17,058,340	18,256,958
Communication		11,585,036	11,059,671	10,965,790
Exchange fees		9,084,189	9,268,602	8,060,758
Professional fees		8,343,411	9,075,453	6,561,189
Outside services		6,261,953	6,650,714	6,016,013
Impairment losses on receivables - net	10	4,046,826	248,669	-
Depreciation and amortization	12, 13	3,141,082	5,180,951	10,173,832
Representation and entertainment		1,258,834	1,905,708	1,380,036
Transportation and travel		382,424	446,771	269,370
Others	16, 19	15,059,835	14,398,327	16,402,002
		<u>824,576,499</u>	<u>634,462,403</u>	<u>633,350,158</u>
LOSS BEFORE TAX		(696,436,442)	(170,641,949)	(512,453,440)
TAX INCOME (EXPENSE)	20	<u>16,986,385</u>	<u>(9,198,899)</u>	<u>14,817,973</u>
NET LOSS		(679,450,057)	(179,840,848)	(497,635,467)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized fair value gains (losses) on financial assets at fair value through other comprehensive income - net	9	(239,152,837)	590,907,287	9,548,880
Gain (loss) on remeasurements of post-employment defined benefit plan - net	17	(2,183,101)	8,177,776	232,111
Total Other Comprehensive Income (Loss)		(241,335,938)	599,085,063	9,780,991
TOTAL COMPREHENSIVE INCOME (LOSS)		(P 920,785,995)	P 419,244,215	(P 487,854,476)
Basic and Diluted Loss Per Share	21	(P 0.6650)	(P 0.1760)	(P 0.4870)

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	<u>Capital Stock</u> <small>(see Note 17)</small>	<u>Additional Paid-in Capital</u>	<u>Treasury Shares</u> <small>(see Note 17)</small>	<u>Revaluation Reserves</u> <small>(see Note 17)</small>	<u>Deficit</u> <small>(see Notes 1 and 17)</small>	<u>Total Equity</u>
Balance at January 1, 2025	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 2,437,012,138	(P 2,220,457,599)	P 1,027,188,758
Gain on sale of financial assets at fair value through other comprehensive income	-	-	-	(203,533)	203,533	-
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(241,335,938)</u>	<u>(679,450,057)</u>	<u>(920,785,995)</u>
Balance at December 31, 2025	<u>P 1,193,200,000</u>	<u>P 3,104,800</u>	<u>(P 385,670,581)</u>	<u>P 2,195,472,667</u>	<u>(P 2,899,704,123)</u>	<u>P 106,402,763</u>
Balance at January 1, 2024	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 1,837,927,075	(P 2,040,616,751)	P 607,944,543
Total comprehensive income (loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,085,063</u>	<u>(179,840,848)</u>	<u>419,244,215</u>
Balance at December 31, 2024	<u>P 1,193,200,000</u>	<u>P 3,104,800</u>	<u>(P 385,670,581)</u>	<u>P 2,437,012,138</u>	<u>(P 2,220,457,599)</u>	<u>P 1,027,188,758</u>
Balance at January 1, 2023	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 1,828,146,084	(P 1,542,981,284)	P 1,095,799,019
Total comprehensive income (loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,780,991</u>	<u>(497,635,467)</u>	<u>(487,854,476)</u>
Balance at December 31, 2023	<u>P 1,193,200,000</u>	<u>P 3,104,800</u>	<u>(P 385,670,581)</u>	<u>P 1,837,927,075</u>	<u>(P 2,040,616,751)</u>	<u>P 607,944,543</u>

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(P 696,436,442)	(P 170,641,949)	(P 512,453,440)
Adjustments for:				
Interest expense	14, 16, 18	427,562,295	413,783,830	414,051,574
Impairment losses (recoveries) on receivables	10	4,046,826	248,669	(1,109,668)
Depreciation and amortization	12, 13	3,141,082	5,180,951	10,173,832
Interest income	7	(396,014)	(263,620)	(383,078)
Dividend income	8	(572,926)	(8,400)	(130,574)
Operating profit (loss) before working capital changes		(262,655,179)	248,299,481	(89,851,354)
Decrease (increase) in receivables		(359,881,280)	228,770,570	1,131,930,559
Decrease (increase) in financial assets at fair value through profit or loss		269,564,979	(245,304,663)	122,428,845
Increase in financial assets at fair value through other comprehensive income		(83,227,857)	(901,244)	(1,193,721)
Increase in other assets		(3,513,442)	(8,867,496)	(7,441,368)
Increase (decrease) in due to customers		(249,665,918)	230,818,357	(101,194,791)
Increase (decrease) in accounts payable and other liabilities		459,624,416	(4,483,020)	(165,716,786)
Cash from (used in) operations		(229,754,281)	448,331,985	888,961,384
Interest received		396,014	263,620	383,078
Cash paid for final taxes	20	(286,547)	(258,897)	(281,063)
Net Cash From (Used in) Operating Activities		(229,644,814)	448,336,708	889,063,399
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	12	(2,346,050)	(2,652,526)	(7,909,341)
Dividends received		572,926	8,400	130,574
Acquisition of computer software	13	-	(60,016)	-
Net Cash Used in Investing Activities		(1,773,124)	(2,704,142)	(7,778,767)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from additional loans and borrowings	14	2,203,923,889	2,141,396,491	1,885,028,699
Repayments of loans and borrowings	14	(1,665,211,577)	(2,053,447,999)	(2,351,902,418)
Interest paid		(429,081,229)	(396,459,636)	(412,920,793)
Payments of principal portion of lease liabilities	16	-	(193,897)	(550,506)
Net Cash From (Used in) Financing Activities		109,631,083	(308,705,041)	(880,345,018)
NET INCREASE (DECREASE) IN CASH		(121,786,855)	136,927,525	939,614
CASH AT BEGINNING OF YEAR		173,812,088	36,884,563	35,944,949
CASH AT END OF YEAR		<u>P 52,025,233</u>	<u>P 173,812,088</u>	<u>P 36,884,563</u>

Supplemental Information on Non-cash Financing Activity –

As of December 31, 2025 and 2024, the accrued interest payable on the Group's interest-bearing loans and borrowings amounted to P34,307,297 and P38,555,399, respectively, which are presented as part of Accounts payable and accrued expenses under the Accounts Payable and Other Liabilities account in the consolidated statements of financial position (see Notes 14 and 16).

See Notes to Consolidated Financial Statements.

**FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)**

1. CORPORATE MATTERS

1.1 Corporate Information

First Abacus Financial Holdings Corporation (the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on February 15, 1994. The Parent Company wholly owns the following subsidiaries (together herein referred to as the Group), all of which are also incorporated in the Philippines:

<u>Subsidiaries</u>	<u>Nature of Business</u>
Abacus Capital & Investment Corporation (ACIC)	Investment banking
Abacus Securities Corporation (ASC)	Securities brokerage
Vista Holdings Corporation (VHC)	Leasing

The Parent Company was established primarily to invest in, acquire by purchase, exchange or assignment and hold for investment, shares of capital stock or other securities issued by any corporation, association or other entities. The Parent Company is also involved in providing management advisory services as well as purchasing, selling and assigning accounts receivable, negotiable instruments and other evidences of indebtedness for the payment of money owed by any entity. The Parent Company's shares of stock are listed at the Philippine Stock Exchange (PSE) (see Note 17.6).

The Parent Company and its subsidiaries' registered office, which is also the principal place of business, is located at Unit 2904-A East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

1.2 Status of Operations

The Group has a deficit of P2,899,704,123 and P2,220,457,599 as at December 31, 2025 and 2024, respectively. This condition indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In assessing whether the going concern basis of accounting remains appropriate, management evaluated the Group's expected cash flows, working capital requirements, and the availability of funding and other sources of liquidity for at least the next 12 months from the reporting date. Management concluded that, while a material uncertainty exists, the going concern basis of accounting remains appropriate in view of management's mitigating plans and liquidity measures.

Management expects a gradual improvement in operating results driven primarily by the Group's brokerage and investment-related activities and the continued expansion of its digital initiatives. One of the Group's subsidiaries, ASC, has made notable progress in the online stock brokerage space, with MyTrade positioned as a key growth driver for the Group's future expansion. MyTrade is continuously upgraded to enhance user experience and engagement, including a streamlined account opening process, real-time market news updates, daily research insights, and enhanced chat functionality.

Management also expects that the Group's ability to serve clients across traditional and digital channels, together with renewed cross-unit collaboration, will improve distribution capabilities and support revenue generation across its investment banking and brokerage services. Management's approved plans include initiatives to boost revenues and float (including promotion of the P1,000 account opening product), expand the customer base through multiple acquisition channels, and broaden product offerings and partnerships to deepen client wallet share.

In addition, management continues to actively manage liquidity through close monitoring of cash flows and working capital requirements. To meet scheduled debt repayments as they fall due, management expects to use a combination of operating cash inflows and active liquidity management actions, including the availability and utilization of committed and expected-to-be-renewed credit facilities. Debt repayments due within 12 months amount to P7,428,291,693 as of December 31, 2025 (see Note 23).

Management's liquidity plans also assume continued access to financing and the ability to generate liquidity from financial assets when necessary. The Group has increased and/or availed credit lines amounting to P300,000,000, and existing credit lines amounting to P520,000,000 are expected to be renewed. Management also considers the ability to generate liquidity by monetizing gains and/or disposing of financial assets classified as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) as part of liquidity support actions.

As at December 31, 2025, the Group holds equity securities classified as FVOCI and FVTPL with an aggregate fair value of approximately P4,563,208,178 (see Notes 8 and 9). These financial assets are actively traded and may be disposed of, if necessary, to support liquidity requirements and settle maturing obligations.

Despite the existence of the material uncertainty described above, management believes that the going concern basis of accounting remains appropriate, as the Group is expected to be able to realize its assets and discharge its liabilities in the normal course of business.

The Group believes that its plans and the assumptions underlying its forecasts are reasonable and appropriate; however, actual outcomes may differ from these forecasts. Accordingly, these consolidated financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern.

1.3 Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the year ended December 31, 2025 (including the comparative consolidated financial statements as at December 31, 2024 and for the years ended December 31, 2024 and 2023) were authorized for issue by the Parent Company's Chairman of the Board of Directors (BOD) and Chief Executive Officer on May 14, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income, expense and other comprehensive income and losses in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New and Amended PFRS Accounting Standards

(a) Effective in 2025 that is Relevant to the Group

The Group adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the Group's consolidated financial statements.

(b) Effective Subsequent to 2025 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Group's consolidated financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026).
- (ii) PFRS 9 and PFRS 7 (Amendments), *Contracts Referencing Nature-dependent Electricity* (effective from January 1, 2026).
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- (iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely).

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its wholly owned subsidiaries after elimination of intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

The acquisition method is applied to account for acquired subsidiaries. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

2.4 Financial Instruments

(a) Classification and Measurement of Financial Assets

The classification and measurement of financial assets are described below.

(i) Financial Assets at Amortized Cost

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash, Receivables (excluding receivables from employees) and as part of Other Non-current Assets in respect of Clearing and trade guaranty fund (CTGF).

(ii) Financial Assets at FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified at FVTPL. The Group has designated certain equity instruments as at FVOCI on initial recognition.

(iii) Financial Assets at FVTPL

Equity securities are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include equity securities which are held for trading purposes.

(b) Impairment of Financial Assets

The Group recognizes allowance for ECL on its financial assets measured at amortized cost.

At the end of the reporting period, the Group assesses and recognizes allowance for ECL on its financial assets measured at amortized cost. The measurement of ECL involves consideration of broader range of information that is available without undue cost or effort at the reporting date about past events, current conditions, and reasonable and supportable forecasts of future economic conditions (i.e., forward-looking information) that may affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instruments evaluated based on a range of possible outcome.

The Group recognizes lifetime ECL for trade and other receivables. The ECL on these assets are estimated by applying the simplified approach using a provision matrix developed based on the Group's historical credit loss experience, ageing analyses and customer-specific credit information and loss patterns, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(c) *Financial Liabilities*

Financial liabilities include interest-bearing loans and borrowings, due to customers and accounts payable and other liabilities (excluding post-employment defined benefit obligation, and tax-related payable).

2.5 Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, amortization and impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Condominium units and parking space	15-25 years
Building improvements	5 years
Transportation equipment	5 years
Computer equipment	3-5 years
Furniture, fixtures and equipment	3-5 years

2.6 Intangible Assets

Intangible assets include goodwill, trading right and acquired computer software licenses (presented as part of Other Assets account in the consolidated statement of financial position).

Goodwill represents the excess of the acquisition cost of the investment over the fair value of identifiable net assets of a subsidiary at the date of acquisition. Goodwill is subsequently carried at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed (see Note 2.7).

Trading right represents the value of the exchange seat, which allows the Group to trade in the PSE. Trading right is assessed as having an indefinite useful life and is tested annually for impairment and carried at cost less accumulated impairment losses (see Note 2.7).

2.7 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, deferred oil exploration costs, goodwill, computer software, trading right and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with an indefinite useful life such as goodwill and trading right are tested for impairment at least annually.

2.8 Revenue and Expense Recognition

Revenue comprises revenue from rendering of services (i.e., securities brokerage services, financial advisory and underwriting services, and others) measured by reference to the fair value of consideration received or receivable by the Group for services rendered, excluding value-added tax.

The Group enters into transactions involving the rendering of services. There are no significant judgments involved in determining the transaction price, the allocated amounts to and timing of satisfaction of performance obligations since there is only one transaction price specific to one performance obligation in the respective contracts that is satisfied over time. The transaction price for a performance obligation that is satisfied over time is recognized as revenue as the performance obligation is satisfied. As applicable, customers are invoiced periodically as work progresses, which are also due upon receipt by the customers. Any unbilled amounts at the end of a reporting period for management services are presented in the consolidated statement of financial position as Management fee receivables under the Receivables account as only the passage of time is required before payment of these amounts will be due.

Commissions from brokerage services, which are recognized as actual revenues and are charged to customers on a transaction-date basis as securities transactions occur; hence, recognized at a point in time.

With respect to commission and fees arising from financial advisory and underwriting services (i.e., negotiating, or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses), revenues are recognized at the completion of the underlying transaction or at a point in time. This also includes management and advisory service fees recognized upon satisfaction of primary transaction. The non-refundable portion of the transaction price specifically identifiable is also recognized at a point in time since there is no performance obligation related to this consideration upon acceptance of the contract and payment of the non-refundable fees by customers.

Costs and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred.

2.9 Securities Transactions

Securities transactions (and related commission income and expense, if applicable) are recorded on a transaction date basis.

2.10 Leases – Group as Lessee

The Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

2.11 Employee Benefits

The Group provides benefits to employees through a defined benefit plan, defined contribution plan, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax qualified, non-contributory and administered by a trustee. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the judgments discussed below and in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Going Concern Assumption

When preparing the consolidated financial statements, management makes an assessment of the Group's ability to continue as a going concern. The Group prepares the consolidated financial statements on a going concern basis unless the Group either intends to liquidate or to cease trading, or has no realistic alternative but to do so. When the Group is aware in making its assessment of material uncertainties related to events or conditions that may cast significant doubt upon its ability to continue as a going concern, the management shall disclose those uncertainties.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to 12 months from the end of the reporting period. The management considers a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

The management believes that the Group, though it incurs significant operating losses and it has a deficit as at December 31, 2025 and 2024, will continue as a going concern, as disclosed in Note 1.2.

(b) *Application of ECL Model to Financial Assets at Amortized Cost*

The Group uses a provision matrix to calculate ECL for its receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., enhancements such as collaterals).

The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's receivables are disclosed in Note 4.2.

(c) *Evaluation of Business Model Applied in Managing Financial Instruments*

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows. The Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to, taking into consideration the objectives of each business model established by the Group as those relate to the Group's investment and trading strategies.

(d) *Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, if more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessary inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

(e) *Recognition of Provisions and Contingencies*

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 obligation that has resulted from past events. Similarly, possible outflows of economic benefits to the Group that do not yet meet the recognition criteria of a liability are considered contingent liabilities, hence, are not recognized in the consolidated financial statements. Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures are presented in Note 22.

(f) *Distinction between Property and Equipment and Investment Property*

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the rendering of services by the Group or for administrative purposes.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

3.2 Key Sources of Estimation Uncertainty

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

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is discussed in detail in Note 4.2.

(b) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The carrying values of recognized and unrecognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 20.

(c) Impairment of Other Non-Financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.7). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment loss on non-financial assets was recognized in 2025, 2024 and 2023.

(d) Valuation of Post-Employment Benefit Obligation

The determination of the Group's post-employment defined benefit obligation is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions significantly include, among others, discount rate and salary growth rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amount of post-employment defined benefit obligation and the analysis of the movements thereto, as well as the significant assumptions used in estimating such obligation are presented in Note 18.2.

(e) *Fair Value Measurement for Investment Properties*

The Group's investment properties are composed of condominium units carried at cost at the end of the reporting period. The fair value of investment properties, as disclosed in Notes 5.6 and 13.3, is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date. Such amount is influenced by different factors including the location and specific characteristics of the property (e.g., size, features, and capacity), quantity of comparable properties available in the market, and economic condition and behaviour of the buying parties. A significant change in these elements may affect prices and the value of the assets.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to its financial instruments. The risk management activities at the level of each company in the Group is coordinated with the Parent Company, in close cooperation with its BOD, and focuses on actively securing the Group'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 most significant financial risks to which the Group is exposed to are described as follows:

4.1 *Interest Rate Risk*

At December 31, 2025 and 2024, Group is exposed to changes in market interest rates through its interest-bearing loans and borrowings and cash in bank, which are subject to variable changes in interest rates. Nonetheless, management believes that the Group's exposure to variable changes in interest rates on cash in bank is not material.

The sensitivity of the Group's loss before tax and equity to a reasonably possible change in interest rates of +/-0.41% and +/-0.35% for interest-bearing loans in 2025 and 2024, respectively. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at the end of the reporting period that are sensitive to changes in interest rates.

Considering all other variables held constant, if the interest rate increased by 0.41% and 0.35% in 2025 and 2024, respectively, loss before tax in 2025 and 2024 would have increased by P26,702,967 and P20,909,723, respectively. Conversely, if the interest rate decreased by the same percentages loss before tax in the respective years would have been lower by the same amounts.

4.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers and placing bank deposits.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Its policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements) as summarized below.

<i>(Amounts in PHP)</i>	Notes	2025	2024
Cash in bank	7	51,930,233	173,705,467
Receivables - net*	10	2,694,206,799	2,337,041,555
CTGF	13	26,930,932	25,907,156
		2,773,067,964	2,536,654,178

*Receivables - net exclude receivables from employees

The tables below and in the succeeding page show the credit quality by class of financial assets as at December 31.

<i>(Amounts in PHP)</i>	Neither Past Due Nor Impaired		Past Due but not Individually Impaired	Total
	High Grade	Standard Grade		
December 31, 2025				
Cash in bank	51,930,233	-	-	51,930,233
Receivables:				
Customers, brokers, directors and officers	142,639,486	2,129,273,205	3,252,940	2,275,165,631
Equity margin loans	-	-	528,545,701	528,545,701
Accounts receivable	3,199,086	3,116,375	147,941,104	154,256,565
Notes receivables	-	-	68,449,190	68,449,190
Interest receivables	-	7,287,476	45,591,055	52,878,531
Management fees	-	-	19,550,000	19,550,000
Others	-	7,489,974	20,091,748	27,581,722
Receivables - gross*	145,838,572	2,147,167,030	833,421,738	3,126,427,340
Allowance for impairment	-	-	(432,220,541)	(432,220,541)
Receivables - net	145,838,572	2,147,167,030	401,201,197	2,694,206,799
CTGF	-	26,930,932	-	26,930,932
	197,768,805	2,174,097,962	401,201,197	2,773,067,964

* Receivables - gross exclude receivables from employees

(Amounts in PHP)	Neither Past Due Nor Impaired		Past Due but not	Total
	High Grade	Standard Grade	Individually Impaired	
<u>December 31, 2024</u>				
Cash in bank	173,705,467	-	-	173,705,467
Receivables:				
Customers, brokers, directors and officers	153,984,856	1,749,024,159	4,893,886	1,907,902,901
Equity margin loans	-	-	534,545,701	534,545,701
Accounts receivable	4,540,722	647,448	150,048,618	155,236,788
Notes receivables	-	-	68,217,651	68,217,651
Interest receivables	-	7,287,476	45,591,055	52,878,531
Management fees	-	-	19,550,000	19,550,000
Others	-	6,801,126	20,082,572	26,883,698
Receivables - gross*	158,525,578	1,763,760,209	842,929,483	2,765,215,270
Allowance for impairment	-	-	(428,173,715)	(428,173,715)
Receivables - net	158,525,578	1,763,760,209	414,755,768	2,337,041,555
CTGF	-	25,907,156	-	25,907,156
	332,231,045	1,789,667,365	414,755,768	2,536,654,178

* Receivables - gross exclude receivables from employees

High Grade credit quality pertains to financial assets with insignificant risk of default based on historical experience. On the other hand, Standard Grade credit quality pertains to financial assets not belonging to High Grade credit quality financial assets but does not exhibit any default or possible impairment.

(a) *Cash in bank*

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the *Philippine Deposit Insurance Corporation* up to a maximum coverage to P1,000,000 for every depositor per banking institution.

(b) *Receivables from Customers, Brokers, Directors and Officers, and Other Receivables*

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all receivables from customers, brokers, directors and officers, as well as for other receivables.

Receivables from customers, brokers, directors and officers are either fully or partially secured by collateral equity securities (see Note 10). In computing for the lifetime ECL, the Group applied an individual assessment of ECL measurement considering qualitative factors, i.e., longevity of days outstanding, no recorded trading activities and insufficient collateral valuation.

In respect of other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics; however, the Group is exposed to significant credit risk exposure to a number of counterparties due to significance of outstanding receivables from these counterparties. Nevertheless, the Group's management does not consider the risks to be probable since, based on historical information about counterparties' default rates and payment history, management considers the credit quality of receivables that are not past due or impaired to be good.

The Group identifies a default when the receivables become credit impaired or when the customer is not able to settle the receivables within the normal credit terms of 30 to 60 days, depending on the terms with customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

An analysis of the maximum credit risk exposures with available collaterals is shown below.

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2025				
Customers, brokers, directors and officers	2,275,165,631	9,889,128,809	-	2,275,165,631
Equity margin loans	528,545,701	391,324,565	137,221,136	391,324,565
	2,803,711,332	10,280,453,374	137,221,136	2,666,490,196
2024				
Customers, brokers, directors and officers	1,907,902,901	3,767,198,659	-	1,907,902,901
Equity margin loans	534,545,701	444,129,234	90,416,467	444,129,234
	2,442,448,602	4,211,327,893	90,416,467	2,352,032,135

4.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by the Group's ability to sell long-term financial assets.

As at December 31, 2025 and 2024, the Group's financial liabilities have contractual maturities which are presented below and in the succeeding page.

<i>(Amounts in PHP)</i>	Within 6 months	Between 6 to 12 Months	More than 12 Months	Total
December 31, 2025				
Interest-bearing loans and borrowings	5,596,627,518	974,721,198	90,405	6,571,439,121
Due to customers	374,724,865	-	-	374,724,865
Accounts payable and other liabilities*	20,785,240	455,408,455	-	476,193,695
	5,992,137,623	1,430,129,653	90,405	7,422,357,681

*Accounts payable and other liabilities exclude post-employment defined benefit obligation and taxes payable.

<i>(Amounts in PHP)</i>	Within 6 months	Between 6 to 12 Months	More than 12 Months	Total
December 31, 2024				
Interest-bearing loans and borrowings	5,766,733,519	728,071,721	891,165	6,495,696,405
Due to customers	624,390,783	-	-	624,390,783
Accounts payable and other liabilities*	64,365,875	4,944,907	402,673	69,713,455
	<u>6,455,490,177</u>	<u>733,016,628</u>	<u>1,293,838</u>	<u>7,189,800,643</u>

*Accounts payable and other liabilities exclude post-employment defined benefit obligation and taxes payable.

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of the reporting period.

4.4 Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVTPL and FVOCI). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

The observed volatility rates using standard deviation of the fair values of the Group's investments held at fair value and their impact on the Group's consolidated net profit and consolidated other comprehensive income as at December 31, 2025 and 2024 are summarized as follows:

<i>(Amounts in PHP)</i>	Increase	Decrease	Impact of Increase		Impact of Decrease	
			Profit or Loss	Other Comprehensive Income	Profit or Loss	Other Comprehensive Income
2025						
Financial assets at FVTPL	+34.18%	-34.18%	548,344,212	-	(548,344,212)	-
Financial assets at FVOCI – Berjaya Philippines, Inc. (BCOR)	+87.81%	-87.81%	-	2,576,718,022	-	(2,576,718,022)
			<u>548,344,212</u>	<u>2,576,718,022</u>	<u>(548,344,212)</u>	<u>(2,576,718,022)</u>
2024						
Financial assets at FVTPL	+28.63%	-28.63%	591,278,847	-	(591,278,847)	-
Financial assets at FVOCI – BCOR	+75.26%	-75.26%	-	2,327,302,106	-	(2,327,302,106)
			<u>591,278,847</u>	<u>2,327,302,106</u>	<u>(591,278,847)</u>	<u>(2,327,302,106)</u>
2023						
Financial assets at FVTPL	+31.55%	-31.55%	513,874,812	-	(513,874,812)	-
Financial assets at FVOCI – BCOR	+33.51%	-33.51%	-	870,162,596	-	(870,162,596)
			<u>513,874,812</u>	<u>870,162,596</u>	<u>(513,874,812)</u>	<u>(870,162,596)</u>

The investments in equity securities classified as financial assets at FVOCI are considered long-term, strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments.

The volatility rates of investment in golf club shares were not presented as at December 31, 2025 and 2024 since the impact of these volatility rates using standard deviation of the golf club shares in other comprehensive income would not be significant.

5. CATEGORIES, OFFSETTING AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

For the Group's financial assets and financial liabilities as at December 31, 2025 and 2024, management determined that the carrying amounts of these financial instruments are equal to or approximate their fair values; hence, no further comparison between the carrying amounts and fair values is presented.

See Note 2.4 for the description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting agreement:

<i>(Amounts in PHP)</i>	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated statements of financial position
	Financial assets	Financial liabilities set-off	
<u>December 31, 2025</u>			
Due to (from) clearing house	22,518,419	(13,608,349)	8,910,070
<u>December 31, 2024</u>			
Due to clearing house	31,057,483	-	31,057,483

Due from customers accounts are set-off with due to customers account of ASC. The Parent Company and ACIC agreed with the ASC's directors and key officers in an offsetting arrangement wherein any amounts due from the directors and key officers (which are included as part of Due from Customers under Receivables in the consolidated statements of financial position) arising from trading transactions will be offset against the related amount of due to customers that is payable to the Parent Company and ACIC.

Due to (from) clearing house refers to the outstanding balance for the last two trading days of the year in compliance with the T+2 rule where all buying and selling transactions must be settled two days after the transaction date.

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between ASC and its customers allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis.

There were no other financial assets and financial liabilities set-off in 2025 and 2024 other than the receivables from clearing house and amounts due to customers.

Currently, other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument, particularly related parties, will have the option to settle all such amounts on a net basis in the event of default of the other party through approval of both parties.

5.3 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets, which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

5.4 Financial Instrument Measured at Fair Value

The tables below show the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as at December 31, 2025 and 2024.

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2025				
Financial assets at FVOCI	2,934,424,350	24,500,000	-	2,958,924,350
Financial assets at FVTPL	1,604,283,828	-	-	1,604,283,828
	<u>4,538,708,178</u>	<u>24,500,000</u>	<u>-</u>	<u>4,563,208,178</u>
December 31, 2024				
Financial assets at FVOCI	3,092,349,330	22,500,000	-	3,114,849,330
Financial assets at FVTPL	1,873,848,807	-	-	1,873,848,807
	<u>4,966,198,137</u>	<u>22,500,000</u>	<u>-</u>	<u>4,988,698,137</u>

The fair values of the listed equity securities were determined directly by reference to quoted prices published by the PSE and are classified under Level 1 in the fair value hierarchy (see Note 5.3). On the other hand, the fair values of the club shares under Level 2 were determined using the prices published by an SEC-registered club share broker.

There were no financial liabilities measured at fair value as at December 31, 2025 and 2024 and neither were there transfers among fair value hierarchies in both years.

5.5 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed.

<i>(Amounts in PHP)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2025				
Financial assets:				
Cash	52,025,233	-	-	52,025,233
Receivables - net	-	-	2,694,206,799	2,694,206,799
CTGF	-	-	26,930,932	26,930,932
	<u>52,025,233</u>	<u>-</u>	<u>2,721,137,731</u>	<u>2,773,162,964</u>
Financial liabilities:				
Interest-bearing loans and borrowings	-	-	6,512,918,802	6,512,918,802
Due to customers	-	-	374,724,865	374,724,865
Accounts payable and other liabilities	-	-	525,401,441	525,401,441
	<u>-</u>	<u>-</u>	<u>7,413,045,108</u>	<u>7,413,045,108</u>
December 31, 2024				
Financial assets:				
Cash	173,812,088.	-	-	173,812,088
Receivables - net	-	-	2,337,041,555	2,337,041,555
CTGF	-	-	25,907,156	25,907,156
	<u>173,812,088</u>	<u>-</u>	<u>2,362,948,711</u>	<u>2,536,760,799</u>
Financial liabilities:				
Interest-bearing loans and borrowings	-	-	5,974,206,490	5,974,206,490
Due to customers	-	-	624,390,783	624,390,783
Accounts payable and other liabilities	-	-	69,713,455	69,713,455
	<u>-</u>	<u>-</u>	<u>6,668,310,728</u>	<u>6,668,310,728</u>

For cash, with fair value included in Level 1, fair value is based on unadjusted quoted amount from the counterparty banks. The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market is determined by reference to the current market value of another instrument, which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

5.6 Fair Value Measurement of Non-financial Assets

The market value of the Group's investment properties, which consist of condominium units, amounts to P259,947,197 and P255,197,921 as at December 31, 2025 and 2024, respectively, and is based on the market comparable approach that reflects recent transaction prices for similar properties and adjacent properties.

The Level 2 fair value of the condominium units was derived using the observable recent prices of the reference properties and were adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value of the properties (see Note 13.3).

6. SEGMENT REPORTING

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organized into the following business segments:

- (a) *Securities brokerage* – handles buying and selling of shares of stock, bonds and other securities.
- (b) *Investment house* – provides services which include underwriting of financial instruments and management fees from financial and management advisory services.
- (c) *Leasing and others* – includes leasing of condominium units and other segment activities, none of which constitute a separately reportable segment.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds ranges from 4.50% to 8.50% in 2025, 2024 and 2023 (see Note 14).

Inter-segment revenues and expenses also include rentals from the operating leases on condominium units managed by certain segments. There are no other material items of income or expense between the business segments.

Segment assets and liabilities comprise operating assets and liabilities including items such as taxation and borrowings.

When the Group prepares its investor presentations and/or when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in the succeeding pages.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The tables below and on the succeeding page present revenue and profit information regarding industry segments for the years ended December 31, 2025, 2024 and 2023 and certain assets and liabilities information regarding industry segments as at December 31, 2025, 2024 and 2023.

<i>(Amounts in PHP)</i>	Securities Brokerage	Investment Banking	Leasing and Others	Total before Elimination	Elimination	Group
December 31, 2025						
Revenues:						
External	132,526,908	(1,049,655)	(3,337,196)	128,140,057	-	128,140,057
Inter-segment	-	39,041,591	8,680,706	47,722,297	(47,722,297)	-
	<u>132,526,908</u>	<u>37,991,936</u>	<u>5,343,510</u>	<u>175,862,354</u>	<u>(47,722,297)</u>	<u>128,140,057</u>
Expenses:						
Interest expense	34,345,505	372,131,553	56,681,932	463,158,990	(35,596,695)	427,562,295
Depreciation and amortization	3,042,430	98,652	-	3,141,082	-	3,141,082
Other expenses						
External	200,299,765	59,119,549	134,453,808	393,873,122	-	393,873,122
Inter-segment	12,125,602	-	-	12,125,602	(12,125,602)	-
	<u>249,813,302</u>	<u>431,349,754</u>	<u>191,135,740</u>	<u>872,298,796</u>	<u>(47,722,297)</u>	<u>824,576,499</u>
Loss before tax	(117,286,394)	(393,357,818)	(185,792,230)	(696,436,442)	-	(696,436,442)
Tax income (expense)	18,203,020	(1,040,598)	(176,037)	16,986,385	-	16,986,385
Net loss	<u>(99,083,374)</u>	<u>(394,398,416)</u>	<u>(185,968,267)</u>	<u>(679,450,057)</u>	<u>-</u>	<u>(679,450,057)</u>
Segment assets	<u>883,024,963</u>	<u>6,680,453,971</u>	<u>1,465,236,345</u>	<u>9,028,715,279</u>	<u>(1,440,989,602)</u>	<u>7,587,725,677</u>
Segment liabilities	<u>609,555,948</u>	<u>6,573,056,900</u>	<u>931,678,452</u>	<u>8,114,291,300</u>	<u>(632,968,386)</u>	<u>7,481,322,914</u>
December 31, 2024						
Revenues:						
External	184,714,444	(15,186,254)	294,292,264	463,820,454	-	463,820,454
Inter-segment	5,889,837	29,004,359	8,717,070	43,611,266	(43,611,266)	-
	<u>190,604,281</u>	<u>13,818,105</u>	<u>303,009,334</u>	<u>507,431,720</u>	<u>(43,611,266)</u>	<u>463,820,454</u>
Expenses:						
Interest expense	14,313,024	358,939,189	40,531,617	413,783,830	-	413,783,830
Depreciation and amortization	5,084,951	96,000	-	5,180,951	-	5,180,951
Other expenses						
External	149,574,813	58,832,381	7,090,428	215,497,622	-	215,497,622
Inter-segment	12,363,296	12,428,121	18,819,849	43,611,266	(43,611,266)	-
	<u>181,336,084</u>	<u>430,295,691</u>	<u>66,441,894</u>	<u>678,073,669</u>	<u>(43,611,266)</u>	<u>634,462,403</u>
Profit (loss) before tax	9,268,197	(416,477,586)	236,567,440	(170,641,949)	-	(170,641,949)
Tax expense	(8,000,203)	(830,992)	(367,704)	(9,198,899)	-	(9,198,899)
Net loss	<u>1,267,994</u>	<u>(417,308,578)</u>	<u>236,199,736</u>	<u>(179,840,848)</u>	<u>-</u>	<u>(179,840,848)</u>
Segment assets	<u>1,220,843,543</u>	<u>6,590,039,044</u>	<u>1,592,654,848</u>	<u>9,403,537,435</u>	<u>(1,645,030,262)</u>	<u>7,758,507,173</u>
Segment liabilities	<u>847,332,589</u>	<u>5,849,397,061</u>	<u>873,311,158</u>	<u>7,570,040,808</u>	<u>(838,722,393)</u>	<u>6,731,318,415</u>

<i>(Amounts in PHP)</i>	Securities Brokerage	Investment Banking	Leasing and Others	Total before Elimination	Elimination	Group
December 31, 2023						
Revenues:						
External	128,412,846	(19,699,506)	12,183,378	120,896,718	-	120,896,718
Inter-segment	549,378	124,721,583	322,765	125,593,726	(125,593,726)	-
	<u>128,962,224</u>	<u>105,022,077</u>	<u>12,506,143</u>	<u>246,490,444</u>	<u>(125,593,726)</u>	<u>120,896,718</u>
Expenses:						
Interest expense	13,687,732	375,640,272	39,253,529	428,581,533	(14,529,961)	414,051,572
Depreciation and amortization	7,738,497	100,500	2,334,835	10,173,832	-	10,173,832
Other expenses						
External	145,964,173	57,298,315	5,862,266	209,124,754	-	209,124,754
Inter-segment	11,063,768	-	-	11,063,768	(11,063,768)	-
	<u>178,454,170</u>	<u>433,039,087</u>	<u>47,450,630</u>	<u>658,943,887</u>	<u>(25,593,729)</u>	<u>633,350,158</u>
Loss before tax	(49,491,946)	(328,017,010)	(34,944,487)	(412,453,443)	(99,999,997)	(512,453,440)
Tax income (expense)	15,377,866	(471,985)	(87,908)	14,817,973	-	14,817,973
Net loss	<u>(34,114,080)</u>	<u>(328,488,995)</u>	<u>(35,032,395)</u>	<u>(397,635,470)</u>	<u>(99,999,997)</u>	<u>(497,635,467)</u>
Segment assets	<u>987,593,023</u>	<u>6,398,937,232</u>	<u>1,394,671,124</u>	<u>8,781,201,379</u>	<u>(1,764,108,520)</u>	<u>7,017,092,859</u>
Segment liabilities	<u>618,898,820</u>	<u>5,844,177,358</u>	<u>912,439,521</u>	<u>7,375,515,699</u>	<u>(966,367,383)</u>	<u>6,409,148,316</u>

7. CASH

This account includes the following:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Cash in banks	51,930,233	173,705,467
Cash on hand	95,000	106,621
	<u>52,025,233</u>	<u>173,812,088</u>

Cash in banks generally earn interest at rates based on prevailing daily bank deposit rates. Interest income from bank deposits is presented as part of Interest Income under Revenues section in the consolidated statements of comprehensive income.

In compliance with the Securities Regulation Code (SRC) Rule 49.2, *Restrictions on Borrowings by Members, Brokers, and Dealers*, covering customer protection, reserves and custody of securities, the Group maintains a special reserve bank account of the Group for the exclusive benefit of its customers in relation to the Group's securities and brokerage business.

Reserve requirement is determined on a monthly basis using SEC-prescribed computation. The special reserve bank account of the Group has a restricted balance of P617,149 and P522,996 as at December 31, 2025 and 2024, respectively, and is in compliance with the reserve requirement.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Equity securities include investments in shares of stock of publicly-listed entities which are held solely for trading purposes. These shares are carried at fair value as determined directly by reference to published prices quoted in an active market. For investments in shares of stock of publicly-listed entities, which are suspended for trading as at the end of the reporting period, if any, the last transacted price was used in the determination of fair value.

The reconciliation of financial assets at FVTPL as of December 31 are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	1,873,848,807	1,628,544,144
Disposals	(197,199,431)	(4,268,617,307)
Unrealized fair value gains (losses) - net	(170,378,535)	317,758,072
Additions	98,012,987	4,196,163,898
Balance at end of year	<u>1,604,283,828</u>	<u>1,873,848,807</u>

In 2025, 2024 and 2023, the net gains on sale amounted to P21,258,924, P34,364,214 and P800,354, respectively, and were presented under Gain on Sale of Financial Assets at FVTPL - net in the consolidated statements of comprehensive income.

The Group's net fair value gains and losses on investments arising from mark-to-market valuation of investments at FVTPL are presented as Fair Value Gains on Financial Assets at FVTPL under Revenues section and Fair Value Losses on Financial Assets at FVTPL under Expenses section, respectively, in the consolidated statements of comprehensive income.

The dividends earned on financial assets at FVTPL in 2025, 2024, and 2023 amounted to P572,926, P8,400 and P130,574, respectively. These amounts are presented as part of Others under Revenues section of the consolidated statements of comprehensive income.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI include the following:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
BCOR	2,934,424,350	3,092,349,330
Others	24,500,000	22,500,000
	<u>2,958,924,350</u>	<u>3,114,849,330</u>

Other financial assets at FVOCI pertain to other equity securities and proprietary membership in golf and country club shares.

The movements of financial assets at FVOCI are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	3,114,849,330	2,523,040,799
Unrealized fair value gains (losses) - net	(239,152,837)	590,907,287
Additions	84,435,495	901,244
Disposals	(1,207,638)	-
Balance at end of year	<u>2,958,924,350</u>	<u>3,114,849,330</u>

Unrealized fair value gains (losses) on financial assets at FVOCI are presented in the consolidated statements of comprehensive income as items that will not be reclassified subsequently to profit or loss.

Net cumulative fair value changes on financial assets at FVOCI amounted to P2,199,759,622, P2,439,115,992 and P1,848,208,705 as at December 31, 2025, 2024 and 2023, respectively, and are presented as part of the Revaluation Reserves account in the consolidated statements of financial position (see Note 17.2).

In 2025, realized gain on sale of financial assets at FVOCI which was transferred directly from Revaluation Reserves to Deficit amounted to P203,533. There was no similar transaction in 2024 and 2023.

10. RECEIVABLES

The breakdown of this account is as follows:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Current:			
Due from customers, brokers, directors and officers	10.2	2,275,165,631	1,907,902,901
Accounts receivable	10.3	85,023,200	87,334,213
Notes receivables	10.4	68,449,190	68,217,651
Interest receivables	10.4	52,878,531	52,878,531
Management fees	11.1	19,550,000	19,550,000
Others	11.2	18,486,114	17,788,090
		<u>2,519,552,666</u>	<u>2,153,671,386</u>
Non-current:			
Equity margin loans	10.1	528,545,701	534,545,701
Accounts receivable	10.3	72,220,768	72,220,768
Others	11.2	9,095,608	9,095,608
		<u>609,862,077</u>	<u>615,862,077</u>
		3,129,414,743	2,769,533,463
Allowance for impairment		<u>(432,220,541)</u>	<u>(428,173,715)</u>
		<u>2,697,194,202</u>	<u>2,341,359,748</u>

All receivables of the Group have been assessed for impairment in 2025 and 2024. Portion of receivables from customers and certain counterparties are found to be individually impaired and allowances have been recognized accordingly.

A reconciliation of the allowance for impairment at the beginning and end of 2025 and 2024 is shown below.

<i>(Amounts in PHP)</i>	2025	2024
Balance at beginning of year	428,173,715	427,925,046
Impairment losses	4,046,826	735,830
Reversal of impairment losses	-	(487,161)
Balance at end of year	432,220,541	428,173,715

Impairment losses in 2025 and 2024 are presented under Impairment losses on receivables - net in the consolidated statements of comprehensive income. Meanwhile, the reversal of impairment losses in 2023 is presented as part of Others under Revenues section in the 2023 consolidated statement of comprehensive income.

10.1 Equity Margin Loans

Effective January 1, 2007 and until the Group's BOD reverses the resolution, management decided to stop recognizing interest on equity margin loans by virtue of a BOD resolution after the Group received requests from its customers for a moratorium on interest charges on equity margin loans.

These receivables are provided with an allowance for impairment amounting to P184,786,358 as of December 31, 2025 and 2024, and the remaining balance is secured by certain quoted equity securities (pledged by certain customers) with a total market value of P391,324,565 and P444,129,234 as at December 31, 2025 and 2024, respectively.

10.2 Due from Customers, Brokers, Directors and Officers

Due from customers, brokers, directors and officers pertain to outstanding receivable from customers, brokers, directors and officers related to the Group's securities trading transactions and are normally due within two days from transaction date. Receivables are subjected to impairment testing based on the present value of the estimated future cash flows. As of December 31, 2025 and 2024, the allowance for impairment on these receivables amounted to P8,831,987 and P4,893,886. These receivables are either fully or partially secured by collateral equity securities (see Note 4.2).

10.3 Accounts Receivable

Receivables from employees, which are unsecured and noninterest-bearing, amount to P2,987,403 and P4,318,193 as at December 31, 2025 and 2024, respectively.

Accounts receivable also include a receivable from Kestrel Resources Philippines, Inc. (Kestrel) (a third party engaged in purchasing receivables) amounting to P75,467,026 as of December 31, 2025 and 2024 which arose from an Assignment of Receivables Agreement (the Agreement) executed between the Group and Kestrel on April 12, 2002. These receivables represent the balance of an equity margin loan of a previous customer after deducting a partial settlement through a *dacion en pago* arrangement, whereby the original debtor transferred to the Group certain condominium units valued at P65,280,000 (see Note 13.3).

As of December 31, 2025 and 2024, the Group has provided allowance for impairment of P75,467,026 on Kestrel's account. No additional impairment was recognized in 2025 and 2024.

10.4 Notes and Interest Receivables

Notes and interest receivables represent unsecured outstanding claims from an individual, which are due upon demand. These receivables are fully provided with an allowance and have zero outstanding balance as of December 31, 2025 and 2024.

11. RELATED PARTY TRANSACTIONS

The summary of the Group's significant transactions with its related parties as at and for the years ended December 31, 2025, 2024 and 2023 presented below.

<i>(Amounts in PHP)</i>		2025		2024		2023	
Related Party Category	Note	Amount of Transactions	Outstanding balances	Amount of Transactions	Outstanding balances	Amount of Transactions	Outstanding balances
Related Parties Under Common Ownership Or Directorship:							
Management fees	11.1	-	19,550,000	-	19,550,000	-	19,550,000
Lease of properties	11.2	107,143	10,593,582	107,143	10,478,939	53,571	10,436,837
Trading transactions - net	11.6	1,700,177,128	406,766,063	1,218,518,389	466,301,778	613,326,742	-
Key management Personnel:							
Compensation	11.3	44,018,246	-	74,115,215	-	42,390,396	-
Acquisition of transportation equipment	11.4	-	-	1,449,999	-	2,808,986	-
Trading transactions - net	11.6	246,010,700	521,563,697	232,644,682	275,552,997	888,498,177	508,197,579
Fair value of plan assets	11.5	-	40,949,968	-	41,218,012	-	36,295,151

All of the Group's receivables from related parties were subjected to the ECL assessment. Based on management's assessment, no additional impairment losses are required to be recognized on these receivables from related parties at the end of each reporting period. Details of the foregoing transactions are as follows:

11.1 Management Fees

The Group previously earns management fees from Philippine Gaming Management Corporation (PGMC), an entity under common key management personnel, by virtue of the Management Services Agreement (the Agreement) between the Parent Company and PGMC. However, no management fees were billed to PGMC in 2025, 2024, and 2023 as there were no management services rendered.

Management fees receivable amounted to P19,550,000 as at December 31, 2025 and 2024, and are unsecured, noninterest-bearing and collectible in cash upon demand. These receivables are presented as part of Receivables in the consolidated statements of financial position (see Note 10).

11.2 Lease of Properties

The Group has a lease agreement with a related party under common key management personnel, covering certain office spaces. Rent income recognized by the Group from this transaction amounted to P107,143 in both 2025 and 2024 and P53,571 in 2023, and is included as part of Others under the Revenues section in the consolidated statements of comprehensive income. The outstanding receivable from this transaction amounts to P10,593,582 and P10,478,939 as at December 31, 2025 and 2024, respectively, and is included as part of Others under the Receivables account in the consolidated statements of financial position (see Note 10). The outstanding balance of receivable is unsecured, noninterest-bearing and collectible in cash upon demand.

11.3 Key Management Personnel Compensation

Short-term and post-employment benefits given by the Group to key management personnel are shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term benefits	42,544,155	70,836,645	40,939,553
Post-employment defined benefits	1,474,091	3,278,570	1,450,843
	<u>44,018,246</u>	<u>74,115,215</u>	<u>42,390,396</u>

The Group availed car loan as part of its fringe benefits to the key management personnel amounting to P1,438,400 in 2024 (nil in 2025). The outstanding balance of this loan as of December 31, 2025 and 2024 amounted to P1,101,160 and P2,514,879, respectively, and is included under the Interest-bearing Loans and Borrowings account in the consolidated statements of financial position (see Note 14). Both loans are payable within three years and is subject to annual effective interest rate of 9.33%.

11.4 Cost-sharing and Sale of Acquisition of Equipment

The Group acquired transportation equipment through finance lease arrangements amounting to P1,449,999, and P2,808,986 in 2024 and 2023, respectively. The capitalized cost of the acquired transportation equipment is only up to certain limit in accordance with the car executive plan policy of the Group. There was no similar transaction in 2025.

11.5 Retirement Plan

The Group's plan assets are maintained and consolidated under a multi-employer retirement plan which is administered and managed under a trust agreement with a trustee bank. The fair value and the composition of the plan assets as at December 31, 2025 and 2024 are presented in Note 18.2.

11.6 Outstanding Trading Transactions

In the normal course of business, the Group's related parties, directors and key officers transact their securities investments through ASC. Any outstanding balances arising from these transactions are secured with their corresponding stock position, are noninterest-bearing and are normally settled within two days after trading date. Also, as agreed between the Parent Company and ASC's directors and key officers in an offsetting arrangement between the concerned parties, any amounts due from (to) the directors and key officers [which are included as part of Due from Customers (presented as part of Receivables and Due to Customers in the consolidated statements of financial position) arising from trading transactions, will be offset against the related amount of receivable from (payable to) the Parent Company (see Note 15).

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment, at the beginning and end of 2025 and 2024 are shown below.

<i>(Amounts in PHP)</i>	Condominium Units and Parking Space	Building Improvements	Transportation Equipment	Computer Equipment	Furniture, Fixtures and Equipment	Right-of-use Asset	Total
December 31, 2025							
Cost	116,835,714	27,891,979	22,853,417	31,784,402	10,916,096	2,086,868	212,368,476
Accumulated depreciation and amortization	<u>(114,731,714)</u>	<u>(24,810,722)</u>	<u>(20,737,699)</u>	<u>(29,342,525)</u>	<u>(10,501,715)</u>	<u>(2,086,868)</u>	<u>(202,211,243)</u>
Net carrying amount	<u>2,104,000</u>	<u>3,081,257</u>	<u>2,115,718</u>	<u>2,441,877</u>	<u>414,381</u>	<u>-</u>	<u>10,157,233</u>
December 31, 2024							
Cost	116,835,714	27,891,979	22,853,417	29,728,488	10,610,453	2,086,868	210,006,919
Accumulated depreciation and amortization	<u>(114,635,714)</u>	<u>(24,054,632)</u>	<u>(19,885,900)</u>	<u>(28,251,934)</u>	<u>(10,366,155)</u>	<u>(2,086,868)</u>	<u>(199,281,203)</u>
Net carrying amount	<u>2,200,000</u>	<u>3,837,347</u>	<u>2,967,517</u>	<u>1,476,554</u>	<u>244,298</u>	<u>-</u>	<u>10,725,716</u>
January 1, 2024							
Cost	116,835,714	27,808,180	21,403,418	28,715,653	10,504,560	2,086,868	207,354,393
Accumulated depreciation and amortization	<u>(114,539,714)</u>	<u>(23,302,957)</u>	<u>(19,058,271)</u>	<u>(27,127,782)</u>	<u>(10,266,127)</u>	<u>(1,926,340)</u>	<u>(196,221,191)</u>
Net carrying amount	<u>2,296,000</u>	<u>4,505,223</u>	<u>2,345,147</u>	<u>1,587,871</u>	<u>238,433</u>	<u>160,528</u>	<u>11,133,202</u>

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

<i>(Amounts in PHP)</i>	Condominium Units and Parking Space	Building Improvements	Transportation Equipment	Computer Equipment	Furniture, Fixtures and Equipment	Right-of-use Asset	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization	2,200,000	3,837,347	2,967,517	1,476,554	244,298	-	10,725,716
Additions	-	-	-	2,040,407	305,643	-	2,346,050
Depreciation and amortization charges for the year	<u>(96,000)</u>	<u>(756,090)</u>	<u>(851,799)</u>	<u>(1,075,084)</u>	<u>(135,560)</u>	<u>-</u>	<u>(2,914,533)</u>
Balance at December 31, 2025, net of accumulated depreciation and amortization	<u>2,104,000</u>	<u>3,081,257</u>	<u>2,115,718</u>	<u>2,441,877</u>	<u>414,381</u>	<u>-</u>	<u>10,157,233</u>
Balance at January 1, 2024, net of accumulated depreciation and amortization	2,296,000	4,505,223	2,345,147	1,587,871	238,433	160,528	11,133,202
Additions	-	83,799	1,449,999	1,012,835	105,893	-	2,652,526
Depreciation and amortization charges for the year	<u>(96,000)</u>	<u>(751,675)</u>	<u>(827,629)</u>	<u>(1,124,152)</u>	<u>(100,028)</u>	<u>(160,528)</u>	<u>(3,060,012)</u>
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>2,200,000</u>	<u>3,837,347</u>	<u>2,967,517</u>	<u>1,476,554</u>	<u>244,298</u>	<u>-</u>	<u>10,725,716</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	4,726,835	1,261,523	81,703	1,940,195	179,216	642,113	8,831,585
Additions	-	3,918,588	2,808,983	1,046,618	135,152	-	7,909,341
Depreciation and amortization charges for the year	<u>(2,430,835)</u>	<u>(674,888)</u>	<u>(545,539)</u>	<u>(1,398,942)</u>	<u>(75,935)</u>	<u>(481,585)</u>	<u>(5,607,724)</u>
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>2,296,000</u>	<u>4,505,223</u>	<u>2,345,147</u>	<u>1,587,871</u>	<u>238,433</u>	<u>160,528</u>	<u>11,133,202</u>

As at December 31, 2025 and 2024, the total cost of the Group's fully depreciated items of property and equipment that are still being used in operations is P192,518,123 and P171,651,081, respectively.

The right-of-use asset pertained to the lease of office space. The term of the lease is for five years which ended on April 30, 2024. The related lease liabilities were reflected in the 2024 consolidated statement of financial position as part of Accounts Payable and Other Liabilities account (see Note 16).

The lease imposed a restriction that the right-of-use asset can only be used by the Group. The lease was non-cancellable and did not contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term without mutual agreement on both parties. The Group was prohibited from selling or pledging the underlying leased assets as security. For lease over office space, the Group must also keep the property in a good state of repair and return the property in its original condition at the end of the lease. Further, the Group must incur maintenance fees on such items in accordance with the lease contract.

13. OTHER ASSETS

The breakdown of this account is as follows:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Current:			
Prepayments		<u>6,661,128</u>	<u>6,466,118</u>
Non-current:			
Creditable withholding taxes	13.2	148,083,726	144,873,894
Goodwill	13.1	84,584,951	84,584,951
CTGF	13.7	26,930,932	25,907,156
Deferred oil exploration costs	13.4	15,418,003	15,418,003
Advances to suppliers		8,136,564	8,136,564
Trading right	13.5	1,408,000	1,408,000
Computer software - net	13.6	30,021	256,570
Others		<u>4,075,190</u>	<u>6,027,262</u>
		<u>288,667,387</u>	<u>286,612,400</u>
		295,328,515	293,078,518
Allowance for impairment of goodwill and deferred oil exploration costs		<u>(64,678,599)</u>	<u>(64,678,599)</u>
		<u>230,649,916</u>	<u>228,399,919</u>

13.1 Goodwill

The carrying amount of goodwill as at December 31, 2025 and 2024 is shown below.

<i>(Amounts in PHP)</i>	
Cost	84,584,951
Allowance for impairment	<u>(49,260,596)</u>
	<u>35,324,355</u>

Goodwill arose from ACIC's acquisition of a portion of ASC's equity, which pertains to the expected synergy from its stock brokerage business. ACIC's acquisition cost is higher than the fair value of the net assets acquired from ASC. It is subject to annual impairment testing and whenever there is an indication of impairment.

Some of the key assumptions that have been considered which have significant impact on the results of management's assessment are as follows:

- ASC, the identified cash generating unit (CGU) on which the goodwill is allocated, will continue as a going concern;
- ASC will have sufficient financial assets to finance its working capital requirements to achieve its projected forecast and to support the business needs; and,
- ASC's performance forecasts for the next three years, which include the effects of online trading facility that was launched in 2017.

Based on the assessment of the Group's management, no additional impairment loss is necessary in 2025, 2024 and 2023.

The value-in-use of the CGU was determined using performance forecasts for three years and extrapolating cash flows beyond the projection period using a steady terminal growth rate. The discount rates are the key assumptions used by management in determining the value-in-use of the CGU. In 2025 and 2024, the discount rate applied to cash flow projections is 5.52% and 5.90% respectively, while the average growth rate used is 6.25% and 6.5% in 2025 and 2024, respectively, based on forecasted operating profit. Management has also determined that a reasonably possible change in the key assumptions used would not cause the carrying value of the CGU to exceed their respective value-in-use.

13.2 Creditable Withholding Taxes

This account represents accumulated income tax credits of the Group that remained unapplied as at December 31, 2025 and 2024. Based on management's assessment, these income tax credits are recoverable and will be applied against future income tax liabilities.

13.3 Investment Properties

The Group's investment properties consist mostly of condominium units located in Nasugbu and Batulao, Batangas which were acquired by the Group in February 2000. The condominium units were acquired as a result of the *dacion en pago* arrangement with a major customer as a partial settlement of outstanding loans (see Note 10.3). In 2025 and 2024, the Group's investment properties were not leased out to other parties.

Investment properties are stated at cost less accumulated depreciation and any impairment losses. As at December 31, 2025 and 2024, the cost of condominium units amounting to P180,098,359 has accumulated depreciation and impairment losses amounting to the same amount which resulted in nil book values of the assets as of the same reporting periods.

These properties are classified as Level 2 in fair value hierarchy. The Group determines the fair values of the investment properties by using the observable recent prices of the reference properties and were adjusted for differences in key attributes such as property size, zoning, and accessibility (see Note 5.6).

The Group has not incurred any cost related to its investment property during the reporting periods. No depreciation expense was recorded as the Group's investment properties are fully depreciated as at December 31, 2025 and 2024.

13.4 Deferred Oil Explorations Costs

Deferred oil exploration costs represent mainly of costs and related expenses incurred in connection with the Group's participation in the exploration of oil under GSEC-57. The Group believes that, while the result of the exploration of the first well indicated that the area covered by the first well may no longer be viable, the potential of the remaining areas is still untested and, thus, future prospects and leads remain valid. In this regard, the consortium applied for its third Non-Exclusive Geophysical Permit which was approved by the Department of Energy on October 31, 1995. The Group's management asserts that the project is still viable and no write-offs have been made by the project proponents. Nonetheless, a full allowance for possible non-recoverability of deferred exploration cost is provided.

13.5 Trading Right

As required under PSE rules, the Group's trading right (previously the Exchange Membership Seat) is pledged at its full value to the PSE to secure the payment of all debts to other members of the PSE arising out of, or in connection with, the present or future member's contracts.

As certified by the PSE, the last transacted price of an exchange right is P7,700,000 which was recorded on September 17, 2025 and which remains to be a reasonable approximation of the fair value of the exchange right based on management's assessment. Hence, based from the comparison of the trading right's carrying amount of P1,408,000 as at December 31, 2025 and 2024, and the expected recoverable amount, the trading right is not impaired.

13.6 Computer Software

Computer software pertains to the Group's online platform, MyTrade, which was launched in April 2017 and developed by a third party.

The movements in this account as at December 31 are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Carrying amount at beginning of year	256,570	2,321,994
Amortization during the year	(226,549)	(2,125,440)
Additions	<u>-</u>	<u>60,016</u>
Carrying amount at end of year	<u>30,021</u>	<u>256,570</u>

The amortization is presented as part of Depreciation and Amortization account in the consolidated statements of comprehensive income. Total accumulated amortization as at December 31, 2025 and 2024 amounted to P22,778,395 and P22,551,846, respectively.

Also, as at December 31, 2025 and 2024, the Group has fully-amortized computer software with a gross carrying amount of P22,748,400 and P20,257,068, respectively, that is still being used in operations.

13.7 CTGF

CTGF pertains to contributions made by the Group to the Securities Clearing Corporation of the Philippines (SCCP) which shall be refundable to the Group upon cessation of business and/or termination of their membership with the SCCP.

On July 25, 2018, the SCCP issued Memo No. 01-0718 informing brokers of the amendments to SCCP Rule 5.2 and Operating Procedure 4.3.1.3, making the clearing members contributions to the CTGF refundable to clearing members upon cessation of their business and/or termination of their membership with SCCP provided that all liabilities of such clearing member owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full. These amendments took effect last August 1, 2018 and applicable to current and active PSE trading participants or clearing members of the SCCP. Accordingly, as of December 31, 2025 and 2024, the Group's total contribution to CTGF amounting to P26,930,932 and P25,907,156, respectively, is recognized as asset and presented as part of Other Assets in the consolidated statements of financial position.

14. INTEREST-BEARING LOANS AND BORROWINGS

As at December 31, this account consists of:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Notes payable	6,361,817,642	5,821,691,611
Bank loans	151,101,160	152,514,879
	<u>6,512,918,802</u>	<u>5,974,206,490</u>

Notes payable represents short-term unsecured loans from various individual and corporate funders bearing annual interest at rates ranging from 4.50% to 8.50% in 2025, 2024, and 2023. Interest pertaining to these loans and borrowings, which is presented as part of the Interest Expense in the consolidated statements of comprehensive income, amounted to P412,079,096, P398,173,243, and P399,912,807 in 2025, 2024 and 2023, respectively, with related accrued interests of P34,307,297 and P38,555,399, as at December 31, 2025 and 2024, respectively, which are presented as part of Accounts payable and accrued expenses under the Accounts Payable and Other Liabilities account in the consolidated statements of financial position (see Note 16).

ASC made cumulative drawdowns from its existing credit lines from local commercial banks amounting to P200,000,000 in 2025 and 2024, gross of repayments, for working capital requirements (see Note 22.3). The outstanding balance of these loans as of December 31, 2025 and 2024 amounted to P150,000,000. The loans are payable within three months with rollover options and are subject to annual effective interest rates ranging from 6.88% to 8.50% in 2025, 2024 and 2023.

Interest expense pertaining to these loans amounted to P12,754,030, P12,030,927, and P11,102,570 in 2025, 2024 and 2023, respectively, and is included as part of Interest Expense in the consolidated statements of comprehensive income. There is no interest payable as at December 31, 2025 and 2024 related to these loans. There are no significant restrictive loan covenants or provisions related to these loans.

In 2024, the Group availed a car loan as part of its fringe benefits to the key management personnel amounting to P1,438,400. The outstanding balance of this loan as of December 31, 2025 and 2024 amounted to P1,101,160 and P2,514,879, respectively. The loan is payable within three years and is subject to annual effective interest rate of 9.33%. The related cars are used as collateral for the car loan. No car loan was availed in 2025.

Presented below is the reconciliation between the opening and closing balances of the Group's liabilities arising from these financing activities.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	5,974,206,490	5,886,257,998	6,353,131,717
Cash flows from financing activities:			
Additional loan availments	2,203,923,889	2,141,396,491	1,885,028,699
Repayments of loans	(1,665,211,577)	(2,053,447,999)	(2,351,902,418)
Balance at end of year	<u>6,512,918,802</u>	<u>5,974,206,490</u>	<u>5,886,257,998</u>

15. DUE TO CUSTOMERS

Due to customers arise from the Group's securities brokerage activities. These are normally settled within two days after the respective trading dates and are all noninterest-bearing. Management considers the carrying amounts recognized in the consolidated statements of financial position to be the reasonable approximation of their fair values. Outstanding balance as at December 31, 2025 and 2024 amounted to P374,724,865 and P624,390,783, respectively.

16. ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Current:			
Advances for future acquisition of investment		450,000,000	-
Accounts payable and accrued expenses	14	64,029,275	47,726,152
Withholding taxes payable		15,336,990	19,086,301
Due to non-customers		10,821,470	20,813,335
Others		550,696	771,295
		<u>540,738,431</u>	<u>88,397,083</u>
Non-current:			
Post-employment defined benefit obligation	18.2	52,940,816	43,921,386
Security deposits		-	402,673
		<u>52,940,816</u>	<u>44,324,059</u>
		<u>593,679,247</u>	<u>132,721,142</u>

Advances for future acquisition of investments represents unsecured and non interest-bearing advances received from an institutional client for the intended acquisition of investment securities. In 2025, the Group received an advance amounting to P450,000,000 from a client for the intended acquisition of high-value and high-dividend-yielding shares, which remains outstanding as of December 31, 2025. The transaction is intended to be a short-term payable, primarily undertaken to support short-term funding and strengthen liquidity position pending execution of the planned investment acquisition.

Others include other payables to government agencies and miscellaneous liabilities arising from the Group's operations.

Lease liability relates to the lease of ASC's office space which no longer has outstanding balance as of December 31, 2025 and 2024. The total cash outflow with respect to these lease contracts amounted to P193,897 and P550,506 in 2024 and 2023, respectively. There was no similar transaction in 2025.

Interest expense pertaining to these leases amounted to P41,316 in 2023 and is shown as part of Interest Expense in the 2023 consolidated statement of comprehensive income. There was no incurred interest expense on leases for both 2025 and 2024.

The Group has elected not to recognize a lease liability for short-term lease and lease of low value asset. Payments made under such leases are expensed as incurred. The expenses relating to these leases amounted to P762,785, P370,787 and P227,946 in 2025, 2024 and 2023, respectively, and are presented as part of Others under the Expenses section in the consolidated statements of comprehensive income (see Note 19).

17. EQUITY

17.1 Capital Stock and Treasury Shares

As at December 31, 2025 and 2024, these accounts consist of:

<i>(Amounts in PHP)</i>	<u>Shares</u>	<u>Amount</u>
Capital stock – P1 par value		
Authorized – 1,800,000,000 shares		
Issued shares	<u>1,193,200,000</u>	<u>1,193,200,000</u>
Treasury shares – at cost	<u>171,413,600</u>	<u>385,670,581</u>

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. Accordingly, the Retained Earnings is also restricted to the extent of the value of the treasury shares. These are presented as Treasury Shares in the consolidated statements of financial position and do not form part of the outstanding shares.

17.2 Revaluation Reserves

The components and reconciliation of items of other comprehensive income, which are presented in the consolidated statements of financial position at their aggregate amount under the Revaluation Reserves account, are shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>Financial Assets at FVOCI</u>	<u>Post-employment Defined Benefit Obligation</u>	<u>Total</u>
Balance as at January 1, 2025		2,439,115,992	(2,103,854)	2,437,012,138
Remeasurements of post-employment defined benefit obligation	18.2(b)	-	(2,852,623)	(2,852,623)
Unrealized fair value losses on financial assets at FVOCI	9	(239,152,837)	-	(239,152,837)
Transfer of fair value gains on financial assets at FVOCI		(203,533)	-	(203,533)
Tax income	20	-	669,522	669,522
Other comprehensive income		<u>(239,356,370)</u>	<u>(2,183,101)</u>	<u>(241,539,471)</u>
Balance as at December 31, 2025		<u>2,199,759,622</u>	<u>(4,286,955)</u>	<u>2,195,472,667</u>
Balance as at January 1, 2024		1,848,208,705	(10,281,630)	1,837,927,075
Remeasurements of post-employment defined benefit obligation	18.2(b)	-	9,244,027	9,244,027
Unrealized fair value gains on financial assets at FVOCI	9	590,907,287	-	590,907,287
Tax expense	20	-	(1,066,251)	(1,066,251)
Other comprehensive income		<u>590,907,287</u>	<u>8,177,776</u>	<u>599,085,063</u>
Balance as at December 31, 2024		<u>2,439,115,992</u>	<u>(2,103,854)</u>	<u>2,437,012,138</u>
Balance as at January 1, 2023		1,838,659,825	(10,513,741)	1,828,146,084
Remeasurements of post-employment defined benefit obligation	18.2(b)	-	421,825	421,825
Unrealized fair value gains on financial assets at FVOCI	9	9,548,880	-	9,548,880
Tax expense	20	-	(189,714)	(189,714)
Other comprehensive income		<u>9,548,880</u>	<u>232,111</u>	<u>9,780,991</u>
Balance as at December 31, 2023		<u>1,848,208,705</u>	<u>(10,281,630)</u>	<u>1,837,927,075</u>

17.3 Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

A reasonable level of debt-to-equity is maintained to properly manage the Group's operations. Presented below is the 2025 and 2024 debt-to-equity ratio of the Group:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Total liabilities	7,481,322,914	6,731,318,415
Total equity	106,402,763	1,027,188,758
Debt-to-equity ratio	<u>70.31 : 1.00</u>	<u>6.55 : 1.00</u>

17.4 Capital Requirements for ASC

17.4.1 Minimum Capital Requirement – SEC

On November 11, 2004, the SEC approved MC No. 16 which provides for the guidelines on the adoption in the Philippines of the Risk-Based Capital Adequacy (RBCA) Framework for all registered broker dealers in accordance with the SRC. These guidelines cover the following risks:

- (a) position on market risk;
- (b) credit risks such as counterparty, settlement, large exposure and margin financing risks; and,
- (c) operational risks.

ASC monitors capital on the basis of RBCA ratio and Net Liquid Capital (NLC). RBCA requirement is the minimum level of capital that has to be maintained by firms which are licensed, or securing a broker dealer license, taking into consideration the firm size, complexity and business risk. RBCA ratio is the quotient of the NLC and the sum of the requirements for operation risk, credit risk and position or market risk. NLC, on the other hand, represents the equity eligible for NLC adjusted for non-allowable current and non-current assets as described under the circular.

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

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

- (a) RBCA ratio of greater than or equal to 1:1;
- (b) NLC should be at least P5,000,000 or 5.00% of aggregate indebtedness, whichever is higher;

- (c) a dealer who deals only with proprietary shares and does not keep shares in its custody shall maintain a net capital of P2,500,000 or 2.50% of aggregate indebtedness, whichever is higher;
- (d) in cases where, in order to meet an RBCA ratio of at least 1.1, an NLC higher than P5,000,000 is required, the higher NLC shall be maintained; and,
- (e) no broker dealer shall permit its aggregate indebtedness to exceed 2,000% of its NLC.

As of December 31, 2025 and 2024, ASC is in compliance with minimum capital requirement set out by the RBCA framework. ASC's RBCA ratio is 207% and 218% as of December 31, 2025 and 2024, respectively. ASC's NLC amounts to P179,444,813 and P300,918,764 as of December 31, 2025 and 2024, respectively, which is higher than 5% of the ASC's aggregate indebtedness and its aggregate indebtedness do not exceed 2,000% of its NLC.

17.4.2 Minimum Capital Requirement – Philippine Stock Exchange's Rules Governing Trading Rights and Trading Participants

On May 28, 2009, the SEC approved PSE's Rules Governing Trading Rights and Trading Participants, which provide among others, 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 Deficit account) amounting to P20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid up capital shall be P30,000,000; and,
- (b) Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all of debts and claims due to the trading participant, the government, PSE and to other trading participants of the PSE and to the SCCP.

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

17.4.3 Retained Earnings Appropriation

Rule 49.1 (B), Reserve Fund, of SEC MC No. 16 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 account. Appropriation shall be 30%, 20% and 10% of profit after tax for broker dealers with unimpaired paid-up capital of between P10,000,000 to P30,000,000; between P30,000,000 to P50,000,000; and above P50,000,000, respectively. In 2024, the Group appropriated P0.1 million to meet the circular requirement. There was no appropriation made 2025 and 2023 as the Group was in a loss before tax position in 2025 and 2023.

17.5 Capital Requirements for ACIC

Under the provisions of Section 8 of Republic Act (RA) No. 8366, *an Act Amending Presidential Decree No. 129*, otherwise known as the Investment Houses Law, ACIC is required to maintain a minimum paid-up capital of P300,000,000.

As at December 31, 2025 and 2024, ACIC is in compliance with minimum capital requirement set out by the RA No. 8366.

17.6 Track Record

On November 17, 1994, the SEC approved the listing of the Parent Company's shares totalling 1,193,200,000 (see Note 1.1). The shares were initially issued at an offer price of P1.00 per share. As at December 31, 2025 and 2024, there are 100 holders of the listed shares equivalent to 100% of the Group's total outstanding shares. The shares closed at P0.66 and P0.65 per share as at December 31, 2025 and 2024, respectively. The Group has no other securities traded in the capital markets.

18. SALARIES AND EMPLOYEE BENEFITS

18.1 Salaries and Employee Benefits

Details of salaries and employee benefits are presented below.

<i>(Amounts in PHP)</i>	Note	2025	2024	2023
Salaries and wages		59,606,711	58,218,823	58,615,835
Staff benefits		6,842,203	4,197,657	3,936,078
Bonuses		6,341,998	7,243,432	6,483,225
Retirement benefits	18.2	3,437,638	3,644,214	3,203,916
Social security costs		3,132,265	3,029,437	2,847,766
Other short-term benefits		1,436,781	929,958	740,970
		80,797,596	77,263,521	75,827,790

18.2 Post-Employment Defined Benefit

(a) Characteristics of the Defined Benefit Plan

The Group maintains a tax-qualified and non-contributory retirement plan that is being administered by a trustee bank covering all regular full-time employees. The plan is partially funded as at December 31, 2025 and 2024. Actuarial valuations are made each year to update the post-employment benefit costs and the amount of contributions. The latest actuarial valuation of the Group's retirement benefit plan was obtained for 2025 and 2024.

The normal retirement age is 60 with a minimum of five years of credited service. Normal retirement benefit is an amount equivalent to 100% of latest monthly salary for every year of credited service, and the manner of payment is lump sum.

(b) *Explanation of Amounts Presented in the Consolidated Financial Statements*

All amounts presented below and on the succeeding pages are based on the actuarial valuation report obtained from an independent actuary. The amounts of post-employment defined benefit obligation recognized and recorded as part of Accounts Payable and Other Liabilities (see Note 16) in the consolidated statements of financial position are determined as follows.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Present value of the obligation	91,702,020	82,683,523
Fair value of plan assets	(40,949,968)	(41,218,012)
	50,752,052	41,465,511
Unrecognized asset due to asset ceiling	2,188,764	2,455,875
	<u>52,940,816</u>	<u>43,921,386</u>

The movements in present value of the post-employment defined benefit obligation recognized in the consolidated financial statements are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	82,683,523	81,209,712
Interest expense	5,076,473	4,919,697
Current service cost	3,437,638	3,644,214
Benefits paid	(1,248,123)	(1,858,595)
Remeasurement –		
Actuarial losses (gains) arising from:		
Experience adjustments	3,195,983	(3,364,332)
Changes in financial assumptions	(1,443,474)	(1,867,173)
Balance at end of year	<u>91,702,020</u>	<u>82,683,523</u>

Actuarial losses (gains) arising from the changes in financial assumptions pertain to the substantial increase (decrease) in discount rate (but partially offset by the decrease in expected salary increase rate). On the other hand, the experience adjustments pertain to the effects of differences between the previous actuarial assumptions and what has actually occurred, including the changes in those actuarial assumptions during the applicable reporting periods.

The movements in the fair value of plan assets are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	41,218,012	36,295,151
Interest income	2,499,077	2,135,966
Remeasurement gain (loss)	(1,518,998)	4,645,490
Benefits paid	(1,248,123)	(1,858,595)
Balance at end of year	<u>40,949,968</u>	<u>41,218,012</u>

The Retirement Trust Fund assets are valued at fair value using the mark-to-market valuation; hence, any decline in fair value due to mark-to-market valuation is recognized as remeasurement loss. While there are no significant changes in asset allocation expected in the next financial year, the Retirement Plan Trustee may make changes any time. Allocation of plan assets is shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Government bonds	22,522,483	19,203,472
Unit investment trust funds (UITFs)	15,868,112	19,323,004
Other bonds	2,547,088	2,646,196
Cash and cash equivalents	12,285	45,340
	<u>40,949,968</u>	<u>41,218,012</u>

The fair value of the debt securities was determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy), while the fair value of the UITFs is determined based on the net asset value per unit of investment held in the fund (classified as Level 2 of the fair value hierarchy).

The plan assets earned an income amounting to P980,079, P6,781,456 and P2,128,628 in 2025, 2024 and 2023, respectively.

As at December 31, 2025 and 2024, the plan assets do not comprise any of the Group's own financial instruments and the fund does not own any shares of stock of the Group.

The components of amounts recognized in the consolidated statements of comprehensive income in respect of the post-employment defined benefit plan are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in profit or loss:</i>			
Current service cost	3,437,638	3,644,214	3,203,916
Net interest expense	2,729,169	2,886,914	3,048,879
	<u>6,166,807</u>	<u>6,531,128</u>	<u>6,252,795</u>
<i>Reported in other comprehensive income:</i>			
Remeasurement gain (loss)			
on plan assets	(1,518,998)	4,645,490	(29,953)
Actuarial gains (losses) arising from:			
arising from:			
Changes in financial assumptions	(3,195,983)	1,867,173	(805,776)
Experience adjustments	1,443,474	3,364,332	1,673,731
Changes in the effect			
of the asset ceiling	418,885	(632,968)	(416,177)
	<u>(2,852,622)</u>	<u>9,244,027</u>	<u>421,825</u>
Tax income (expense)	669,521	(1,066,251)	(189,714)
	<u>(2,183,101)</u>	<u>8,177,776</u>	<u>232,111</u>

Current service cost is recorded as part of Salaries and Employee Benefits in the consolidated statements of comprehensive income.

Net interest expense is presented as part of Interest Expense account in the consolidated statements of comprehensive income.

Amount recognized in other comprehensive income is included and is presented as item that will not be reclassified subsequently to profit or loss.

In determining the retirement benefit obligation, the following actuarial assumptions were used:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Discount rates	6.24%	6.15%	6.05%
Expected salary increase rate	7.50%	5.00%	5.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average remaining working lives of employees before retirement at the age of 60 is 14.2 years for both males and females in 2025 and 12.1 years for both males and females in 2024. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment defined benefit obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

(i) *Interest Rate Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents, debt securities, and UITFs. Due to the long-term nature of the plan obligation, a level of continuing debt securities and UITF investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

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

(iii) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment defined benefit obligation as at December 31:

<i>(Amounts in PHP)</i>	Impact on Post-employment Defined Benefit Obligation		
	<u>Change in Assumption</u>	<u>Increase in Assumption</u>	<u>Decrease in Assumption</u>
<u>2025</u>			
Discount rate	+/-1.0%	(1,077,922)	992,256
Salary growth rate	+/-1.0%	1,077,708	(1,009,020)
<u>2024</u>			
Discount rate	+/-1.0%	(759,230)	822,363
Salary growth rate	+/-1.0%	772,147	(823,869)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

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

(iv) *Asset-liability Matching Strategies*

To efficiently manage the retirement plan, the Group ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme.

This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the post-employment defined benefit obligation.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the plan assets as at December 31, 2025 and 2024 consists of debt securities and UITFs, although the Group also invests in cash and cash equivalents for liquidity purposes.

There has been no change in the Group's strategies in managing the related risks from the previous period.

(v) *Funding Arrangements and Expected Contributions*

The plan is currently underfunded by P52,940,816 based on the latest actuarial valuation. While there are no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk in about ten years' time when a significant number of employees is expected to retire. Management is yet to assess to the amount of contribution for the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan as at December 31, 2025 and 2024 for the next 10 years are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
More than one year to five years	81,906,847	74,354,410
Between five years to 10 years	7,517,650	7,164,200
	<u>89,424,497</u>	<u>81,518,610</u>

The weighted average duration of the post-employment defined benefit obligation at the end of the reporting period is 1.4 years.

19. OTHER EXPENSES

This account consists of:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Philippine Depository and Trust Corp. clearing fees		3,389,696	3,103,256	3,667,415
Condominium dues		2,708,631	1,899,202	2,924,461
Repairs and maintenance		2,191,324	1,298,723	1,071,758
Office supplies		1,556,311	1,606,445	1,513,921
Directors fee		1,200,000	1,200,000	1,200,000
Insurance		1,008,408	1,319,113	1,296,287
Bank charges		982,926	2,820,042	2,334,084
Rent expense		762,785	370,787	-
Advertising and publicity		312,066	299,107	383,132
Listing fees		250,000	250,000	250,000
Fines and penalties		-	-	1,254,500
Deficiency taxes		-	-	103,186
Miscellaneous	16	697,688	231,652	403,258
		<u>15,059,835</u>	<u>14,398,327</u>	<u>16,402,002</u>

Miscellaneous includes office supplies, membership dues, and expenses for meetings and conferences.

20. TAXES

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

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Recognized in profit or loss</i>			
Minimum corporate income tax (MCIT) at 2% in 2025 and 2024, and 1.5% in 2023	1,036,896	2,000,552	323,801
Final tax at 0.6%	272,309	250,104	236,796
Final tax at 20%	14,238	8,793	44,265
	<u>1,323,443</u>	<u>2,259,449</u>	<u>604,862</u>
Deferred tax expense (income) arising from origination and reversal of temporary differences	<u>(18,309,828)</u>	<u>6,939,450</u>	<u>(15,422,835)</u>
	<u>(16,986,385)</u>	<u>9,198,899</u>	<u>(14,817,973)</u>
 <i>Recognized in other comprehensive income</i>			
Deferred tax expense (income) arising from origination and reversal of temporary differences	<u>(669,522)</u>	<u>1,066,251</u>	<u>189,714</u>

The reconciliation of tax on pre-tax loss computed at the applicable statutory rate to tax expense (income) is as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax on pre-tax loss at 25%	(174,109,110)	(42,660,487)	(128,113,360)
Adjustments for income subjected to:			
Stock transaction tax at 0.6%	272,309	(35)	236,768
Final tax at 20%	(3,559)	248,149	(10,889)
Tax effects of:			
Unrecognized net operating loss carry-over (NOLCO)	116,613,247	105,961,953	112,748,945
Unrecognized deferred taxes on other temporary differences	35,176,935	(71,188,979)	(1,233,596)
Non-deductible expenses	9,877,027	12,126,774	5,249,694
Unrecognized MCIT	1,036,896	2,000,552	323,801
Unrecognized impairment	1,011,706	2,713,330	-
Non-taxable income	(143,232)	(2,358)	(4,019,336)
Reversal of previously recognized deferred tax liability	<u>(6,718,604)</u>	<u>-</u>	<u>-</u>
Tax expense (income)	<u>(16,986,385)</u>	<u>9,198,899</u>	<u>(14,817,973)</u>

The deferred tax assets recognized significantly relate to a profit-generating subsidiary and another subsidiary which is expected to generate taxable income in the next few years.

The related management judgment on the realizability of such deferred tax assets is disclosed in Note 3.2(b).

The net deferred tax assets as at December 31, 2025 and 2024 relate to the following:

<i>(Amounts in PHP)</i>	Consolidated Statement of Financial Position	
	<u>2025</u>	<u>2024</u>
Deferred tax assets:		
NOLCO	14,346,896	14,346,896
Post-employment defined benefit obligation	11,148,755	9,312,192
Fair value loss on investments at FVTPL	8,883,610	-
Unamortized past service cost	111,654	205,923
	<u>34,490,915</u>	<u>23,865,011</u>
Deferred tax liability – Fair value gain on investments at FVTPL	-	(8,353,446)
Net deferred tax assets	<u>34,490,915</u>	<u>15,511,565</u>

The deferred tax income (expense) which forms part of the tax expense (income) reported in the consolidated statements of comprehensive income are as follows:

<i>(Amounts in PHP)</i>	Profit or Loss		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred tax assets:			
Fair value loss on investment at FVTPL	17,237,056	-	-
Post-employment defined benefit obligation	1,167,041	1,211,682	1,167,758
Unamortized past service cost	(94,269)	(150,090)	(209,606)
Allowance for impairment losses	-	(2,651,162)	(277,417)
Lease liability	-	(48,475)	(137,627)
NOLCO	-	-	14,346,896
	<u>18,309,828</u>	<u>(1,638,045)</u>	<u>14,890,004</u>
Deferred tax liabilities:			
Fair value gain on investment at FVTPL	-	(5,341,537)	412,434
Right-of-use assets	-	40,132	120,397
	<u>-</u>	<u>(5,301,405)</u>	<u>532,831</u>
Deferred tax income (expense) - net	<u>18,309,828</u>	<u>(6,939,450)</u>	<u>15,422,835</u>

<i>(Amounts in PHP)</i>	Other Comprehensive Income		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred tax expense (income)	<u>(669,522)</u>	<u>1,066,251</u>	<u>189,714</u>

Details of unrecognized deferred tax assets as at December 31 are summarized below.

<i>(Amounts in PHP)</i>	2025		2024	
	<u>Amount</u>	<u>Tax Effect</u>	<u>Amount</u>	<u>Tax Effect</u>
NOLCO	1,658,892,021	414,723,005	1,822,375,856	455,593,964
Allowance for impairment losses	257,105,300	64,276,325	242,205,155	60,551,289
Allowance for non-recoverability of deferred oil exploration costs	15,418,003	3,854,501	15,418,003	3,854,501
Post-employment defined benefit obligation	13,487,928	3,371,982	12,282,355	3,070,589
MCIT	3,412,958	3,412,958	1,703,903	1,703,903
Past service cost	2,507,779	626,945	5,320,901	1,330,224
Accrued short-term employee benefits	581,750	145,438	581,750	145,438
	<u>1,951,405,739</u>	<u>490,411,154</u>	<u>2,099,887,923</u>	<u>526,249,908</u>

Pursuant to Section 4(bbb) of RA No. 11494, *Bayaniban to Recover as One*, the NOLCO for taxable years 2020 and 2021 can be claimed as deduction within five consecutive taxable years immediately following the year of such loss.

The breakdown of NOLCO, which can be claimed as deductions from future taxable income within three or five years from the year the tax loss was incurred, is shown below (amounts in PHP).

<u>Year Incurred</u>	<u>Parent</u>	<u>Subsidiaries</u>	<u>Expired/ Applied Amount</u>	<u>Balance</u>	<u>End of Availment</u>
2025	371,285,067	107,855,939	-	479,141,006	2028
2024	373,718,262	50,129,549	-	423,847,811	2027
2023	400,471,618	107,911,821	-	508,383,439	2026
2022	329,459,684	67,514,260	396,973,944	-	2025
2021	259,753,259	45,154,090	-	304,907,349	2026
2020	238,839,342	41,428,535	280,267,877	-	2025
	<u>1,973,527,232</u>	<u>419,994,194</u>	<u>677,241,821</u>	<u>1,716,279,605</u>	

The Group is subject to the MCIT which is computed at 2% in 2025 and 2024, and 1.5% in 2023 of gross income, as defined under the tax regulations, or to RCIT, whichever is higher. MCIT which is available for offset against future income tax payable for income tax purposes is as follows:

(Amounts in PHP)

<u>Year Incurred</u>	<u>Parent</u>	<u>Subsidiaries</u>	<u>Expired/ Applied Amount</u>	<u>Balance</u>	<u>End of Availment</u>
2025	764,034	272,862	-	1,036,896	2028
2024	579,783	1,420,770	-	2,000,553	2027
2023	240,780	83,020	-	323,800	2026
2022	303,501	405,804	709,305	-	2025
2021	-	51,709	-	51,709	2026
	<u>1,888,098</u>	<u>2,234,165</u>	<u>709,305</u>	<u>3,412,958</u>	

In 2025, 2024 and 2023, each of the taxable entities within the Group claimed itemized deductions in computing for its income tax due.

21. LOSS PER SHARE

Loss per share is computed as follows:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net loss		<u>679,450,057</u>	<u>179,840,848</u>	<u>497,635,467</u>
Divided by the weighted average number of outstanding shares:				
Issued shares	17.1	<u>1,193,200,000</u>	<u>1,193,200,000</u>	<u>1,193,200,000</u>
Treasury shares	17.1	<u>(171,413,600)</u>	<u>(171,413,600)</u>	<u>(171,413,600)</u>
Outstanding shares		<u>1,021,786,400</u>	<u>1,021,786,400</u>	<u>1,021,786,400</u>
Loss per share		<u>0.6650</u>	<u>0.1760</u>	<u>0.4870</u>

As at December 31, 2025, 2024 and 2023, the Group has no outstanding potentially dilutive shares; hence, basic losses per share are equal to diluted loss per share in the years presented.

22. COMMITMENTS AND CONTINGENCIES

22.1 Legal Claims

The Group is either a defendant or plaintiff in lawsuits and legal actions arising from its various business activities. Management believes that the claims against the Group are either without merit or that the ultimate liability, if any, resulting from lawsuits and legal actions will not materially affect the Group's consolidated financial statements.

22.2 Operating Leases

The Group is a lessor under non-cancellable operating leases covering its condominium units. The leases have a term of one to two years, with renewal options.

The future minimum rentals receivable under these non-cancellable operating leases within one year amounts to P43,331 as at December 31, 2025 and 2024. As of December 31, 2025 and 2024, there are no future minimum rentals receivable for periods more than one year.

The total rentals from these operating leases amounted to P107,143 in 2025 and 2024 and P53,571 in 2023, and are presented as part of Others under the Revenues section of the consolidated statements of comprehensive income.

22.3 Credit Lines

As at December 31, 2025 and 2024, ASC has total credit line facilities of P520,000,000 and P320,000,000, respectively. The movements of ASC's available unused credit lines as at December 31, 2025 and 2024 are presented below (see Note 14).

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Balance at beginning of year	320,000,000	520,000,000
Loan repayments (drawdowns) - net	<u>200,000,000</u>	<u>(200,000,000)</u>
Balance at end of year	<u>520,000,000</u>	<u>320,000,000</u>

22.4 Others

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations, which are not reflected in the accompanying consolidated financial statements. As at December 31, 2025 and 2024, management is of the opinion that losses, if any, from these events and conditions will not have a material effect on the Group's consolidated financial statements.

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Presented below is the maturity analysis of the Group's assets and liabilities.

<i>(Amounts in PHP)</i>	<u>Current</u>	<u>Non-current</u>	<u>Total</u>
<u>December 31, 2025</u>			
Cash	52,025,233	-	52,025,233
Receivables - net	2,519,552,666	177,641,536	2,697,194,202
Investments:			
At FVTPL	1,604,283,828	-	1,604,283,828
At FVOCI	-	2,958,924,350	2,958,924,350
Property and equipment - net	-	10,157,233	10,157,233
Deferred tax asset	-	34,490,915	34,490,915
Other assets - net	6,661,128	223,988,788	230,649,916
Total Assets	<u>4,182,522,855</u>	<u>3,405,202,822</u>	<u>7,587,725,677</u>
Interest-bearing loans and borrowings	6,512,828,397	90,405	6,512,918,802
Due to customers	374,724,865	-	374,724,865
Accounts payable and other liabilities	540,738,431	52,940,816	593,679,247
Total Liabilities	<u>7,428,291,693</u>	<u>53,031,221</u>	<u>7,481,322,914</u>
<u>December 31, 2024</u>			
Cash	173,812,088	-	173,812,088
Receivables - net	2,153,671,386	187,688,362	2,341,359,748
Investments:			
At FVTPL	1,873,848,807	-	1,873,848,807
At FVOCI	-	3,114,849,330	3,114,849,330
Property and equipment - net	-	10,725,716	10,725,716
Deferred tax asset	-	15,511,565	15,511,565
Other assets - net	6,466,118	221,933,801	228,399,919
Total Assets	<u>4,207,798,399</u>	<u>3,550,708,774</u>	<u>7,758,507,173</u>
Interest-bearing loans and borrowings	5,973,315,325	891,165	5,974,206,490
Due to customers	624,390,783	-	624,390,783
Accounts payable and other liabilities	88,397,083	44,324,059	132,721,142
Total Liabilities	<u>6,686,103,191</u>	<u>45,215,224</u>	<u>6,731,318,415</u>



**Report of Independent Auditors
to Accompany Supplementary
Information Required by the
Securities and Exchange
Commission Filed Separately
from the Basic Consolidated
Financial Statements**

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The Board of Directors and the Stockholders
First Abacus Financial Holdings Corporation and Subsidiaries
Unit 2904-A East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of First Abacus Financial Holdings Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2025, on which we have rendered our report dated May 14, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: 
Yusoph A. Maute
Partner

CPA Reg. No. 0140306
TIN 415-417-641
PTR No. 10770764, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 140306-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-046-2025 (until November 11, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-018 (until August 12, 2027)

May 14, 2026

First Abacus Financial Holdings Corporation and Subsidiaries
List of SEC Supplementary Information
December 31, 2025

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FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule A - Financial Assets

December 31, 2025

(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
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Financial Assets at Fair Value Through Profit or Loss

8990 HOLDINGS, INC.	-	P	-	P	-	P	-
A. BROWN COMPANY, INC	-		-		-		-
A. SORIANO CORPORATION "A"	64		922		14.40		-
ABACORE CAPITAL HOLDINGS, INC.	408		106		0.26		-
ABOITIZ EQUITY VENTURES, INC	800		22,400		28.00		-
ABOITIZ POWER CORPORATION	2,259		99,396		44.00		-
ABS-CBN CORPORATION	1,352		5,692		4.21		-
ABS-CBN HOLDING CORP. - PDR	667,071		2,274,712		3.41		-
ACEN CORPORATION	21,246		57,789		2.72		-
ACESITE (PHILIPPINES) HOTEL CO	710		852		1.20		-
AGRINURTURE, INC.	-		-		-		-
ALLDAY MARTS, INC.	5		0.16		0.03		-
ALLHOME CORPORATION	4,300		1,019		0.24		-
ALLIANCE GLOBAL GROUP, INC.	211,148		1,729,302		8.19		-
ALLIANCE GLOBAL GROUP, INC. WARRANTS	500		585		1.17		-
ALSONS CONSOLIDATED RESOURCES	944		444		0.47		-
ALTUS PROPERTY VENTURES, INC.	148		1,243		8.40		-
<i>Balance forwarded</i>		P	4,194,462				

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>		
<i>Balance carried forward</i>		P	4,194,462			
ANCHOR LAND HOLDINGS, INC.	50	194	P	3.87	P	-
ANGLO-PHIL HOLDINGS	-	-		-		-
APC GROUP, INC.	-	-		-		-
APEX MINING COMPANY, INC. "A"	10,056	125,097		12.44		-
APOLLO GLOBAL CAPITAL, INC.	63,071,251	315,356		0.01		-
ARANETA PROPERTIES, INC.	461	184		0.40		-
AREIT, INC.	25	1,088		43.50		-
ARTHA LAND CORPORATION	-	-		-		-
ASIA UNITED BANK CORPORATION	-	-		-		-
ASIAN TERMINAL, INC.	-	-		-		-
ATLAS CONS MNG & DEVT CORP	18,481	111,440		6.03		-
ATN HOLDINGS, INC.	-	-		-		-
ATOK BIG WEDGE MINING CO INC A	558	1,149		2.06		-
AXELUM RESOURCES CORPORATION	300	708		2.36		-
AYALA CORPORATION "A"	842	394,056		468.00		-
AYALA LAND, INC.	3,918	87,959		22.45		-
AYALALAND LOGISTICS HOLDINGS C	564,989	734,486		1.30		-
BANK OF THE PHILIPPINE ISLANDS	4,535	526,514		116.10		-
BASIC ENERGY CORPORATION	8,401	983		0.12		-
BDO UNIBANK, INC.	3,312	445,795		134.60		-
<i>Balance forwarded</i>		P	6,939,471			

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>		
<i>Balance carried forward</i>		P	6,939,471			
BELLE CORPORATION	471,679	622,616	P	1.32	P	-
BENGUET CORP.-Convtible Pref A	9	226		25.15		-
BENGUET CORPORATION "A"	650	3,250		5.00		-
BENGUET CORPORATION "B"	2,911	14,060		4.83		-
BERJAYA PHILIPPINES, INC.	173,611,726	1,562,505,534		9.00		-
BLOOMBERRY RESORTS CORPORATION	8,662	22,001		2.54		-
BOULEVARD HOLDINGS, INC.	47	2		0.04		-
BRIGHT KINDLE RESOURCES & INVE	1,351	878		0.65		-
CEBU AIR, INC.	70	2,240		32.00		-
CEBU AIR, INC. CONVERTIBLE PRE	24,443	855,505		35.00		-
CEBU LANDMASTERS, INC.	706	1,659		2.35		-
CEMEX HOLDINGS PHILIPPINES, IN	-	-		-		-
CENTRAL AZUCARERA DE TARLAC	4,020	39,034		9.71		-
CENTRO ESCOLAR UNIVERSITY	80	1,256		15.70		-
CENTURY PACIFIC FOOD, INC.	63	2,457		39.00		-
CENTURY PEAK HOLDINGS CORPORAT	682	1,630		2.39		-
CENTURY PROPERTIES GROUP INC.	-	-		-		-
CHELSEA LOGISTICS AND INFRASTR	-	-		-		-
CHINA BANKING CORPORATION	43	2,451		57.00		-
<i>Balance forwarded</i>		P	1,571,014,270			

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>		
<i>Balance carried forward</i>		P	1,571,014,270			
CIRTEK HOLDINGS PHILIPPINES CO	1,170,468	737,395	P	0.63	P	-
CITY & LAND DEVELOPERS, INC.	117	62		0.53		-
CITYLAND DEVELOPMENT CORP "A"	1,212	715		0.59		-
CITYSTATE SAVINGS BANK, INC.	140	2,388		17.06		-
COAL ASIA HOLDINGS INCORPORATE	82	-		-		-
COL FINANCIAL GROUP, INC.	62	88		1.42		-
CONCEPCION INDUSTRIAL CORPORAT	80	1,088		13.60		-
CONCREAT HOLDINGS PHILIPPINES, INC.	630	687		1.09		-
CONCRETE AGGREGATES CORP "A"	63	3,046		48.35		-
CONCRETE AGGREGATES CORP "B"	30	1,587		52.90		-
CONVERGE INFORMATION AND COMMU	790	12,103		15.32		-
COSCO CAPITAL, INC.	78	545		6.99		-
D&L INDUSTRIES, INC.	5,383	20,725		3.85		-
D.M. WENSLAO & ASSOCIATES, INC	500	2,500		5.00		-
DEL MONTE PACIFIC LIMITED	379	1,781		4.70		-
DFNN, INC.	1,206	965		0.80		-
DIGIPLUS INTERACTIVE CORP	33	535		16.20		-
DISCOVERY WORLD CORPORATION	700	756		1.08		-
DITO CME HOLDINGS CORPORATION	1,258,684	855,905		0.68		-
DIZON COPPER SILVER MINES, INC	-	-		-		-
DMCI HOLDINGS, INC.	1,830	19,288		10.54		-
DOMINION HOLDINGS, INC.	280,230	389,520		1.39		-
<i>Balance forwarded</i>		P	1,573,065,949			

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
<i>Balance carried forward</i>		P	1,573,065,949	
DOUBLEDRAGON CORPORATION	129,044	1,197,528	P 9.28	P -
EAST COAST VULCAN MINING CORPO	772	208	0.27	-
EAST WEST BANKING CORPORATION	32	371	11.60	-
EEI CORPORATION	-	-	-	-
EMPERADOR INC.	47,601	761,616	16.00	-
EMPIRE EAST LAND HOLDINGS, INC	1,000,645	104,067	0.10	-
ENEX ENERGY CORPORATION	656	2,191	3.34	-
F&J PRINCE HOLDINGS CORP.	847	2,202	2.60	-
FAR EASTERN UNIVERSITY, INC	4	3,200	800.00	-
FERRONOUX HOLDINGS, INC.	39	195	5.00	-
FIGARO COFFEE GROUP, INC.	683	396	0.58	-
FILINVEST DEVELOPMENT CORP.	88	400	4.55	-
FILINVEST LAND, INC.	442,865	341,006	0.77	-
FILINVEST REIT CORPORATION	594	1,841	3.10	-
FILIPINO FUND, INC.	32	240	7.50	-
FIRST GEN CORPORATION	984	17,456	17.74	-
FIRST METRO PHILIPPINE EQUITY	9	909	101.00	-
FIRST PHIL HOLDINGS CORP "A"	1,967	151,459	77.00	-
FORUM PACIFIC, INC.	5,505	1,321	0.24	-
FRUITAS HOLDINGS, INC.	222	142	0.64	-
GEOGRACE RESOURCES,PHILS.,INC.	161	14	0.09	-
<i>Balance forwarded</i>		P	1,575,652,711	

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
<i>Balance carried forward</i>		P	1,575,652,711	
GINEBRA SAN MIGUEL, INC.	-	-	-	P -
GLOBAL FERRONICKEL HOLDINGS, I	231	312	1.35	-
GLOBAL-ESTATE RESORTS, INC.	1,297	895	0.69	-
GLOBE TELECOM INC, "A"	506	801,504	1,584.00	-
GMA HOLDINGS, INC.	307	1,624	5.29	-
GMA NETWORK, INC.	95	514	5.41	-
GRAND PLAZA HOTEL CORP(COMMON)	93	538	5.79	-
GREENERGY HOLDINGS INCORPORATE	22	4	0.18	-
GT CAPITAL HOLDINGS, INC.	2	1,190	595.00	-
HARBOR STAR SHIPPING SERVICES,	500	295	0.59	-
HAUS TALK, INC.	487	536	1.10	-
HOUSE OF INVESTMENTS, INC	17	77	4.50	-
IMPERIAL RESOURCES, INC "A"	1,000	700	0.70	-
INTEGRATED MICRO-ELECTRONICS,	3,397	11,788	3.47	-
INT'L CONTAINER TERMINAL SERV	219	124,173	567.00	-
IONICS,INC.	1,256	1,281	1.02	-
IPEOPLE, INC.	312	1,872	6.00	-
IPM HOLDINGS, INC.	354	556	1.57	-
I-REMIT, INC.	1,890	-	-	-
ISLAND INFORMATION & TECHNOLOGY, INC.	5,017	617	0.12	-
ITALPINAS DEVELOPMENT CORPORAT	374	325	0.87	-
<i>Balance forwarded</i>		P	1,576,601,512	

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
<i>Balance carried forward</i>		P	1,576,601,512	
JACKSTONES, INC.	-	-	-	P -
JG SUMMIT HOLDINGS, INC.	6,144	145,306	23.65	-
JOLLIBEE FOODS CORPORATION	94,404	16,992,720	180.00	-
LBC EXPRESS HOLDINGS, INC.	265	2,332	8.80	-
LEPANTO CONSOLIDATED MNG CO A	2,044	378	0.19	-
LEPANTO CONSOLIDATED MNG CO B	702,326	131,335	0.19	-
LFM PROPERTIES CORPORATION	7,076	290	0.04	-
LIBERTY FLOUR MILLS, INC.	1	34	33.80	-
LMG CORPORATION	3,067	767	0.25	-
LOPEZ HOLDINGS CORPORATION	604,162	2,247,483	3.72	-
LORENZO SHIPPING CORPORATION	207	126	0.61	-
LT GROUP, INC.	41	606	14.78	-
MABUHAY HOLDINGS CORPORATION	500	58	0.12	-
MABUHAY VINYL CORPORATION	93	483	5.19	-
MACAY HOLDINGS, INC.	271	1,894	6.99	-
Macro Asia Corp.(Cobertson)	20	87	4.34	-
MAKATI FINANCE CORPORATION	6	9	1.51	-
MANILA ELECTRIC COMPANY "A"	128	73,472	574.00	-
MANILA MINING CORPORATION "A"	4,749	35	0.01	-
MANILA MINING CORPORATION "B"	1,020	7	0.01	-
MANILA WATER COMPANY, INC.	7	282	40.30	-
<i>Balance forwarded</i>		P	1,596,199,216	

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
<i>Balance carried forward</i>		P	1,596,199,216	
MANULIFE FINANCIAL CORPORATION	3	5,640	P 1,880.00	P -
MARCVENTURES HOLDINGS, INC.	932	652	0.70	-
MAX'S GROUP, INC.	1,285	3,148	2.45	-
MEGAWIDE CONSTRUCTION CORPORAT	-	-	-	-
MEGAWORLD CORPORATION	284,756	592,292	2.08	-
MERRYMART CONSUMER CORPORATION	500	200	0.40	-
METRO ALL. HOLD.&EQUITIES CORP	-	-	-	-
METRO ALLIANCE HOLDINGS & EQUITIES CORP. "B"	1,541	1,063	0.69	-
METRO RETAIL STORES GROUP, INC	251	289	1.15	-
METROPOLITAN BANK & TRUST CO	2,554	174,949	68.50	-
MILLENNIUM GLOBAL HOLDINGS, IN	-	-	-	-
MONDE NISSIN CORPORATION	95	551	5.80	-
MRC ALLIED, INC.	299,596	260,649	0.87	-
MREIT, INC.	121	1,694	14.00	-
NATIONAL REINSURANCE CORP.	388	299	0.77	-
NICKEL ASIA CORPORATION	595	2,315	3.89	-
NIHAO MIN. RES. INT'L INC.	241,700	76,136	0.32	-
NOW CORPORATION	473	322	0.68	-
<i>Balance forwarded</i>		P	1,597,319,415	

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>		
<i>Balance carried forward</i>		P	1,597,319,415			
OMICO CORPORATION	42,127	4,255	P	0.10	P	-
ORIENTAL PENINSULA RES.GRP.INC	-	-		-		-
ORIENTAL PET & MINERAL CORP A	141,125	1,694		0.01		-
ORIENTAL PET & MINERAL CORP B	298,997	3,588		0.01		-
PACIFIC ONLINE SYSTEM CORP.	248	422		1.70		-
PACIFICA HOLDINGS INC.	249	237		0.95		-
PAL HOLDINGS, INC.	240	912		3.80		-
PANASONIC MFG. PHILS., CORP.	71	767		10.80		-
PETROENERGY RESOURCES CORP.	1,712	5,992		3.50		-
PETRON CORPORATION	170	422		2.48		-
PH RESORTS GROUP HOLDINGS, INC	8	1		0.13		-
PHIL BANK OF COMMUNICATIONS A	74	1,682		16.70		-
PHIL. REALTY & HOLDINGS CORP.	12,332	11,464		0.11		-
PHILCOMSAT HOLDINGS CORPORATION	914	1,236		1.84		-
PHILEX MINING CORPORATION	1,158	15		9.90		-
PHILIPPINE BUSINESS BANK	2	1,593		7.70		-
PHILIPPINE ESTATES CORPORATION	5,688	282		0.28		-
PHILIPPINE INFRADEV HOLDINGS,	896	105,210		0.32		-
PHILIPPINE NATIONAL BANK	1,934	653		54.40		-
PHILIPPINE RACING CLUB, INC.	99	1,344		6.60		-
PHILIPPINE SAVINGS BANK	52	2,808		54.00		-
PHILIPPINE SEVEN CORPORATION	24	888		37.00		-
<i>Balance forwarded</i>		P	1,597,464,880			

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
<i>Balance carried forward</i>		P	1,597,464,880	
PHILIPPINE TRUST COMPANY	2	240	P 120.00	P -
PHILWEB CORPORATION	120	744	6.20	-
PHINMA CORPORATION	564	9,419	16.70	-
PLDT INC.	1,270	1,600,200	1,260.00	-
PREMIERE HORIZON ALLIANCE CORP	727	172	0.24	-
PRIME MEDIA HOLDINGS, INC.	9,619	12,505	1.30	-
PRYCE PROPERTIES CORPORATION	31	409	13.20	-
PTFC REDEVELOPMENT CORPORATION	26	1,175	45.20	-
PUREGOLD PRICE CLUB, INC.	8,279	314,602	38.00	-
PXP ENERGY CORPORATION	45,634	108,609	2.38	-
REPUBLIC GLASS HLDNGS CORP "A"	22	51	2.30	-
RFM CORPORATION	287	1,363	4.75	-
RIZAL COMMERCIAL BANKING CORPORATION	24	623	25.95	-
RL COMMERCIAL REIT, INC.	4	32	8.02	-
ROBINSONS LAND CORPORATION	28,895	466,943	16.16	-
ROBINSONS RETAIL HOLDINGS, INC	-	-	-	-
ROCKWELL LAND CORPORATION	253	468	1.85	-
ROXAS AND COMPANY, INC.	2,677	7,174	2.68	-
ROXAS HOLDINGS, INC.	-	-	-	-
SAN MIGUEL CORPORATION	563.00	46,166	82.00	-
<i>Balance forwarded</i>		P	1,600,035,775	

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
<i>Balance carried forward</i>		P	1,600,035,775	
SBS PHILIPPINES CORPORATION	144	560	P 3.89	P -
SEAFRONT RESOURCES CORP. "A"	751	1,772	2.36	-
SECURITY BANK CORPORATION	-	-	-	-
SEMIRARA MINING AND POWER CORP	1,351	38,166	28.25	-
SHAKEY'S PIZZA ASIA VENTURES,	147	1,000	6.80	-
SHANGRILA PROPERTIES, INC.	55	195	3.54	-
SHELL PILIPINAS CORPORATION	483	3,347	6.93	-
SM INVESTMENTS CORPORATION	3,510	2,455,245	699.50	-
SM PRIME HOLDINGS, INC	2,306	52,462	22.75	-
SOC RESOURCES, INC.	1,527	278	0.18	-
SOLID GROUP, INC.	275	349	1.27	-
SP NEW ENERGY CORPORATION	990,907	1,159,361	1.17	-
SPC POWER CORPORATION	180	1,753	9.74	-
SSI GROUP, INC.	128	337	2.63	-
STA. LUCIA LAND, INC.	64	166	2.60	-
STENIEL MANUFACTURING CORP	10,084	21,983	2.18	-
STI EDUCATION SYSTEMS HOLDINGS	920	1,297	1.41	-
SUN LIFE FIN. SERV. OF CANADA	-	-	-	-
SUNTRUST RESORT HOLDINGS, INC.	9	7	0.76	-
SUPERCITY REALTY DEVT. CORP.	-	-	-	-
SWIFT FOODS, INC	4,244.00	199	0.05	-
SWIFT FOODS, INC. CONVERTIBLE	25,209.00	42,603	1.69	-
SYNERGY GRID & DEVELOPMENT PHI	50.00	828	16.56	-
<i>Balance forwarded</i>		P	1,603,817,683	

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown in the statement of the financial position</i>	<i>Valued based on the market quotation at reporting period (per share)</i>	<i>Income received and accrued</i>
<i>Balance carried forward</i>		P	1,603,817,683	
THE KEEPERS HOLDINGS, INC.	33,490	83,055	P 2.48	P -
THE PHILODRILL CORPORATION "A"	706,955	6,292	0.01	-
TKC METALS CORPORATION	650	286	0.44	-
TOP FRONTIER INVESTMENT HOLDINGS, INC.	-	-	-	-
TRANSPACIFIC BROD. GROUP INT'L	-	-	-	-
UNION BANK OF THE PHILIPPINES	4	106	26.60	-
UNITED PARAGON MINING CORP.	87,476	507	0.01	-
UNIVERSAL ROBINA CORPORATION	1,575	105,998	67.30	-
UPSON INTERNATIONAL CORP.	-	-	-	-
VANTAGE EQUITIES, INC.	1,300	1,157	0.89	-
VICTORIAS MILLING COMPANY, INC	874	1,512	1.73	-
VISTA LAND & LIFESCAPES, INC	1,308	1,360	1.04	-
VISTAMALLS, INC.	522	653	1.25	-
VITARICH CORPORATION	10,096	5,351	0.53	-
VIVANT CORPORATION	59	1,147	19.44	-
WATERFRONT PHILIPPINES, INC	2,533	1,026	0.41	-
WELLEX INDUSTRIES, INC.	5,000	1,300	0.26	-
WILCON DEPOT, INC.	36,753	255,801	6.96	-
XURPAS INC.	1,644	408	0.25	-
ZEUS HOLDINGS, INC.	2,776	186	0.07	-
		P	1,604,283,828	

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule A - Financial Assets

December 31, 2025

(Amounts in Philippine Pesos)

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the statement of the financial position</i>	<i>Valued based on the market quotation at reporting date (per share)</i>	<i>Income received and accrued</i>
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Financial Assets at Fair Value Through Other Comprehensive Income

BERJAYA PHILIPPINES INC.	326,047,150	P	2,934,424,350	P	9	P	-
CEBU COUNTRY CLUB	1		18,000,000				-
MIMOSA GOLF	1		2,500,000				-
VALLE VERDE (CORP)	2		4,000,000				-
			P 2,958,924,350				

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
December 31, 2025
(Amounts in Philippine Pesos)

<i>Company</i>	<i>Name</i>	<i>Kind of Loan</i>	<i>Balance at Beginning of Period</i>	<i>Additions</i>	<i>Amounts Collected</i>	<i>Amounts Written Off</i>	<i>Current</i>	<i>Non-Current</i>	<i>Balance at End of Period</i>
ASC	Cometa, Roel	Educational	P 34,476	P 70,500	P 66,443	P -	P 38,533	P -	P 38,533
ASC	Dela Cruz, Abigail	Educational	106,940	-	91,239	-	15,701	-	15,701
ASC	Jaca, Christian Robin	Educational	62,968	-	-	-	62,968	-	62,968
ASC	Marcelo, Cristina	Educational	29,409	41,076	51,455	-	19,030	-	19,030
ASC	Norega, Ermen	Educational	37,810	-	37,810	-	-	-	-
ASC	Patricio, Jhonrey	Educational	20,653	50,000	20,133	-	50,520	-	50,520
ASC	Rabe, Jennynlen	Educational	13,666	30,000	32,504	-	11,162	-	11,162
ASC	Ramos, Nole	Educational	23,527	45,000	42,059	-	26,468	-	26,468
ASC	Sapon, Michelle	Educational	63,941	80,000	97,218	-	46,723	-	46,723
ASC	Villar, Dennis	Educational	220,106	-	220,106	-	-	-	-
ASC	Agapay, Grace	Emergency	248,182	-	186,715	-	61,467	-	61,467
ASC	Batuglao, Danisalyn	Emergency	33,553	-	19,863	-	13,690	-	13,690
ASC	Casimsiman, Joel	Emergency	56,332	-	34,819	-	21,513	-	21,513
ASC	Dela Cruz, Abigail	Educational	336,489	-	102,313	-	234,176	-	234,176
ASC	Espiritu Santo, Lynneth	Emergency	178,305	-	98,821	-	79,484	-	79,484
ASC	Gamad, Dennielle	Emergency	-	45,000	13,678	-	31,322	-	31,322
ASC	Hispano, Cadiz	Emergency	169,627	-	99,151	-	70,476	-	70,476
ASC	Medrano, Clarize	Emergency	-	50,000	-	-	50,000	-	50,000
ASC	Norega, Ermen	Emergency	65,834	-	65,834	-	-	-	-
ASC	Patricio, Jhonrey	Emergency	21,810	-	21,810	-	-	-	-
ASC	Ramos, Nole	Emergency	9,861	48,000	16,693	-	41,168	-	41,168
ASC	Sapon, Michelle	Emergency	199,384	-	100,113	-	99,271	-	99,271
ASC	Soreta, Raymond	Emergency	9,893	-	9,893	-	-	-	-
ASC	Villar Dennis	Emergency	-	403,785	55,703	-	348,082	-	348,082
ASC	Franco, Raymond Neil	Housing	961,490	-	240,000	-	721,490	-	721,490
FAF	Castillo, Madonna	Educational	-	80,000	36,270	-	43,730	-	43,730
FAF	Santos, Marilou	Educational	334,376	-	261,584	-	72,792	-	72,792
FAF	Santos, Marilou	Emergency	167,327	-	114,404	-	52,923	-	52,923
FAF	Santos, Marilou	Housing	787,477	-	128,439	-	659,038	-	659,038
ACIC	Mogol, Ma. Julieta	Educational	26,238	80,000	74,055	-	32,183	-	32,183
ACIC	Ramos, Christine	Educational	98,519	180,000	195,026	-	83,493	-	83,493
			P 4,318,193	P 1,203,361	P 2,534,151	P -	P 2,987,403	P -	P 2,987,403

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule C - Accounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2025
(Amounts in Philippine Pesos)

<i>Name of Related Party</i>	<i>Balance at Beginning of Period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at End of Period</i>
			<i>Amounts Collected</i>	<i>Amounts Written Off</i>	<i>Current</i>	<i>Non-current</i>	
Abacus Securities Corporation	P -	P -	P -	P -	P -	P -	P -
Abacus Capital & Investment Corporation	120,126,359	273,000	7,765,429	-	112,633,930	-	112,633,930
Vista Holdings Corporation	<u>249,326,357</u>	<u>53,678,883</u>	<u>198,203,561</u>	<u>-</u>	<u>104,801,679</u>	<u>-</u>	<u>104,801,679</u>
			-				
	<u>P 369,452,716</u>	<u>P 53,951,883</u>	<u>P 205,968,990</u>	<u>P -</u>	<u>P 217,435,609</u>	<u>P -</u>	<u>P 217,435,609</u>

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule D - Long Term Debt

December 31, 2025

(Amounts in Philippine Pesos)

<i>Title of Issue and Type of Obligation</i>	<i>Amount Authorized by Indenture</i>	<i>Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position</i>	<i>Amount Shown Under Caption "Long-term Debt" in Related Statement of Financial Position</i>
Notes Payable	P 6,361,817,642	P 6,361,817,642	P -
Bank Loans	<u>151,101,160</u>	<u>151,010,755</u>	<u>90,405</u>
	<u>P 6,512,918,802</u>	<u>P 6,512,828,397</u>	<u>P 90,405</u>

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2025
(Amounts in Philippine Pesos)

<i>Name of related party</i>	<i>Balance at beginning of period</i>	<i>Balance at end of period</i>
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Not applicable

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2025
(Amounts in Philippine Pesos)

<i>Name of issuing entity of securities guaranteed by the company for which this statement is filed</i>	<i>Title of issue of each class of securities guaranteed</i>	<i>Total amount guaranteed and outstanding</i>	<i>Amount owned by person for which statement is filed</i>	<i>Nature of guarantee</i>
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Not applicable

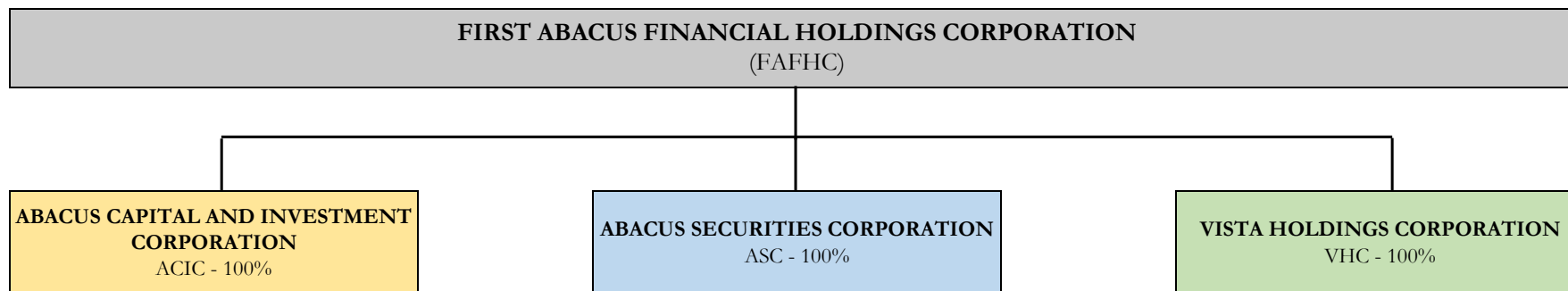
FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule G - Capital Stock
December 31, 2025
(Amounts in Philippine Pesos)

<i>Title of Issue</i>	<i>Number of Shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related statement of financial position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Number of Shares held by:</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Common shares - P1 par value						
Authorized - P1,800,000,000	1,800,000,000					
1,193,200,000 shares issued	1,193,200,000	1,193,200,000	-	76,286,000	143,010,000	973,904,000
Treasury shares		(171,413,600)	-	-	-	-
		<u>1,021,786,400</u>	<u>-</u>	<u>76,286,000</u>	<u>143,010,000</u>	<u>973,904,000</u>

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
Unit 2904-A East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2025

Unappropriated Retained Earnings (Deficit) at Beginning of Year		(P 3,033,405,939)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	-	
	<hr/>	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	
	<hr/>	-
Unappropriated Retained Earnings (Deficit) at Beginning of Year, as adjusted		<u>(3,033,405,939)</u>
Add/Less: Net Income (Loss) for the Current Year		<u>(373,923,051)</u>
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(598,739)	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-	
	<hr/>	-
Sub-total		<u>(598,739)</u>
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
	<hr/>	-
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
	<hr/>	-
Sub-total		-
Adjusted Net Income/Loss		<u>(373,324,312)</u>
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
	<hr/>	-
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
	<hr/>	-
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
	<hr/>	-
Sub-total		-
Unappropriated Retained Earnings (Deficit) Available for Dividend Distribution at End of Year		<u>(P 3,406,730,251)</u>

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Map Showing the Relationships Between the Parent Company and Its Subsidiaries
December 31, 2025



FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Financial Soundness Indicators
December 31, 2025 and 2024

Ratio	Formula	2025	Formula	2024
Current Ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets Divide by: Total Current Liabilities Current Ratio	0.56 4,182,522,855 7,428,291,693 0.56	Total Current Assets divided by Total Current Liabilities Total Current Assets Divide by: Total Current Liabilities Current Ratio	0.63 4,207,798,399 6,686,103,191 0.63
Acid Test Ratio	Quick Assets (Total Current Assets less inventories and other current assets) divided by Total Current Liabilities Total Current Assets Less: Other Current Assets Quick Assets Divide by: Total Current Liabilities Acid Test Ratio	0.56 4,182,522,855 (6,661,128) 4,175,861,727 7,428,291,693 0.56	Quick Assets (Total Current Assets less inventories and other current assets) divided by Total Current Liabilities Total Current Assets Less: Other Current Assets Quick Assets Divide by: Total Current Liabilities Acid Test Ratio	0.63 4,207,798,399 (6,466,118) 4,201,332,281 6,686,103,191 0.63
Solvency Ratio	Total Liabilities divided by Total Assets Total Liabilities Divide by: Total Assets Solvency Ratio	0.99 7,481,322,914 7,587,725,677 0.99	Total Liabilities divided by Total Assets Total Liabilities Divide by: Total Assets Solvency Ratio	0.87 6,731,318,415 7,758,507,173 0.87
Debt-to-equity Ratio	Total Liabilities divided by Total Equity Total Liabilities Divide by: Total Equity Debt-to-equity Ratio	70.31 7,481,322,914 106,402,763 70.31	Total Liabilities divided by Total Equity Total Liabilities Divide by: Total Equity Debt-to-equity Ratio	6.55 6,731,318,415 1,027,188,758 6.55
Assets-to-equity Ratio	Total Assets divided by Total Equity Total Assets Divide by: Total Equity Assets-to-equity Ratio	71.31 7,587,725,677 106,402,763 71.31	Total Assets divided by Total Equity Total Assets Divide by: Total Equity Assets-to-equity Ratio	7.55 7,758,507,173 1,027,188,758 7.55
Return on equity	Net Loss divided by Total Equity Net Loss Divide by: Total Equity Return on equity	(6.39) (679,450,057) 106,402,763 (6.39)	Net Loss divided by Total Equity Net Loss Divide by: Total Equity Return on equity	(0.18) (179,840,848) 1,027,188,758 (0.18)
Return on assets	Net Loss divided by Total Assets Net Loss Divide by: Total Assets Return on assets	(0.09) (679,450,057) 7,587,725,677 (0.09)	Net Loss divided by Total Assets Net Loss Divide by: Total Assets Return on assets	(0.02) (179,840,848) 7,758,507,173 (0.02)
Net Profit Margin	Net Loss divided by Total Revenue Net Loss Divide by: Total Revenue Net Profit Margin	(5.30) (679,450,057) 128,140,057 (5.30)	Net Loss divided by Total Revenue Net Loss Divide by: Total Revenue Net Profit Margin	(0.39) (179,840,848) 463,820,454 (0.39)

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2025 and 2024

	2025		2024
Total Audit Fees	P 3,540,000		P 3,400,000
Non-audit service fees:			
Other assurance service	-		-
Tax service	-		-
All other service	-		-
Total Non-Audit Fees	-		-
Total Audit and Non-audit Fees	P 3,540,000		P 3,400,000