



# SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City  
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



**The following document has been received:**

**Receiving:** DONNA ENCARNADO

**Receipt Date and Time:** March 27, 2026 03:58:33 PM

## Company Information

---

**SEC Registration No.:** 0000063824

**Company Name:** CTS GLOBAL EQUITY GROUP, INC. doing business under the names and styles of CTS Global, CTS Global Equities, CTS Global Securities, CTS Securities, Citisecurities

**Industry Classification:** J66930

**Company Type:** Stock Corporation

## Document Information

---

---

**Document ID:** OST103272026811139783

**Document Type:** ANNUAL\_REPORT

**Document Code:** SEC\_Form\_17-A

**Period Covered:** December 31, 2025

**Submission Type:** Original Filing

**Remarks:** WITH FS

---

---

Acceptance of this document is subject to review of forms and contents

SEC Registration Number

0 0 0 0 0 0 6 3 8 2 4

## Company Name

C	T	S		G	L	O	B	A	L		E	Q	U	I	T	Y		G	R	O	U	P	,		I	N	C	.	

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

2	7	/	F		E	a	s	t		T	o	w	e	r	,		T	e	k	t	i	t	e						
T	o	w	e	r	s	,		E	x	c	h	a	n	g	e		R	o	a	d	,		O	r	t	i	g	a	s
C	e	n	t	e	r	,		P	a	s	i	g		C	i	t	y												

Form Type

1 7 - A

Department requiring the report

C F D

Secondary License Type, If Applicable

B r o k e r

## COMPANY INFORMATION

Company's Email Address

compliance@ctsglobalgroup.com

Company's Telephone Number/s

(02) 8 635-5735

Mobile Number

N/A

No. of Stockholders

4

Annual Meeting  
Month/Day

Any Date of May

Fiscal Year  
Month/Day

December 31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Lawrence C. Lee

Email Address

lawrence@ctsglobalgroup.com

Telephone Number/s

(02) 8 635-5735

Mobile Number

N/A

Contact Person's Address

27/F East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **DECEMBER 31, 2025**
2. SEC Identification Number: **00000063824**
3. BIR Tax Identification No.: **000-322-268-000**
4. Exact name of issuer as specified in its charter: **CTS GLOBAL EQUITY GROUP, INC.**
5. Province, Country or other jurisdiction of incorporation or organization:  
**Metro Manila, Philippines**
6. Industry Classification Code:  (SEC Use Only)
7. Address of principal office Postal Code: **1605**  
**27/F East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City**
8. Issuer's telephone number, including area code: (632) **8635-5735**
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 SRC, or Sec. 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding</u>
<b>Common Share</b>	<b>6,875,000,000 shares</b>

11. Are any or all of these securities listed on the Philippine Stock Exchange?  
Yes [  ]      No [  ]
12. Check whether the issuer:
  - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);  
Yes [  ]      No [  ]
  - (b) has been subject to such filing requirements for the past ninety (90) days.  
Yes [  ]      No [  ]
13. Aggregate market value of the voting stock held by non-affiliates.  
**₱884,761,377.50 (2,298,081,500 @ ₱0.385 per share as of February 28, 2026)**

## TABLE OF CONTENTS

	Page No.
<b>PART I- BUSINESS AND GENERAL INFORMATION</b>	
Item 1. Business	
Company Overview	2
Business Segments	2
Competitor Analysis	3
Business Strategies	3
Customers	4
Patents, Trademarks, Licenses, Franchises, Concessions or Royalty Agreements	4
Transactions with and/or Dependence on Related Parties	4
Government Regulation	4
Employees	5
Risk Factors and Risk Management	5
Item 2. Properties	6
Item 3. Legal Proceedings	6
Item 4. Submission of Matters to a Vote of Security Holders	7
<b>PART II- OPERATIONAL AND FINANCIAL INFORMATION</b>	
Item 5. Market for Issuer's Common Equity and Related Stockholder Matters	
Market Information	8
Holders of Common Equity	8
Dividends	8
Recent Sales of Unregistered or Exempt Securities	9
Discussion on Compliance with Leading Practice on Corporate Governance	9
Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations	
Industry and Economic Review	10
Business Review	10
Future Growth Prospects	16
Item 7. Financial Statements	17
Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	17
Item 9. Audit and Audit-Related Fees	17
<b>PART III- CONTROL AND COMPENSATION INFORMATION</b>	
Item 10. Directors and Executive Officers of the Issuer	
Board of Directors	18
Management Team	21
Term of Office	22
Resignation/Retirement of Directors and Executive Officers as of December 31, 2021	22
Significant Employees	22
Family Relationships	23
Involvement in Certain Legal Proceedings	23
Item 11. Executive Compensation	
Standard Arrangements	24
Employment Contracts and Termination of Employment and Change-in-Control Arrangements	24
Item 12. Security Ownership of Certain Beneficial Owners and Management	
Security Ownership of Certain Record and Beneficial Owners	25
Security Ownership of Management	26
Item 13. Certain Relationships and Related Transactions	27
<b>PART IV- EXHIBITS AND SCHEDULES</b>	
Item 14. Exhibits and Reports on SEC Form 17-C	28
<b>SIGNATURES</b>	30
<b>INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES</b>	31
<b>SUSTAINABILITY REPORT</b>	

## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### Company Overview

CTS Global Equity Group, Inc. (“CTS”, or the “Company”) was established to engage in the business of equities trading as a broker-dealer for the Philippine market, but through time, shifted focus to its proprietary trading deck for global equities. It uses its intellectual property assets, specifically on risk management, macroeconomics, fundamental, and technical analysis, to seek and capitalize on opportunities on a local and global scale through trading of equities listed in stock exchanges. With a combined experience of more than 100 years trading in the stock market, the proponents of the Company have developed a robust trading system that allows its traders to consistently generate returns on proprietary and client capital. The Company offers its brokerage services for securities and is listed in the Philippine Stock Exchange.

The Company’s core competency was honed in the Philippine stock market and further developed overseas, particularly in the US, Hong Kong, and Japan stock markets. Through decades of active participation in these trading markets, the Company was able to develop and has continued to develop its intellectual property assets, thereby improving its competitive advantage. The Company successfully pivoted and maneuvered the challenges of the pandemic with the newly digitized training sessions, risk management monitoring, and fully automated analytics, leveling up the Company’s operations.

The Company is a multi-asset firm primarily investing through fixed income and equities. Though the trading strategies on each equity are inherently diverse, the development and application of every distinct trading technique falls under the overarching trading system and rules of the FTSR Trading Framework. This framework has been developed for 40 years and is still constantly improved under the Caylum Trading Institute (“Caylum” or “CTI”), the Company’s trading education partner.

The Company believes that its stock market expertise and training program are inestimable assets that can support its core vision of growing the number of traders in its pool while also being able to consistently preserve and grow the various assets under its management.

#### Business Segments

The Company’s business segments are:

**Proprietary Trading.** The Company has traders with exposure in multiple global markets including the United States, Hong Kong, Japan, and the ASEAN markets. CTS’ investment framework, which has been developed and refined for over the past forty years, allows the Company to consistently generate return on proprietary capital. This business segment will remain to be the Company’s largest revenue contributor in the foreseeable future. In this segment, the traders generate profits for the firm in exchange for overall trader development, risk infrastructure, proprietary capital, and compensated with a fixed salary and commissions.

**Brokerage Services.** As one of the PSE Trading Participants, CTS renders stock brokerage and dealership services at a fee for high-net-worth clients. Revenues from this side are in fixed commissions based on the transaction amounts. As a traditional broker, CTS clients place their buy or sell orders and receive confirmation of the execution of their transactions through licensed salesmen of the Company.

**Investment Income.** Aside from giving an overall guidance to the trading house’s market and foreign exchange exposure, the Macroeconomics Desk and the Global Research team within CTS likewise invests in assets with a longer-term horizon. These teams specialize in conducting in-depth research to generate alpha.

**Client Advisory.** Using the Company’s core competency in the global markets, this recently launched segment offers investment solutions to clients, delivering consistent returns while capturing equity upside.

### **Competitor Analysis**

Operating in both the stock brokerage and proprietary segments, CTS is mainly driven by the global equity markets and the asset management industry. In the global asset management landscape, there is a low barrier to entry that allows players to enter and exit the industry. Funds are competing for capital by showing risk-adjusted outperformance. In 2025, the US market’s S&P 500 index ended the year with a 17.9% return, while the PSEi with -7.3%. Compared to these benchmarks, CTS has posted revenue over capital of 5.7% overall.

Despite the difference in nature, CTS is most comparable to competition in the asset management industry. This includes hedge funds, mutual funds, and other portfolio management institutions.

CTS believes that it can effectively compete with its peers, based on the following reasons:

1. The Company has developed intellectual property assets, including automated systems for risk management, performance analytics, trader training and monitoring.
2. The Company is led by a competent and experienced management team with a deep understanding of macroeconomic and market cycles and with combined experience of more than 100 years’ trading in the stock market.
3. The Company follows a prudent risk management infrastructure which will help the Company sustainably scale and grow as well as attain operational efficiency.
4. The Company has historically demonstrated its ability to generate “alpha” or strategies that have proven to be effective in beating the market.
5. The Company has a long-standing partnership with the Caylum Trading Institute (founded by the same proponents as the Company’s), which serves as the education and training partner of the Company.
6. The Company can leverage on the COL Financial Group, Inc. ecosystem.
7. The global trading business model is scalable and provides a high operating leverage.

### **Business Strategies**

#### **Proprietary Trading**

**Capitalize on strength.** CTS will focus on its core strength of trading equities. The Company will leverage on its trading expertise by increasing the allocation of proprietary funds assigned to business units (i.e., individual traders). Scaling up the capitalization of each business unit can unlock the operating leverage that is inherent in CTS’ business model.

**Continue trader development.** Through its trading education and training partner, Caylum, the Company is able to recruit traders who meet the standards set for managing proprietary funds. This includes the competence required by the coaches in financial concepts and fundamental and technical analysis.

**Continue trades with a more global focus.** In line with its expansion plans, CTS intends to increase its global trading revenues. Historically, most revenues came from the Philippine market, and then US, HK, and Japan. For the past year, CTS has officially expanded into the Indonesian equity markets in order to capitalize on the strong commodities markets.

**Maintain lean cost-structure.** The work-from-home arrangement mandated by the government during the COVID-19 pandemic made the cost structure leaner. As the IPO raised more capital for the firm, it has been able to keep the operating expenses controlled despite the exponential increase in assets under management. This is a strategy the Company intends to maintain as it grows its assets in the future.

### **Customers**

The business of CTS is not dependent upon a single customer or a few customers that a loss of any one of them would have a material adverse effect on CTS. Further, there is no customer that accounts for, or based upon existing transactions, will account for twenty percent (20.0%) or more of CTS' total revenues.

### **Patents, Trademarks, Licenses, Franchises, Concessions or Royalty Agreements**

The Company filed the following application for registration of trademark with the Intellectual Property Office (IPO):

	<b>Mark</b>	<b>Date of Application</b>	<b>Status and Validity</b>
1.	“CTS Global Equity Group”	July 21, 2021	Approved; Registration up to March 31, 2032

CTS believes, however, that its operation is not contingent on the effectivity of its trademark registered with the IPO. The Company further believes it can continue with its operations under any other trademark.

### **Transactions with and/or Dependence on Related Parties**

In the ordinary course of business, CTS enters into various transactions with related parties and affiliates, principally consisting of stockbrokerage services and purchase of goods. The Company's policy is to settle intercompany receivables and payables on a net basis. Transactions entered with related parties are made at arm's-length prices or on terms similar to those offered to non-related parties in an economically comparable market. Outstanding balances owed to related parties at a certain reporting date are non-interest bearing, unsecured and payable/collectible in cash on demand.

In order to minimize any conflict of interest and to ensure fairness and reasonableness, any future material transaction involving CTS and the companies of the major stockholders or its affiliates shall be subjected to the approval of a majority of the Board of Directors in accordance with the Company's Related Party Transactions policy.

### **Government Regulation**

The securities industry in the Philippines is highly regulated. Broker/dealers are subject to regulations covering all aspects of the securities business. Additional regulations, changes in rules as promulgated by the SEC, the Department of Finance, the Bureau of Internal Revenue (BIR), the PSE, the Capital Markets Integrity Corporation (CMIC) or changes in the interpretation or enforcement of existing laws and rules, may directly affect the operation and profitability of broker/dealers.

The SEC and other regulatory agencies have stringent rules with respect to the maintenance of specific levels of Risk-Based Capital Adequacy Ratios (RBCA) by broker/dealers. RBCA is a ratio that compares the broker/dealer's total measured risk to its liquid capital. The broker/dealer must ensure that the RBCA ratio is at least 110% and that its net liquid capital is at least ₱5.00 million and is greater than the total risk capital requirement. Failure to maintain the required RBCA may subject the Company to the suspension or revocation of its broker/dealer license by the SEC. In addition, a change in the RBCA rules or the imposition of new rules could limit those operations of CTS that require a large use of capital such as its trading activities and could restrict CTS's ability to withdraw capital to pay dividends, repay debt, or

redeem shares of its outstanding stock. A significant operating loss or any unusually large charge against net capital could adversely affect the Company's ability to expand or maintain its present level of operation.

### **Employees**

The actual number of full-time employees of CTS for 2025 and the projected number of employees for 2026 to complement its operational requirements are broken down as follows:

	Projected for Year 2026	Year 2025
Executives	5	5
Senior Officers	8	8
Junior Officers	27	23
Professional/Technical/Others	27	38
<b>TOTAL</b>	<b>67</b>	<b>74</b>

The employees of CTS are not subject to any collective bargaining agreements (CBA).

### **Risk Factors and Risk Management**

#### ***Risks Relating to the Company Business***

- The Company's performance is influenced by the cyclical nature of the markets it operates in, as well as the general riskiness of equities compared to other assets since it is subject to extensive fluctuations in price and liquidity.
- The Company's trading operations are subject to technological risks from the stock brokerage platforms.
- The Company's focus on global equity markets poses a foreign exchange risk for its dollar-denominated working capital used in trading operations.
- Foreign markets are subject to political and economic factors that can affect the Company's relevant market revenues.
- The Company is exposed to risks for its investments in international markets.
- The Company's unique business model requires the acquisition of specific talent that may not always be available, which may hamper the growth of the Company.
- Employee turnover can affect the operations of CTS.
- Deviation from the FTSR Framework by traders can affect the Company's operations.
- Scaling of the global trading operations is subject to the individual traders' ability to improve their efficiency.
- The Company's growth depends heavily on the execution of its future strategic plans. The inability to execute this successfully will pose a risk to its financial performance. Global trading operations are executed electronically and therefore subject to the risk of power and internet connectivity interruption.
- The Company can be affected by potential local and foreign-based competition.
- The Company may be exposed to risks on Related Party Transactions
- The Company may be exposed to risks on non-compliance with Risk-Based Capital Adequacy (RBCA) Ratios requirements.

#### ***Risks Relating to the Philippines***

- As the Company generates a portion of its revenues in the Philippines, the local political and economic factors will affect both the Company's trading operations and the local market revenues.
- As a part of the strictly regulated financial industry, the Company will be affected by any changes and further regulations that might be imposed by the regulatory bodies in the future.
- Acts of terrorism could destabilize the country and may affect the Company's operations business, financial condition, and results of operations.

- Natural or other catastrophes, including severe weather conditions, may disrupt the Company's operations and financial conditions.
- Credit ratings of the Philippines and Philippine companies could materially and adversely affect the Company.
- Foreign exchange regulations in the Philippines may limit the Company's access to foreign currency for service of foreign-currency denominated payment obligations.
- The continuing impacts of the COVID-19 pandemic are highly unpredictable, volatile, and uncertain, and have had, and will continue to have, some negative impacts on business operations, costs of doing business, availability of labor, the Company's financial performance, and the ability to predict future performance, among others.
- Other than COVID-19, other public health epidemics or outbreaks of diseases could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Company's business, financial condition, and results of operations.
- Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

## **Item 2. Properties**

The properties owned or leased by the Company are as follows:

<b><u>Purpose</u></b>	<b><u>Location</u></b>	<b><u>Nature of Ownership</u></b>	<b><u>No. of Units</u></b>
Office use	Metro Manila	Owned	2
Mixed-use (office, storage)	Metro Manila	Leased	3
Investment	Metro Manila	Owned	1

## **Item 3. Legal Proceedings**

CTS is not involved in any legal proceedings that it considers as material, pending or threatened against it, its directors, any nominee for election as director, executive officer, underwriter or control person of CTS or in which any of CTS' property is the subject.

### **Involvement in Certain Legal Proceedings**

The Corporation is not aware of any of the following events having occurred during the past five (5) years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as director, executive officer, underwriter, or controlling person of the Corporation:

- (1) 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 bankruptcy or within two (2) years prior to that time;
- (2) Any order or 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
- (3) Any findings 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.

CTS is not involved in, nor are any of their properties subject to, any material legal proceedings that could potentially affect its operations and financial capabilities.

**Item 4. Submission of Matters to a Vote of Security Holders**

None.

*(This space is intentionally left blank.)*

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters

#### Market Information

The common shares of CTS Global Equity Group, Inc. were listed at the PSE on April 13, 2022 under the ticker symbol “CTS”. The total number of outstanding shares of CTS as of December 31, 2025 is 6,875,000,000 with a market capitalization of ₱2.5 billion as of the end of 2025, based on the closing price of ₱0.36 per share.

The high and low sales prices of CTS shares transacted at the PSE for each quarter within the last two (2) years are as follows:

	2026		2025		2024	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
1 <sup>st</sup> Quarter	0.41	0.365	0.68	0.54	0.78	0.68
2 <sup>nd</sup> Quarter	-	-	0.59	0.40	0.75	0.59
3 <sup>rd</sup> Quarter	-	-	0.48	0.39	0.75	0.60
4 <sup>th</sup> Quarter	-	-	0.42	0.36	0.77	0.54

As of February 28, 2026, the closing price of CTS shares is ₱0.385 per share

#### Holders of Common Equity

As of February 28, 2026, there are four (4) holders of common shares of CTS. The top twenty (20) common shareholders of the Corporation are as follows:

	Name	No. of Common Shares Total	Percentage of Total Shares Outstanding held by each
1	PCD Nominee Corporation	6,780,974,000	98.6323
2	PCD Nominee Corporation	94,019,500	1.3676
3	Ramos, Jennifer T.	4,000	0.0001
4	Estate of Joseph C. Tan	2,500	0.0000
	<b>TOTAL</b>	<b>6,875,000,000</b>	<b>100.0000</b>

#### Dividends

##### a. Cash Dividends

Year	Amount / Share	Type	Ex-Date	Record Date	Payment Date
2025	₱0.001877	Regular	May 27, 2025	May 28, 2025	Jun 18, 2025
	₱0.002491	Special	May 27, 2025	May 28, 2025	Jun 18, 2025
2024	₱0.000669	Regular	May 29, 2024	May 30, 2024	June 19, 2024
	₱0.001971	Special	May 29, 2024	May 30, 2024	June 19, 2024
2023	₱0.000776	Regular	June 6, 2023	June 9, 2023	July 5, 2023
	₱0.002328	Special	June 6, 2023	June 9, 2023	July 5, 2023

## **b. Dividend Policy**

The Board of Directors of CTS, in its meeting held on 2023, approved a policy of declaring regular and special cash dividends. The Company's Revised Dividend Policy states as follows:

- i. That the amount of dividends will be reviewed periodically by the Board of Directors in light of the Corporation's earnings, financial condition, cash flows, capital requirements and other considerations while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Corporation can operate on a standalone basis.
- ii. That as much as practicable, the Corporation shall declare annual regular dividends in an amount not exceeding twenty percent (20%) of its audited net income after tax of the preceding fiscal year; provided that unless otherwise required by applicable law or regulation, the Board retains sole discretion to approve the declaration of dividends, together with the amount, type, and date of payment, based on their assessment of the investment plans and current financial condition of the Corporation and such other relevant factors as the Board deems appropriate.

### **Recent Sales of Unregistered or Exempt Securities**

There was no sale of unregistered or exempt securities as of December 31, 2025.

### **Discussion on Compliance with leading practice on Corporate Governance**

1. Compliance with the Corporation's Corporate Governance Manual is being monitored regularly by the Compliance Officer. Orientation and workshop meetings are held to operationalize the Manual. As a guide, the Corporation uses the Corporate Governance Scorecard for Publicly-listed Companies as its evaluation system to measure level of compliance with its Manual.
2. A continuing and on-going review and evaluation of the Corporation's key result areas and key performance indicators of all its departments are being closely monitored to ensure that measures are being undertaken to fully comply with the Corporation's adopted leading practices on good governance.
3. There are no deviations from the Corporation's Manual on Corporate Governance that it is aware of.
4. The Corporation continues to review and evaluate its policies and measures being undertaken to continue to adhere to the principles and practices of good corporate governance.

*(This space is intentionally left blank.)*

## Item 6. Management’s Discussion and Analysis (MD&A) of Financial Condition and Results of Operations

The following is a discussion and analysis of the financial performance of CTS Global Equity Group, Inc. The discussion aims to provide readers with an appreciation of its business model and the key factors underlying its financial results. The MD&A should be read in conjunction with the audited financial statements of the Company filed as part of this report.

### Industry and Economic Review

The global economy in 2025 was defined by a successful "soft landing" in the West, contrasted by cooling domestic momentum in the Philippines. While the year began with significant volatility—including a sharp Q2 correction due to trade and tariff uncertainty—the late-year pivot by the U.S. Federal Reserve toward a more accommodative stance provided a strong tailwind for risk assets through December.

**Equities.** Global equity markets delivered their third consecutive year of double-digit gains, characterized by record-breaking resilience. The S&P 500 ended the year with a total return of 17.9%, driven largely by fundamental earnings growth rather than multiple expansion. The "Magnificent 7" continued to lead, though the market broadened in the second half as high-dividend and value sectors gained traction. The Nasdaq Composite surged 21.1%, while Asian markets saw a significant rebound late in the year. However, the Nikkei 225 ended with a more modest gain as the yen’s mid-year strength and shifts in Japanese interest rate policy weighed on exporters.

**Commodities.** 2025 was a landmark year for precious metals but a difficult one for energy. Gold was the standout performer, surging roughly 42% over the year to hit record highs of US\$3,450+ per ounce, fueled by geopolitical risks and central bank diversification. Conversely, Crude Oil prices dropped sharply, falling over 17% for the year to average roughly US\$68–\$74 per barrel due to a growing global supply glut and cooling demand from China.

**Bonds.** Fixed-income markets saw a recovery in 2025 as the Federal Reserve’s rate-cut cycle began in earnest. The Bloomberg U.S. Aggregate Bond Index advanced 7.3%, as the 10-year Treasury yield retreated from its June peak to settle near 3.9%. This shift provided a much-needed cushion for investors, re-establishing bonds as a viable hedge against equity volatility.

**Currency.** The U.S. Dollar weakened significantly in 2025, falling roughly 8% on a trade-weighted basis. This marked the end of its multi-year appreciation cycle. While the Japanese yen saw periods of extreme strength, it ended the year relatively flat against the greenback, while European and ASEAN currencies benefited from the softer dollar.

**Strategic Outlook for 2026.** As we enter 2026, the global focus shifts from "inflation management" to "growth preservation." For CTS Global, the divergence between a high-performing U.S. equity market and a discounted Philippine market presents a strategic opportunity for alpha generation through tactical global capital allocation.

### Business Review

#### *1. Key Performance Indicators*

	December 31, 2025	December 31, 2024
Revenue/ Capital	5.7%	8.5%
Gross Margin	35.3%	51.2%
Net Margin	2.6%	39.7%
Global Trading Revenues (in millions)	(P14.6)	P23.0
Local Trading Revenues (in millions)	P16.6	P40.1
Interest Income	P80.2	P91.3

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Dividend Income	₱15.9	₱3.5
Total Revenues (in millions)	₱108.4	₱162.5
Net Liquid Capital (in millions)	₱1,952.8	₱1,968.7
Risk-Based Capital Adequacy (RBCA) Ratio	640%	1,317%

CTS' recorded revenues of ₱108.4 million as of end 2025, a decline from ₱162.5 million in the previous year, resulting in revenue over capital of 5.7%, compared with 8.5% in the previous year. The 33.3% decline was primarily due to lower trading gains of ₱2.0 million, compared to ₱63.1 million in 2024, while interest and dividend income provided support totaling ₱96.1 million.

Realized trading amounted to ₱36.3 million, however these were largely offset by ₱34.3 million in unrealized losses on equity positions held at year-end. Despite the unrealized losses, the same equity holdings generated ₱15.9 million in dividend income.

Primarily due to lower trading gains, gross margin declined to 35.3% as of end 2025 from 51.2% in the previous year. Cost of services declined by 11.6% mainly from lower dealer profit sharing resulting from reduced trading gains.

Operating expenses remained stable at ₱40.7 million, comparable to the previous year. With lower trading gains, relatively steady interest income and stable operating expenses, CTS' posted a net margin of 2.6% as of end 2025.

CTS maintained a strong capital position, despite the decline in profitability. Net Liquid Capital stood at ₱1,952.8 million, slightly lower than ₱1,968.7 million in 2024, indicating continued liquidity strength. The Risk-Based Capital Adequacy (RBCA) ratio remained well above regulatory requirements at 640%, although lower than 1,317% in the prior year due to increased market exposures.

## **2. Other Financial Soundness Indicators**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Profitability ratios:		
Return on assets (ROA)	0.13%	2.83%
Return on equity (ROE)	0.14%	3.14%
Solvency and liquidity ratios:		
Current ratio	5.02	5.07
Debt to equity ratio	0.11	0.11

Profitability declined in 2025, with ROA at 0.13% and ROE at 0.14%, down from 2.83% and 3.14% in 2024, reflecting lower net income for the year primarily due to reduced trading gains.

Despite this, the Company remains financially strong, with a current ratio of 5.02 indicating ample liquidity and a low debt-to-equity ratio of 0.11 reflecting conservative leverage. Overall, while earnings weakened, the Company remains financially stable and well-capitalized.

## **3. Material Changes in Financial Condition**

### **a. 2025 vs. 2024**

CTS' total assets declined by 0.3% or by ₱7.7 million, to ₱2.3 billion as of end 2025, compared to the previous year.

Cash and cash equivalents, including short-term time deposits, increased by 8.8% to ₱479.0 million from ₱440.3 million at the end of 2024. The increase was mainly due to income before tax of ₱2.6

million, adjusted for ₱43.2 million in non-cash items such as depreciation, unrealized trading losses, and provision for retirement cost. Cash movements also reflected the settlement of ₱9.2 million of end-2024 accrued expenses, higher customer portfolio balances from net portfolio sales, a ₱30.0 million dividend payment, and ₱16.1 million in net cash inflows from bond sale and repurchase transactions.

Financial assets at fair value through profit or loss (FVPL) rose to ₱344.1 million from ₱65.4 million as of end 2024, mainly due to higher positions in local and foreign equity securities. The higher holdings reflect the Company's view of improving market conditions following interest rate easing, particularly in the U.S. stock market as well as in the PSE MidCap and PSE Dividend Yield segments.

Trade receivables dropped to ₱120.1 million from ₱440.2 million as of end 2024, mainly due to deployment of deposits held with a broker abroad for equity securities purchases.

Investments in government fixed-income securities declined by 0.3% or by ₱3.3 million primarily due to ₱891.0 million in bond sales, ₱874.9 million in new bond purchases, ₱11.5 million mark-to-market gain on FVOCI-classified securities, and ₱2.5 million in bond amortization.

As of end 2025, investments in government fixed-income securities classified as financial assets at FVOCI (for purposes of collecting contractual cash flows and selling financial assets) amounted to ₱1.2 billion.

The interest rates of investments in government securities ranges from 6.75% to 7.50% p.a. Additionally, cumulative unrealized gain on changes in fair value of financial assets at FVOCI amounted to ₱28.2 million as of end 2025.

CTS' investments in government fixed-income securities form part of its strategy to boost interest income and help cover operating expenses, leveraging the debt securities market as a stable source of recurring income. To manage risks associated with these investments, CTS employs a comprehensive approach that includes diversification, duration and credit risk management, continuous monitoring of economic conditions, prudent position sizing, and maintaining a targeted yield profile. These measures aim to mitigate risks and support the achievement of CTS' investment objectives.

Property and equipment increased slightly by 2.0% while investment property decreased by 7.7%, due to ₱0.6 million in depreciation. Intangible assets also decreased by 8.4% mainly due to ₱0.7 million in amortization.

Net deferred tax assets decreased by 18.1% to ₱18.5 million. The account comprises of deferred tax assets, mainly from CTS' net operating loss for carryover and retirement liability, amounting to ₱20.3 million and ₱8.4 million, respectively, and deferred tax liability, mainly from CTS' unrealized foreign exchange gains and unrealized gain on changes in fair value of financial assets at FVOCI, amounting to ₱12.9 million and ₱7.0 million, respectively.

Other current assets increased by 12.4% to ₱20.0 million from ₱17.8 million, mainly consisting of ₱9.7 million in interest receivables from government fixed-income investments and ₱7.7 million in excess tax credits. Other noncurrent assets increased by ₱0.8 million mainly due to refundable clearing fund contributions.

Total liabilities increased by 2.9% to ₱227.3 million as of end 2025, up from ₱220.9 million at end-2024. This increase was mainly due to higher client cash balances due to net portfolio sales, annual accrual for retirement liabilities, partially offset by settlement during the year of end-2024 accrued expenses and government payables.

Stockholders' equity stood at ₱2.0 billion, as a result of ₱2.9 million in net income, ₱11.5 million in unrealized gains on FVOCI-classified government securities, net of tax, and ₱30.0 million in dividends paid.

## **b. 2024 vs. 2023**

CTS' total assets expanded by 3.5% or by ₱76.0 million, to ₱2.3 billion as of the end of 2024, compared to its end 2023 level.

Cash and cash equivalents (including short-term time deposits) decreased by 8.2% to ₱440.3 million as of end 2024 from ₱479.6 million in 2023. This decrease was attributed to several factors, including income before tax of ₱59.5 million, non-cash expense adjustments (such as depreciation, unrealized trading loss, and retirement expense) totaling ₱12.0 million, non-cash income adjustment on unrealized foreign exchange gain of ₱17.2 million, net increase in Philippine equity securities by ₱41.1 million, increase in receivables from clearinghouse by ₱27.0 million, payment of cash dividends to CTS stockholders amounting to ₱18.2 million, and payments for leased office unit renovation costs and purchase of accounting and operations software amounting to ₱4.9 million and ₱2.5 million, respectively.

Financial assets at FVPL increased to ₱65.4 million as of end 2024, up from ₱7.0 million as of end 2023, primarily due to outstanding equity securities held locally and abroad.

Trade receivables stood at ₱440.2 million as of end 2024, up from ₱389.2 million as of end 2023. The account primarily consists of ₱387.8 million deposit with other broker for trading in foreign markets and a ₱29.5 million receivable from Philippine clearing house, which is typically settled on a T+2 basis.

Investments in government fixed-income securities decreased by 0.2% or by ₱2.6 million primarily due to mark-to-market gain of ₱0.1 million as of end 2024 on government fixed-income securities classified as financial assets at fair value thru other comprehensive income (FVOCI) and net bond amortization of ₱2.6 million.

As of end 2024, investments in government fixed-income securities classified as financial assets at amortized cost (for held-to-maturity (HTM) investments) and financial assets at FVOCI (for purposes of collecting contractual cash flows and selling financial assets) amounted to ₱464.5 million and ₱787.2 million, respectively.

The interest rates of investments in government securities at amortized cost and at FVOCI ranges from 4.63% to 7.50% p.a. and 6.25% to 7.25% p.a., respectively. Additionally, cumulative unrealized gain on changes in fair value of financial assets at FVOCI amounted to ₱12.8 million as of end 2024.

CTS' investments in government fixed-income securities are part of CTS' strategy to enhance interest income and cover CTS' operating expenses as global inflation remains affecting market stability and debt securities market provided an alternative opportunity for fixed stream of income. Meanwhile, CTS maintains strong liquidity, with current assets—mainly cash and cash equivalents—sufficiently covering short-term obligations, resulting in a current ratio of 5.07.

CTS' risk management on its investments in government securities includes diversifying, managing the duration, assessing credit risk, actively monitoring (of economic indicators and economic developments), and sizing positions appropriately, to mitigate the risks and increase the likelihood of achieving CTS' investment objectives.

Property and equipment increased by 6.7% primarily due to additional renovation costs for leased office space amounting to ₱5.0 million and depreciation of ₱4.2 million. Investment property, on the other hand, decreased by 7.1%, due to ₱0.6 million in depreciation. Intangible assets increased by 65.9% primarily due to purchase of new accounting and operations software amounting to ₱2.5 million.

Net deferred tax assets increased by 27.1% to ₱22.6 million as of end 2024 compared to ₱17.8 million as of end 2023. The account comprises of deferred tax assets, mainly from CTS' net operating loss for carryover and retirement liability, amounting to ₱28.0 million and ₱7.7 million, respectively, and deferred tax liability, mainly from CTS' unrealized foreign exchange gains and unrealized gain on changes in fair value of financial assets at FVOCI, amounting to ₱11.6 million and ₱3.2 million, respectively.

Other current assets increased by 3.9% to ₱17.8 million as of end 2024 compared to ₱17.1 million as of end 2023. The account is generally composed of excess tax credit of ₱7.6 million and interest receivables of ₱7.5 million from government fixed-income investments. On the other hand, other noncurrent assets increased by ₱0.9 million mainly due to refundable clearing fund contributions as of end 2024.

Total liabilities rose by 14.9% to ₱220.9 million as of end 2024, up from ₱192.2 million as of end 2023. This increase was primarily driven by higher client cash balances due to net portfolio sales, as well as increase in accrued expenses and government payables, which were settled in the first quarter of 2025. Additionally, the retirement obligation increased by ₱3.3 million primarily due to current service cost and interest cost.

Stockholders' equity grew by 2.4% to ₱2.0 billion as of the end of 2024. This was driven primarily by ₱64.5 million in net income, partially offset by ₱18.2 million in cash dividends paid to CTS stockholders in June 2024.

#### **4. Material Changes in the Results of Operations**

##### **a. 2025 vs. 2024**

CTS recorded ₱108.4 million in revenues as of end 2025, down 33.3% from ₱162.5 million a year ago, mainly due to lower trading gains of ₱2.0 million compared with ₱63.1 million in the previous year. Interest and dividend income provided support, contributing ₱96.1 million in total.

Realized trading gains reached ₱36.3 million, but were largely offset by ₱34.3 million in unrealized trading losses on equities held. Despite the unrealized losses, the related equity holdings generated dividend income of ₱15.9 million.

Interest income from fixed-income instruments and broker deposits, amounting to ₱80.2 million, remained a major income source despite a 12.2% decline, or by ₱11.1 million. The decrease was mainly due to lower interest earned on broker deposits, as these funds were deployed to finance equity securities purchases. On the other hand, despite local policy rate cuts by the BSP, from 6.25% at end 2024 to 4.50% at end 2025, CTS was able to sustain interest income level from its fixed-income instruments at ₱74.5 million. In addition, a one-time gain of ₱5.8 million was recognized from partial sale of its financial assets at FVOCI.

Meanwhile, cost of services declined by 11.6%, or by ₱9.2 million, mainly due to lower dealer profit sharing resulting from reduced trading gains.

Primarily due to lower revenues, gross margin decreased to 35.3% as of end 2025, from 51.2% in the previous year, equivalent to ₱38.3 million compared with ₱83.1 million previously.

Operating expenses were generally stable, declining slightly by 0.1%. Lower personnel costs, down 11.1% to ₱53.4 million due mainly to reduced employee bonuses, were partly offset by higher condominium association dues, increased power costs, higher depreciation expense, and increased business permit taxes.

Other income of ₱5.1 million is mainly due to unrealized foreign exchange gain movement on the Company's foreign-currency account with a broker abroad.

The deferred income tax benefit of ₱0.3 million reflects adjustments to deferred tax assets arising from temporary differences related to unrealized foreign exchange gains and unrealized fair value gains on financial assets at FVOCI, partly offset by temporary differences related to unrealized trading losses and deferred tax assets recognized from NOLCO, supported by the Company's projected ability to generate taxable income within the applicable carry-over period.

Overall, CTS reported a net income of ₱2.9 million as of end 2025, compared with ₱64.5 million in 2024. Other comprehensive income of ₱15.9 million mainly represents changes in cumulative fair value gains on FA at FVOCI, net of tax.

#### **b. 2024 vs. 2023**

CTS's revenues improved by 56.7% to ₱162.5 million as of end 2024, up from ₱103.7 million in 2023, driven primarily by higher trading gains of ₱63.1 million, compared ₱0.4 million recorded in the previous year. As previously noted, global financial markets posted broad gains in 2024, with the S&P 500 climbing 23.3% and the PSEi rising 1.2%. These gains were driven by eased monetary policies and improved economic growth, while emerging markets also showed generally positive performance.

On the other hand, interest income from fixed-income securities and bank deposits declined slightly by 4.7% to ₱91.3 million, as banks lowered their interest rates following a series of rate cuts by the local central bank, which reduced rates by a total of 75 basis points in 2024, bringing the policy rate to 5.75%.

Cost of services increased by 26.0%, or ₱16.4 million, mainly due to higher commission expenses linked to trading gains and increased personnel costs recorded under cost of services. This was partially offset by a reduction in transaction costs related to trading.

With revenues outpacing the rise of cost of services, CTS' gross margin improved to 51.2% by the end of 2024, up from 39.3% in 2023, reflecting a gross margin increase to ₱83.1 million in 2024, compared to ₱40.7 million in 2023.

Operating expenses increased by 22.3%, or by ₱7.4 million, primarily due to higher personnel costs recorded under operating expenses, increased depreciation and higher utility and power costs.

On a consolidated basis, personnel costs stood at ₱60.1 million in 2024, up from ₱47.8 million in 2023. The increase was primarily due to the full-year impact of salary adjustments implemented in the fourth quarter of 2023, along with higher employee bonuses, reflecting the Company's improved earnings in 2024 compared to the previous year.

Other income for 2024 amounted to ₱17.2 million, primarily from unrealized foreign exchange gains on the Company's foreign-currency deposits with a broker abroad. The exchange rates closed at ₱58.014 and ₱55.567 as of December 31, 2024 and 2023, respectively.

Supported by a higher margin, despite a moderate increase in operating expenses, CTS recorded an income before tax of ₱59.5 million in 2024 compared to ₱4.5 million in 2023.

The provision for current income tax of ₱0.1 million pertains to minimum corporate income tax. As of end 2024, the Company reported a net operating loss of ₱29.1 million for tax purposes, as interest income from investments in government fixed-income securities and short-term time deposits is subject to a 20% final tax and is therefore excluded from regular income tax computation. Meanwhile, the provision for deferred income tax is mainly due to unrealized foreign exchange gains.

As a result of these factors, CTS' recorded a net income of ₱64.5 million in 2024, marking a 180.6% increase from ₱23.0 million in 2023.

#### **5. Other Matters**

- a. CTS is not aware of any known trends, demands, commitments, events, or uncertainties that will have a material impact on the Company's liquidity.
- b. The Company does not anticipate any cash flow or liquidity problem in the next 12 months. The Company is not in default or breach of any indebtedness or financing arrangement requiring payments. The Company has paid its trade payables within the trade terms stated.
- c. CTS is not aware of any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- d. CTS is not aware of any 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.
- e. CTS is not aware of any material commitments for capital expenditures.
- f. CTS is not aware of any known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations of the Company.
- g. CTS is not aware of any significant elements of income or loss that did not arise from the Company's continuing operations.
- h. CTS is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

#### **Future Growth Prospects**

CTS Global is focused on strategic expansion and operational optimization to enhance its competitive positioning in the global marketplace. The Company has identified three primary pillars to drive sustainable growth: geographical diversification, client advisory, and the pursuit of cross-asset opportunities.

Expanding into new jurisdictions remains a core priority to diversify revenue streams and mitigate geographic concentration risk. By leveraging its established trading infrastructure, the Company aims to increase its footprint in high-growth markets, reducing dependence on any single economy and positioning the firm for long-term capital appreciation across a global scale.

In addition to geographical expansion, strengthening high-net-worth client relationships is essential for the Company's transition toward a more scalable business model. By delivering sophisticated account management and consistent execution, CTS Global intends to deepen client trust, fostering long-term retention and facilitating additional capital infusions that expand the firm's total managed exposure.

Finally, the Company seeks to capitalize on cross-asset synergies by leveraging its existing intellectual property and technological assets. This involves identifying market inefficiencies where the Company's core competencies in equity trading can be applied to complementary asset classes or financial services. By utilizing its reputation for disciplined risk management, CTS Global can explore new revenue channels that align with its overarching trading framework, ensuring a diversified and resilient growth trajectory.

**Item 7. Financial Statements**

Please refer to the attached Audited Financial Statements for the years ended December 31, 2025 and 2024.

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

CTS has not changed its accountants for the last five (5) years and has not had any disagreements on accounting and financial disclosures with its current accounts for the last five (5) years.

**Item 9. Audit and Audit-Related Fees**

The following table sets out the aggregate fees billed by Reyes Tacandong & Co. (“RT”) for professional services rendered for each of the last two calendar years ending December 31:

	2025	2024
Audit and Audit-Related Fees in connection with the annual review of the Company’s financial statements	₱975,000	₱925,000
All Other Services	200,000	250,000
Tax Services	-	120,000

Appointment of CTS’ external auditor and its audit fees are upon recommendation of the Audit Committee. All services rendered by RT have prior approval of the President as recommended by the Audit Committee. Actual work by RT proceeds thereafter. In 2025, the Audit Committee was chaired by Mr. Emmanuel L. Samson with Mr. Raymond C. Yu and Mr. Hernan G. Lim as members.

*(This space is intentionally left blank.)*

## PART III - CONTROL AND COMPENSATION INFORMATION

### Item 10. Directors and Executive Officers of the Issuer

#### Board of Directors

Name	Position
Edward K. Lee	Chairman
Alexander C. Yu	Vice Chairman
Lawrence C. Lee	Member
Hernan G. Lim	Member
Raymond C. Yu	Member
Edmund C. Lee	Member
Catherine L. Ong	Member
Michelle Angeline N. Yu	Member
Martin T. Lee	Member (Independent)
Emmanuel L. Samson	Member (Independent)
Donald R. Felbaum	Member (Independent)

The names of the incumbent directors and key executive officers of the Corporation, their respective ages, periods of service, directorships in other reporting companies, and positions held in the last five years, are as follows:

#### ***Edward K. Lee***

*Chairman and Founder*

Edward K. Lee, 71, Filipino, took Bachelor of Science in Industrial Management Engineering at De La Salle University. He is concurrently the Founder and Chairman of the Board of COL Financial Group, Inc., CTS Global Equity Group, Inc., Caylum Trading Institute, and COL Investment Management, Inc. Mr. Lee served as a nominee of CTS Global Equity Group, Inc. to the Manila Stock Exchange and presently to the Philippine Stock Exchange. He was elected as one of the Governors of the Philippine Stock Exchange and was the Chairman of the Computerization committee of the Manila Stock Exchange and PSE in 1994. He went on to become a member of the Board of Directors of A. Soriano Corporation serving for two terms. Mr. Lee was also nominated as a finalist to the 2007 Entrepreneur of the Year Philippines by Ernst & Young. In 2015, he was awarded with the Theodore Vail Most Outstanding JA Alumni Awardee. From 2016 to 2019, he was appointed as an official board member of JA Asia Pacific. He was the recipient of the 2023 Lasallian Achievement Award by the De La Salle Alumni Association (DLSAA) and is honored as the distinguished Master Innovator awardee at the 3<sup>rd</sup> Mansmith Innovation Awards.

#### ***Alexander C. Yu***

*Vice-Chairman*

Alexander C. Yu, 70, Filipino, is a Bachelor of Science in Mechanical Engineering graduate of De La Salle University. He is currently the Vice Chairman of COL Financial Group, Inc. since 1999 and the Vice Chairman and Treasurer of CTS Global Equity Group, Inc. since 1986. He is also currently a Director of Caylum Trading Institute, and Director and Treasurer of Winner Industrial Corp., both for more than 10 years. He is the proprietor of Trans-Asia General Merchandise and in 1997, he served as a Director of A. Soriano Corporation.

***Lawrence C. Lee***

*President and Chief Executive Officer*

Lawrence C. Lee, 44, Filipino, is the President & CEO of CTS Global Equity Group Inc., where he is designated to train and oversee the professional proprietary traders for the Corporation. He graduated from Bentley University in Boston, Massachusetts in 2003 with a Bachelor's degree in Corporate Finance and Accounting and has been an apprentice of the markets for over two decades. Mr. Lee sits on the Board of Directors for the Caylum Trading Institute, serving as a member of their esteemed faculty. He specializes in the field of Technical Analysis, Trend Trading, and System Indicators while actively trading multiple global markets including the US, Hong Kong, Japan, Indonesia, and of course, the Philippines.

***Hernan G. Lim***

*Director*

Hernan G. Lim, 73, Filipino, is currently the President of Hoc Po Feeds Corporation and HGL Development Corporation. Mr. Lim is a Director of Caylum Trading Institute since 2013 and has also been a Director of Citimex, Inc., COL Financial Group, Inc., and Barrington Carpets, Inc. for more than 10 years. He holds a Bachelor of Science degree in Electronics and Communications Engineering from the University of Santo Tomas. He also took the Basic Management Course at the Asian Institute of Management.

***Raymond C. Yu***

*Director*

Raymond C. Yu, 72, Filipino, graduated with a Bachelor of Science Degree in Commerce from De La Salle University in 1974. He is currently the President of Winner Industrial Corporation. He has served as a director of Caylum Trading Institute since 2013 and has been a director for more than 16 years of the following corporations: COL Financial Group, Inc., Cedarside Holdings Corp., Cedarside Industries, Inc., Barrington Carpets, Inc., and Citimex, Inc.

***Catherine L. Ong***

*Director, SVP & Chief Operating Officer*

Catherine L. Ong, 74, Filipino, is the SVP – Chief Audit Executive of CTS Global Equity Group, Inc., SVP – Treasurer of COL Financial Group, Inc., Chairman of COL Strategic Growth Equity Unitized Mutual Fund, Inc. and COL Equity Index Unitized Mutual Fund, Inc., and Treasurer/Corporate Secretary of Cedarside Industries, Inc., Barrington Carpets, Inc., and Citimex, Inc. She has held the latter position for more than 30 years. She had extensive experience in banking, having held various positions in Metropolitan Bank and Trust Company (Metrobank). She was an Assistant Vice President and Area Supervisor of Metrobank and served as a Director of Metrobank's subsidiary, Pan Philippines Life Insurance Corp. (now known as Philippine Axa Life). Ms. Ong graduated from the Philippine Women's University with a Bachelor of Science Degree in Business Administration, Major in Accounting.

***Edmund C. Lee***

*Director and Chief Finance Officer*

Edmund C. Lee, 37, Filipino is the President and CEO of Caylum Trading Institute, and CloudArch Ventures Group, Inc. He is also the Chief Finance Officer for CTS Global Equity Group, Inc. He is a CFA charterholder, a graduate of the Masters of Science in Global Finance Program from the Hong Kong University of Science and Technology Business School. Prior to establishing Caylum, he worked as a research analyst for COL Financial Group, Inc., the leading online stockbrokerage firm in the Philippines.

***Michelle Angeline N. Yu***

*Director*

Michelle Angeline N. Yu, 32, Filipino, is a Bachelor of Science in Management Engineering graduate of Ateneo De Manila University. She is currently a director of CTS Global Equity Group, Inc. and a licensed CSR Equities trader.

***Martin T. Lee***

*Independent Director*

Martin T. Lee, 74, Filipino, obtained a Bachelor of Science in Business Administration, major in Economics and Finance from the University of the East, and a Master's degree in Business Administration at the Ateneo Graduate School of Business. He attended the Strategic Business Economics Program at the University of Asia and the Pacific. Over the years, Mr. Lee has held various positions in several banking institutions. He was the Executive Vice-President and Head of the Institutional Banking Group of Chinatrust Phils., Inc., and was also the Head of Account Management Group and the Special Account and Remedial Management Group of Global Banking Corporation. He was also connected with Asian Banking Corporation, PCIBank, and Insular Bank of Asia and America.

***Donald R. Felbaum***

*Independent Director*

Donald R. Felbaum, 76, American, is the Managing Director of Optel Limited and also serves as Ex-Officio Director of The American Chamber of Commerce of the Philippines, Inc. He has more than twenty (20) years of diversified management experience, including general management, business development, strategic planning and corporate directorship in technology sectors including telecoms, Information Technology and Business Process Management (IT-BPM), and information and communications technology, among others. He has significant experience in business development including start-ups, mergers and acquisitions and project funding with business experience covering more than twenty-five (25) countries worldwide. He graduated from the University of Asia and the Pacific with a Master's degree in Business Economics.

***Emmanuel L. Samson***

*Independent Director*

Emmanuel L. Samson, 66, Filipino, is the Chairman and President of Rudysam Holdings Inc. and has been recently appointed as Special Envoy of the President to the Kingdom of Thailand. He previously served as a member of the Board of Trustees of the Government Service Insurance System ("GSIS") from November 2023 to October 2025. He is the former Senior Vice President Chief Finance Officer and Corporate Governance Officer of Nickel Asia Corporation ("NAC"). In such role, he was responsible for the finance and treasury functions of the NAC Group. He was also a member of the Board of Directors and Treasurer of Emerging Power, Inc., a subsidiary of NAC. Prior to joining NAC in 2006, he was the Senior Country Officer for Credit Agricole Indosuez in the Philippines. Mr. Samson has more than a decade of experience in the Philippine equities markets having held positions with W.I. Carr Indosuez Securities (Phils.) Inc. and General Manager of Amon Securities Corporation. Mr. Samson obtained his dual Bachelor of Arts Degree in Economics and History and Political Science from the De La Salle University – Manila.

## **EXECUTIVE OFFICERS**

The key members of the management team, aside from those above mentioned, are as follows:

### ***Leonard Louis C. Chua***

*Head of Global Investments*

Leonard Louis C. Chua, 39, Filipino, graduated from the Ateneo de Manila University with a degree in Bachelor of Science in Management Engineering in which he graduated Magna Cum Laude. He is currently a Chartered Financial Analyst (CFA) Charterholder and a Senior Faculty Instructor at the Caylum Trading Institute since 2014. Prior to transferring to CTS Global Equity Group, Inc. in 2013, he was with COL Financial Group, Inc. in 2009 as a Research Analyst.

### ***Richard Lemuel U. Pacheco***

*Head of Proprietary Trading*

Richard Lemuel U. Pacheco, 40, Filipino, is a graduate of Bachelor of Science in Management Engineering minor in International Business from the Ateneo de Manila University. He started his career as a Graduate Trainee at Kraft Foods Philippines, Inc. (now Mondelez) until 2009 then joined CTS Global Equity Group, Inc. in the same year. He is also a Senior Faculty Instructor at the Caylum Trading Institute, Inc. since 2014.

### ***Terence L. Chan***

*Head of HK Investments*

Terence L. Chan, 47, Filipino, graduated from the Ateneo de Manila University with a Bachelor of Science major in Management, minor in Finance degree in 2000. He is also a Director and Instructor at Caylum Training Institute and has received several awards as a Trader with CTS. Prior to joining CTS Global Equity Group, Inc. in 2013, he was part of COL Financial Group, Inc. as an Investment Analyst in 2005.

### ***Bryan S. Gomez***

*Head of External Relations*

Bryan S. Gomez, 46, Filipino, is a graduate of Bachelor of Science in Management Engineering from the Ateneo de Manila University. Prior to joining CTS Global Equity Group, Inc., he was part of COL Financial Group, Inc. as an Investment Analyst. Mr. Gomez is also a Senior Faculty Instructor at the Caylum Trading Institute, Inc. since 2013.

### ***Mark Jason C. Mariposa***

*Head of Macroeconomics*

Mark Jason C. Mariposa, 39, Filipino, is a graduate of Bachelor of Science in Management minor in Financial Management in 2010 in which he graduated with honorable mention from the Ateneo de Manila University. He has also earned the right to use the Chartered Financial Analyst (CFA) designation from the CFA Institute since 2015.

### ***Lorena E. Velarde***

*Associated Person*

Lorena E. Velarde, 55, Filipino, is an Associated Person of CTS and currently serves as the Chief Financial Officer of COL Financial Group, Inc. She also holds the position of Treasurer for COL Investment Management, Inc., COL Equity Index Unitized Mutual Fund, Inc., and COL Strategic Growth Equity Unitized Mutual Fund, Inc. With a career spanning key leadership roles in accounting, Ms. Velarde has gained extensive experience in financial planning, fund management, and operational oversight. She began her professional journey at SyCip Gorres Velayo & Co., where she honed her expertise in tax, accounting,

and financial reporting. Ms. Velarde graduated from University of Santo Tomas, and is a Certified Public Accountant.

***Ann Margaret K. Lorenzo***  
*Corporate Secretary*

Atty. Ann Margaret K. Lorenzo, 37, is a partner at Tan Venturanza Valdez where she specializes in securities law, special projects, and banking. She obtained her Bachelor of Arts degree in English Studies (cum laude) and Juris Doctor degree from the University of the Philippines in 2010 and 2014, respectively. She was admitted to the Philippine bar in April 2015. She is concurrently the Corporate Secretary/Assistant Corporate Secretary of the following publicly-listed/reporting companies: Asia United Bank Corporation, Crown Asia Chemicals Corporation, Pacific Online Systems Corporation, Repower Energy Development Corporation, 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.

***Juan Carlos Aquino***  
*Associated Person, Assistant Corporate Secretary*

Juan Carlos G. Aquino, 43, Filipino, is a Bachelor of Science in Management Engineering minor in Finance graduate from the Ateneo de Manila University in 2004. After graduating, he joined CTS Global Equity Group, Inc. as a Financial Analyst and is currently the appointed Associated Person since 2015, Chief Compliance Officer of CTS, Assistant Corporate Secretary, and Data Protection Officer.

***Sanida C. Tan***  
*Assistant Corporate Secretary*

Sanida C. Tan, Filipino, 77, graduated from Centro Escolar University with an Associate Secretarial Course. Ms. Tan has been with CTS Global Equity Group, Inc. since 1986 and is currently the Assistant Corporate Secretary and Operations and Admin Manager of the Company.

**Term of Office**

Pursuant to the Amended By-Laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and their successor is duly elected, unless they resign, die, or are removed prior to such election.

**Resignation/Retirement of Directors and Executive Officers as of December 31, 2025**

None of the directors have resigned or declined to stand for re-election to the Board of Directors since the last annual meeting of stockholders due to any disagreement with the Corporation on regarding its operations, policies, or practices.

**Significant Employees**

No single person is considered to have made a significant contribution to the business since CTS considers the collective efforts of all its employees as instrumental to the overall success of the Corporation's performance.

### **Family Relationships**

Aside from those mentioned below, there are no other family relationships either by consanguinity or affinity up to the fourth (4<sup>th</sup>) civil degree among its directors, executive officers, and nominees for election as directors.

<b>DIRECTOR/ EXECUTIVE OFFICER</b>	<b>FAMILY RELATIONSHIP</b>
Edward K. Lee	Father of Lawrence C. Lee and Edmund C. Lee; Sibling of Catherine L. Ong
Alexander C. Yu	Father of Michelle Angeline N. Yu; Sibling of Raymond C. Yu
Lawrence C. Lee	Son of Edward K. Lee; Sibling of Edmund C. Lee; Nephew of Catherine L. Ong
Raymond C. Yu	Sibling of Alexander C. Yu; Uncle of Michelle Angeline N. Yu
Edmund C. Lee	Son of Edward K. Lee; Sibling of Lawrence C. Lee; Nephew of Catherine L. Ong
Catherine L. Ong	Sibling of Edward K. Lee; Aunt of Lawrence C. Lee and Edmund C. Lee
Michelle Angeline N. Yu	Daughter of Alexander C. Yu; Niece of Raymond C. Yu

### **Involvement in Certain Legal Proceedings**

The Corporation is not aware of any of the following events having occurred during the past five (5) years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as director, executive officer, underwriter, or controlling person of the Corporation:

- (1) 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 bankruptcy or within two (2) years prior to that time;
- (2) Any order or 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
- (3) Any findings 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.

CTS is not involved in, nor are any of their properties subject to, any material legal proceedings that could potentially affect its operations and financial capabilities.

## Item 11. Executive Compensation

### Standard Arrangements

#### *Directors*

Each director is entitled to a reasonable per diem, which amount shall, according to Article III, Section 9 of the Corporation's Amended By-laws, not exceed ten percent (10%) of the net income before income tax of the Corporation during the previous year.

Below is a summary of the per diem given to the directors of the Company as a group:

	Year Ended 31 December	
	2025	2024
Per diem to the Board of Directors as a group	₱290,000	₱115,000

Aside from this, directors do not receive any other form of remuneration in their capacity as such directors.

#### *Executives and Senior Officers*

Below is a summary of the guaranteed pay of the five highest-paid executive officers and the Company's executives and officers as a group:

<b>SUMMARY COMPENSATION TABLE</b>			
<b>Annual Compensation</b>			
<b>(in ₱ Million)</b>	<b>Annual Salary 2026 (est.)</b>	<b>Annual Salary 2025</b>	<b>Annual Salary 2024</b>
<b>a) Chief Executive Officer and the Four Most Compensated Executives:</b>			
<i>Lawrence C. Lee</i> President & CEO <i>Edmund C. Lee</i> Chief Finance Officer <i>Leonard Louis C. Chua</i> Head of Global Investments <i>Richard Lemuel U. Pacheco</i> Head of Proprietary Trading <i>Terence L. Chan</i> Head of HK Investments			
<b>All above-named Executives and Officers as a Group</b>	₱5.93	₱5.93	₱5.93
<b>b) All other Executives and Officers as a Group</b>	₱5.96	₱5.81	₱3.63

### Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no special employment contracts between CTS and the executive officers named in the preceding paragraphs. Likewise, there are no compensatory plans or arrangements with respect to a named executive officer.

## Item 12. Security Ownership of Certain Beneficial Owners and Management

### Security Ownership of Certain Record and Beneficial Owners

#### Security Ownership of Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of 28 February 2026

Title of Class	Name, Address of Record Owner and Relationship with the Issuer	Name of Beneficial Owners and Relationship with Record Owner	Citizenship	No. of Shares Held Directly (D) or under PCD (P)	Percent (%)
Common	<b>PCD Nominee Corp.</b> G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati	Various	Filipino	2,920,280,040 (D)	42.48
			Non-Filipino	94,019,500 (D)	1.37
	<b>Lee, Edward K.</b> Mahogany St., Makati	Lee, Edward K.	Filipino	1,633,780,960 (P)	26.39
	<b>Lee, Lydia C.</b> Mahogany St., Makati			178,570,000 (P)	
	<b>ELLEE &amp; Co., Inc.<sup>1</sup></b> 2701C East Tower, Tektite Towers, Exchange Rd, Ortigas Center, Pasig			2,293,000 (P)	
	<b>Yu, Alexander C.</b> Ortega St., San Juan	Yu, Alexander C.	Filipino	746,143,000 (P)	12.35
	<b>Yu, Adrian Alexander N.</b> Ortega St., San Juan			102,500,000 (P)	
	<b>Yu, Elizabeth N.</b> Ortega St., San Juan			495,000 (P)	
	<b>Yu, Raymond C.</b> New Manila, Quezon City	Yu, Raymond C.	Filipino	596,706,000 (P)	8.73
	<b>Yu, Jacqueline L. or Yu, Raynard L.</b> New Manila, Quezon City			3,500,000 (P)	
	<b>Lim, Hernan G.</b> Polk St., North Greenhills, San Juan	Lim, Hernan G.	Filipino	596,706,000 (P)	8.68

*\*No other single individual has reached more than 5% - 10% of the total outstanding shares of CTS.*

<sup>1</sup> Mr. Edward K. Lee, Chairman of the Board of ELLEE & Co., Inc. ("Ellee"), has been named and appointed to exercise Ellee's voting power.

**Security Ownership of Management (as of 28 February 2026)**

<b>Title of Class</b>	<b>Name of Owner</b>	<b>Position</b>	<b>Citizenship</b>	<b>Total No. of Shares</b>	<b>Percent (%)</b>
Common	Edward K. Lee	Chairman	Filipino	1,814,643,960	26.39
Common	Alexander C. Yu	Vice-Chairman/ Treasurer	Filipino	849,138,000	12.35
Common	Lawrence C. Lee	Director/President/CEO	Filipino	220,000,000	3.20
Common	Hernan G. Lim	Director	Filipino	596,706,000	8.68
Common	Raymond C. Yu	Director	Filipino	600,206,000	8.73
Common	Catherine L. Ong	Director/SVP-Chief Audit Executive	Filipino	90,181,540	1.31
Common	Edmund C. Lee	Director/Chief Finance Officer	Filipino	231,104,000	3.36
Common	Michelle Angeline N. Yu	Director	Filipino	110,000,000	1.60
Common	Donald R. Felbaum	Independent Director	American	1,500,000	0.02
Common	Emmanuel L. Samson	Independent Director	Filipino	6,000,000	0.09
Common	Martin T. Lee	Independent Director	Filipino	3,005,000	0.04
Common	Leonard Louis C. Chua	Head of Global Investments	Filipino	6,000,000	0.09
Common	Richard Lemuel U. Pacheco	Head of Proprietary Trading	Filipino	6,140,000	0.09
Common	Terence L. Chan	Head of HK Investments	Filipino	24,336,000	0.35
Common	Bryan S. Gomez	Head of External Relations	Filipino	2,000,000	0.03
Common	Mark Jason C. Mariposa	Head of Macroeconomics	Filipino	6,550,000	0.10
Common	Lorena E. Velarde	Associated Person	Filipino	4,500,000	0.07
Common	Juan Carlos G. Aquino	Associated Person/ Assistant Corporate Secretary	Filipino	3,008,000	0.04
Common	Ann Margaret K. Lorenzo	Corporate Secretary	Filipino	100,000	0.00
Common	Sanida C. Tan	Assistant Corporate Secretary	Filipino	1,800,000	0.03
<b>Common</b>	<b>Key Officers and Directors (as a group)</b>			<b>4,576,918,500</b>	<b>66.57</b>

As of February 28, 2026, the Company's public float is 33.43%

**Item 13. Certain Relationships and Related Transactions**

Transactions between related parties are based on terms similar to those offered to nonrelated parties. The transactions are done in the normal conduct of operations and are recorded in the same manner as transactions that are entered into with other parties.

*(This space is intentionally left blank.)*

## PART IV - EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

#### Exhibits

Please refer to the attached Index to Consolidated Financial Statements and Supplementary Schedules on page 30.

#### Reports on SEC Form 17-C

Items reported under SEC Form 17-C filed during the last six months of the period covered by this report are as follows:

Items Reported	Date filed	Announcement Date	Circular No.
Change in Shareholdings of Directors and Principal Officers	July 9, 2025	July 9, 2025	C04928-2025
Material Information/Transactions	July 10, 2025	July 11, 2025	C04967-2025
Disbursement of Proceeds and Progress Report	July 11, 2025	July 11, 2025	C04982-2025
Material Information/Transactions	July 15, 2025	July 15, 2025	C05053-2025
Disbursement of Proceeds and Progress Report	July 15, 2025	July 15, 2025	C05054-2025
[Amend-2]Amendments to Articles of Incorporation	July 18, 2025	July 21, 2025	C05241-2025
Change in Shareholdings of Directors and Principal Officers	July 21, 2025	July 21, 2025	C05258-2025
Change in Shareholdings of Directors and Principal Officers	July 21, 2025	July 21, 2025	C05259-2025
Change in Shareholdings of Directors and Principal Officers	July 24, 2025	July 25, 2025	C05347-2025
Change in Shareholdings of Directors and Principal Officers	July 24, 2025	July 25, 2025	C05348-2025
Material Information/Transactions	July 28, 2025	July 28, 2025	C05423-2025
Disbursement of Proceeds and Progress Report	July 29, 2025	July 30, 2025	C05463-2025
Change in Shareholdings of Directors and Principal Officers	August 6, 2025	August 6, 2025	C05686-2025
Change in Shareholdings of Directors and Principal Officers	August 12, 2025	August 12, 2025	C05930-2025
Material Information/Transactions	August 15, 2025	August 15, 2025	C06067-2025
Change in Shareholdings of Directors and Principal Officers	August 18, 2025	August 18, 2025	C06128-2025
Change in Shareholdings of Directors and Principal Officers	August 18, 2025	August 18, 2025	C06129-2025
Change in Shareholdings of Directors and Principal Officers	September 3, 2025	September 3, 2025	C06442-2025
Change in Shareholdings of Directors and Principal Officers	September 3, 2025	September 3, 2025	C06443-2025
Change in Shareholdings of Directors and Principal Officers	September 9, 2025	September 9, 2025	C06535-2025
Change in Shareholdings of Directors and Principal Officers	September 25, 2025	September 26, 2025	C06844-2025
Change in Shareholdings of Directors and Principal Officers	October 13, 2025	October 13, 2025	C07192-2025

Items Reported	Date filed	Announcement Date	Circular No.
Disbursement of Proceeds and Progress Report	October 15, 2025	October 15, 2025	C07247-2025
Material Information/Transactions	October 15, 2025	October 15, 2025	C07249-2025
Change in Shareholdings of Directors and Principal Officers	October 23, 2025	October 24, 2025	C07444-2025
Material Information/Transactions	November 14, 2025	November 14, 2025	C08076-2025
Notice of Annual or Special Stockholders' Meeting	November 14, 2025	November 14, 2025	C08077-2025
Amendments to By-Laws	November 14, 2025	November 14, 2025	C08078-2025
Change in Shareholdings of Directors and Principal Officers	December 2, 2025	December 2, 2025	C08429-2025

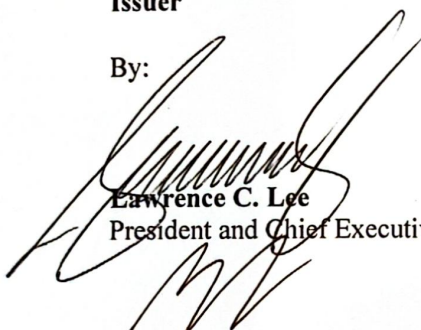
*(This space is intentionally left blank.)*

**SIGNATURES**

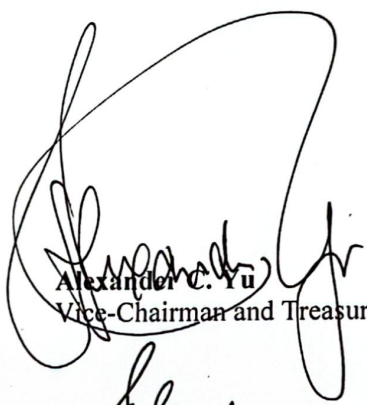
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on **27 MAR 2026**, 2026.

**CTS GLOBAL EQUITY GROUP, INC.**  
Issuer


By:



**Lawrence C. Lee**  
President and Chief Executive Officer



**Alexander C. Yu**  
Vice-Chairman and Treasurer



**Ann Margaret K. Lorenzo**  
Corporate Secretary

**Edmund C. Lee**  
Chief Finance Officer

**SUBSCRIBED AND SWORN** to before me this **27 MAR 2026** of April 2026, at Pasig, affiants exhibiting to me their Passports, as follows:

<b>NAMES</b>	<b>PASSPORT NO.</b>	<b>DATE OF ISSUE</b>	<b>PLACE OF ISSUE</b>
Lawrence C. Lee	P6416803B	March 3, 2021	DFA NCR East
Alexander C. Yu	P6253471B	Feb. 9, 2021	DFA NCR Central
Edmund C. Lee	P8037570B	October 29, 2021	DFA Manila
Ann Margaret Lorenzo	P9475373A	November 9, 2018	DFA NCR East

**FERDINAND D. AYAHAO**

*Notary Public*

For and in Pasig City and the Municipality of Pateros  
Commission No. 122 (2026-2027) valid until 12/31/2027  
MCLE Exemption No. VHI-BEP003234, until 04/14/28  
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001  
TIN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City  
Unit 5, West Tower PSE, Exchange Road  
Ortigas Center, Pasig City, NCR, 1605 Philippines

Doc. No. : **606**  
Page No. : **15**  
Book No. : **23**  
Series of 2026

**CTS GLOBAL EQUITY GROUP, INC.  
SEC FORM 17-A**

**INDEX TO FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES**

<b>FINANCIAL STATEMENTS</b>	<b>Remarks/Attachments</b>
Statement of Management's Responsibility for Financial Statements	✓
Independent Auditors Report	✓
Statements of Financial Position as of December 31, 2025 and 2024	✓
Statements of Comprehensive Income for the Years Ended December 31, 2025, 2024 and 2023	✓
Statements of Changes in Equity for the Years Ended December 31, 2025, 2024 and 2023	✓
Statements of Cash Flows for the Years Ended December 31, 2025, 2024 and 2023	✓
Notes to Financial Statements	✓
<b>SUPPLEMENTARY SCHEDULES</b>	
Report of Independent Auditors on Supplementary Schedules	✓
Schedule I. Statement of Changes in Liabilities Subordinated to Claims of General Creditors	✓
Schedule II. Computation of Risk-Based Capital Adequacy Worksheet Pursuant to Securities and Exchange Commission Memorandum Circular No. 16	✓
Schedule III. Information Relating to the Possession or Control Requirements under Securities Regulation Code (SRC) Rule 49.2	✓
Schedule IV. Computation for Determination of Reserve Requirements under SRC Rule 49.2	✓
Schedule V. A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed since the Date of the Previous Audit	✓
Schedule VI. Results of Year-end Securities Count Conducted Pursuant to SRC Rule 52.1-10, As Amended	✓
Schedule VII. Reconciliation of Retained Earnings Available for Dividend Declaration under the Revised SRC Rule 68	✓
Schedule VIII. Supplementary Schedule of Financial Soundness Indicators under the Revised SRC Rule 68	✓
Schedule IX. Supplementary Schedules under Annex 68-J of the Revised SRC Rule 68	✓

**From:** eafs@bir.gov.ph  
**Sent:** Friday, March 27, 2026 1:51 PM  
**To:** CTSBIREFPS@CTSGLOBALGROUP.COM  
**Cc:** CTSBIREFPS@CTSGLOBALGROUP.COM  
**Subject:** Your BIR AFS eSubmission uploads were received

Hi CTS GLOBAL EQUITY GROUP INC,

**Valid files**

- EAFS000322268RPTTY122025.pdf
- EAFS000322268TCRTY122025-02.pdf
- EAFS000322268AFSTY122025.pdf
- EAFS000322268TCRTY122025-01.pdf
- EAFS000322268ITRTY122025.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-PXXWWM230N2RMV2R1MV1X1P4Y0FFC7G6A**  
Submission Date/Time: **Mar 27, 2026 01:50 PM**  
Company TIN: **000-322-268**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

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

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



**CTS GLOBAL EQUITY GROUP, INC.**  
**ANNUAL AUDITED FINANCIAL REPORT**  
**TABLE OF CONTENTS**

**DECEMBER 31, 2025**

	<u>Page</u>
Cover Page	1
Statement of Management’s Responsibility for Financial Statements	2
Independent Auditors’ Report	3 - 6
Statements of Financial Position	7
Statements of Comprehensive Income	8 - 9
Statements of Changes in Equity	10 - 11
Statements of Cash Flows	12 - 13
Notes to Financial Statements	14 - 69
Report of Independent Auditors on Supplementary Schedules	70 - 71
Statement of Changes in Liabilities Subordinated to Claims of General Creditors (Schedule I)	72
Computation of Risk-Based Capital Adequacy Worksheet Pursuant to Securities and Exchange Commission Memorandum Circular No. 16 (Schedule II)	73
Information Relating to the Possession or Control Requirements under Securities Regulation Code (SRC) Rule 49.2 (Schedule III)	74
Computation for Determination of Reserve Requirements under SRC Rule 49.2 (Schedule IV)	75
A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed since the Date of the Previous Audit (Schedule V)	76
Results of Year-end Securities Count Conducted Pursuant to SRC Rule 52.1-10, As Amended (Schedule VI)	77 - 82
Supplementary Schedule on Reconciliation of Retained Earnings Available for Dividend Declaration under the Revised SRC Rule 68 (Schedule VII)	83
Supplementary Schedule of Financial Soundness Indicators under the Revised SRC Rule 68 (Schedule VIII)	84
Supplementary Schedules under Annex 68-J of the Revised SRC Rule 68 (Schedule IX)	85
Supplementary Schedule of External Auditor Fee-Related Information	86

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

**COVER PAGE**

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the SRC.

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

<b>IDENTIFICATION OF BROKER OR DEALER</b>	
Name of Broker/Dealer:	CTS Global Equity Group, Inc.
Address of Principal Place of Business:	27/F East Tower Tektite Towers Exchange Road Ortigas Center, Pasig City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Lawrence C. Lee	Tel. No.: (02) 8 635-5735 Fax No.: (02) 8 634-6696

<b>IDENTIFICATION OF ACCOUNTANT</b>	
Name of Independent Auditor whose opinion is contained in this report:	
Name: Reyes Tacandong & Co.	Tel. No.: (02) 8 982-9100 Fax No.: (02) 8 982-9111
Address: 26th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City	
MARK CHRISTIAN M. ABABA Partner CPA Certificate No. 130245 Tax Identification No. 287-809-533-000 BOA Accreditation No. 4782/P-027; Valid until June 6, 2026 SEC Accreditation No. 130245 SEC Group A Issued November 25, 2025 Valid for Financial Periods 2025-2029 BIR Accreditation No. 08-005144-026-2024 Valid until March 26, 2027 PTR No. 10764002 Issued January 2, 2026, Makati City	



**CTS GLOBAL EQUITY GROUP, INC.**  
2701-B East Tower, Tektite Towers, Exchange Road,  
Ortigas Center Pasig City 1605 Philippines  
Trading Floor: (+632) 8-634-6976 Facsimile (+632) 8-634-6696  
Office: (+632) 8-635-5735 to 37  
Helpdesk: (+632) 8-635-5735 Loc 407 to 408, inquiries@ctsglobalgroup.com  
Website: www.ctsglobalgroup.com  
PSE Trading Participant, SCCP & SIPP Member  
Regulated by the SEC, Markets and Securities Regulation Department (msrds submission@sec.gov.ph)

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of **CTS Global Equity Group, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, 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, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

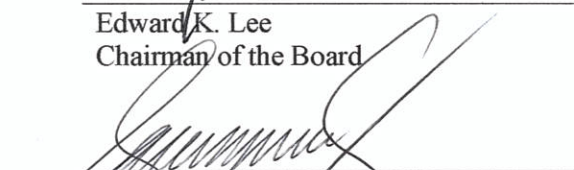
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the periods December 31, 2025 and 2024, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



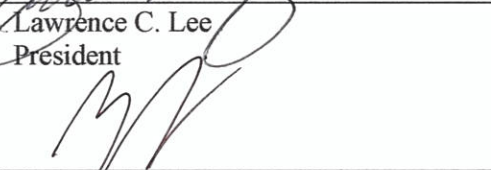
---

Edward K. Lee  
Chairman of the Board



---

Lawrence C. Lee  
President



---

Edmund C. Lee  
Chief Finance Officer

Signed this 1 th day of March 2026

24 MAR 2026

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ 2026, at PASIG CITY affiants exhibited to me their respective passports, as follows:

<u>Name</u>	<u>Passport No.</u>	<u>Date/Place Issued</u>
Edward K. Lee	P5099380B	March 11, 2020/ DFA NCR East
Lawrence C. Lee	P6416803B	March 3, 2021/DFA NCR East
Edmund C. Lee	P8037570B	October 29, 2021/ DFA Manila

**FERDINAND D. AYAHAO**

*Notary Public*

For and in Pasig City and the Municipality of Pateros,  
Commission No. 122 (2026-2027) valid until 12/31/2027  
MCLE Exemption No. VIII-BEP003234, until 04/14/28  
Roll No. 46377; IBP LRN 02459; OR 595886; 06/21/2004  
TIN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City  
Unit 5, West Tower PSE, Exchange Road  
Ortigas Center, Pasig City, NCR, 1605 Philippines

Doc. No. : 157  
Page No. : 077  
Book No. : 23  
Series of 2026



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
CTS Global Equity Group, Inc.  
27/F East Tower, Tektite Towers  
Exchange Road, Ortigas Center, Pasig City

### *Opinion*

We have audited the accompanying financial statements of CTS Global Equity Group, Inc. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2025, 2024, and 2023, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, 2024, and its financial performance and its cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our 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.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements as at and for the year ended December 31, 2025. These matters were addressed in the context of our audits of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Accounting for Investments in Government Securities

As disclosed in Note 9 to the financial statements, the Company holds government securities classified as financial assets at fair value through other comprehensive income (FVOCI) in accordance with PFRS 9, *Financial Instruments*. As at December 31, 2025, investments in government securities amounted to ₱1,248.3 million, which represent 55% of the total assets. In 2025, acquisitions and disposals of government securities amounted to ₱874.9 million and ₱899.2 million, respectively. Effective January 1, 2025, the Company reclassified its investments in government securities amounting to ₱464.5 million from financial assets at amortized cost to financial assets at FVOCI, following a change in its business model.



The accounting for investments in government securities is significant to our audit due to its materiality to the statement of financial position and the judgment involved in determining classification and assessing its impairment. Management is required to exercise judgment in determining the appropriate classification of these financial instruments based on the Company's business model for managing financial assets and whether the contractual cash flows meet the solely payments of principal and interest criterion. In addition, the assessment of impairment requires the application of the expected credit losses (ECL) model, which involves judgment in assessing credit risk and relevant forward-looking information.

We have reviewed the propriety of recognition, classification and measurement, as well as management's assessment of the impairment of the financial assets. Our audit procedures included, among others, (a) understanding of the Company's financial asset management and recording process; (b) verifying the existence and ownership of the investments in government securities by examining the underlying supporting documents; (c) evaluating the appropriateness of the classification of government securities as FVOCI by evaluating the duly approved business model used by management in managing financial assets; (d) testing the reasonableness of recognized interest income and the changes in fair values of financial assets measured at FVOCI; (e) evaluating management's assessment of impairment losses by reviewing the methodology, assumptions, and calculations applied in determining ECL in accordance with PFRS 9; and (f) reviewing the related disclosures in Note 9 to the financial statements for compliance with the applicable PFRS Accounting Standards requirements.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A Annual Report for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A 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 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 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 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 Financial Statements*

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

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

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



*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

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

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 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 Mr. Mark Christian M. Ababa.

**REYES TACANDONG & Co.**

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 19, 2026

Makati City, Metro Manila

**CTS GLOBAL EQUITY GROUP, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

		December 31					
		2025			2024		
	Note	Money Balance	Security Valuation		Money Balance	Security Valuation	
			Long	Short		Long	Short
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	6	P479,032,608			P440,287,230		
Financial assets at fair value through profit or loss (FVPL)	7	344,131,149	P344,131,149		65,382,724	P65,382,724	
Trade receivables	8	120,118,172	278,410,548		440,150,621	69,949,250	
Other current assets	10	19,991,151			17,788,920		
Total Current Assets		963,273,080			963,609,495		
<b>Noncurrent Assets</b>							
Investments in government securities	9	1,248,347,135			1,251,635,729		
Intangible assets	11	4,274,403			4,668,775		
Property and equipment	12	13,679,254			13,407,642		
Investment property	13	7,713,903			8,356,726		
Net deferred tax assets	21	18,513,434			22,602,772		
Other noncurrent assets	14	14,060,176			13,277,080		
Total Noncurrent Assets		1,306,588,305			1,313,948,724		
<b>Total Assets</b>		<b>P2,269,861,385</b>			<b>P2,277,558,219</b>		
<b>Securities in Vault, Transfer Offices, and Philippine Depository and Trust Corporation</b>							
				<b>P7,918,943,195</b>			<b>P8,320,992,243</b>
<b>LIABILITIES AND EQUITY</b>							
<b>Current Liabilities</b>							
Trade payables	15	P183,631,860	7,296,401,498		P172,519,052	8,185,660,269	
Current portion of lease liabilities	20	2,057,065			1,820,166		
Other current liabilities	16	6,024,720			15,621,883		
Total Current Liabilities		191,713,645			189,961,101		
<b>Noncurrent Liabilities</b>							
Lease liabilities - net of current portion	20	2,053,322			14,850		
Net retirement benefit liability	19	33,559,741			30,924,504		
Total Noncurrent Liabilities		35,613,063			30,939,354		
Total Liabilities		227,326,708			220,900,455		
<b>Equity</b>							
Capital stock	4	687,500,000			687,500,000		
Additional paid-in capital		1,223,556,878			1,223,556,878		
Retained earnings:							
Appropriated	4	20,680,849			14,227,456		
Unappropriated		86,203,243			119,831,530		
Other equity reserves		24,593,707			11,541,900		
Total Equity		2,042,534,677			2,056,657,764		
<b>Total Liabilities and Equity</b>		<b>P2,269,861,385</b>	<b>P7,918,943,195</b>	<b>P7,918,943,195</b>	<b>P2,277,558,219</b>	<b>P8,320,992,243</b>	<b>P8,320,992,243</b>

See accompanying Notes to Financial Statements.

**CTS GLOBAL EQUITY GROUP, INC.**

**STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Years Ended December 31		
		2025	2024	2023
<b>REVENUES</b>				
Interests	6	<b>₱80,164,507</b>	₱91,285,657	₱95,744,802
Dividends	7	<b>15,915,204</b>	3,489,399	2,245,411
Gain on sale of government securities	9	<b>5,777,157</b>	–	–
Commissions		<b>4,504,713</b>	4,283,997	5,290,848
Trading gains on financial assets at FVPL - net	7	<b>1,979,369</b>	63,065,481	427,861
Client advisory income		<b>48,268</b>	369,989	–
		<b>108,389,218</b>	162,494,523	103,708,922
<b>COSTS OF SERVICES</b>				
Personnel costs	18	<b>35,352,905</b>	40,162,024	32,179,119
Commissions		<b>16,222,219</b>	18,315,217	9,164,180
Transaction costs		<b>11,605,437</b>	13,432,625	15,289,311
Research		<b>2,765,412</b>	2,665,112	2,533,446
Stock exchange dues and fees		<b>2,168,023</b>	2,660,082	1,710,872
Communications		<b>1,185,403</b>	1,186,903	1,070,503
Central depository fees		<b>814,855</b>	931,017	1,033,088
		<b>70,114,254</b>	79,352,980	62,980,519
<b>GROSS PROFIT</b>		<b>38,274,964</b>	83,141,543	40,728,403
<b>OPERATING EXPENSES</b>				
Personnel costs	18	<b>18,023,323</b>	19,898,695	15,630,803
Insurance and bonds		<b>2,632,496</b>	2,328,142	2,012,702
Condominium dues, power and water		<b>2,607,260</b>	2,337,705	1,765,817
Trainings and seminars		<b>1,800,616</b>	1,628,396	871,720
Professional fees		<b>1,331,500</b>	1,349,000	1,577,540
Security and other manpower services		<b>1,283,793</b>	1,198,973	1,198,946
Taxes and licenses		<b>1,225,389</b>	897,471	1,147,627
Communications		<b>809,394</b>	825,554	834,744
Membership fees		<b>301,090</b>	324,482	280,000
Directors' fees		<b>290,000</b>	115,000	120,000
Office supplies		<b>215,768</b>	316,989	233,354
Repairs and maintenance		<b>187,049</b>	244,708	123,627
Escrow fees		<b>180,920</b>	180,000	241,329
Others		<b>1,768,844</b>	1,681,587	1,547,924
		<b>32,657,442</b>	33,326,702	27,586,133
Depreciation and amortization	11	<b>6,030,409</b>	5,531,774	4,375,475
Interest expense		<b>2,057,723</b>	1,932,992	1,389,532
Reversal of credit losses	8	<b>(5,127)</b>	(2,740)	(7,028)
		<b>40,740,447</b>	40,788,728	33,344,112
<b>OTHER INCOME (LOSSES)</b>				
Net foreign exchange gains (losses)		<b>4,851,152</b>	17,193,743	(2,860,563)
Gain on sale of property and equipment	12	<b>208,172</b>	446	1,786
		<b>5,059,324</b>	17,194,189	(2,858,777)
<b>INCOME BEFORE INCOME TAX</b>		<b>₱2,593,841</b>	₱59,547,004	₱4,525,514

(Forward)

		<b>Years Ended December 31</b>		
	Note	2025	2024	2023
<b>INCOME BEFORE INCOME TAX</b>		<b>₱2,593,841</b>	₱59,547,004	₱4,525,514
<b>INCOME TAX EXPENSE (BENEFIT)</b>	21			
Current		-	126,996	-
Deferred		<b>(261,265)</b>	(5,113,924)	(18,471,870)
		<b>(261,265)</b>	(4,986,928)	(18,471,870)
<b>NET INCOME</b>		<b>2,855,106</b>	64,533,932	22,997,384
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>To be reclassified to profit or loss in subsequent periods</i>	9			
Unrealized gain on debt securities at fair value through other comprehensive income (FVOCI) - net		<b>15,356,250</b>	70,123	31,434,075
Deferred income tax expense - net		<b>(3,839,063)</b>	(17,531)	(7,858,519)
		<b>11,517,187</b>	52,592	23,575,556
<i>Not to be reclassified to profit or loss on subsequent periods</i>	19			
Remeasurement gain (loss) on net retirement benefit liability		<b>2,046,160</b>	1,095,045	(6,510,056)
Deferred income tax benefit (expense)		<b>(511,540)</b>	(273,761)	1,627,514
		<b>1,534,620</b>	821,284	(4,882,542)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>₱15,906,913</b>	₱65,407,808	₱41,690,398
<b>BASIC/DILUTED EARNINGS PER SHARE</b>	22	<b>₱0.0004</b>	₱0.0094	₱0.0033

See accompanying Notes to Financial Statements.

**CTS GLOBAL EQUITY GROUP, INC.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

	Note	Capital Stock	Additional Paid-In Capital	Retained Earnings		Total	Other Equity Reserves		Total	Total Equity
				Appropriated	Unappropriated		Financial Assets at FVOCI (net of deferred tax)	Cumulative Remeasurement Unrealized Gains on Net Retirement Benefit Liability (net of deferred tax)		
Balances at December 31, 2024		<b>₱687,500,000</b>	<b>₱1,223,556,878</b>	<b>₱14,227,456</b>	<b>₱119,831,530</b>	<b>₱134,058,986</b>	<b>₱9,613,643</b>	<b>₱1,928,257</b>	<b>₱11,541,900</b>	<b>₱2,056,657,764</b>
Net income		–	–	–	2,855,106	2,855,106	–	–	–	2,855,106
Dividend declaration	4	–	–	–	(30,030,000)	(30,030,000)	–	–	–	(30,030,000)
Appropriation	4	–	–	6,453,393	(6,453,393)	–	–	–	–	–
Other comprehensive income	9, 19	–	–	–	–	–	11,517,187	1,534,620	13,051,807	13,051,807
<b>Balances at December 31, 2025</b>		<b>₱687,500,000</b>	<b>₱1,223,556,878</b>	<b>₱20,680,849</b>	<b>₱86,203,243</b>	<b>₱106,884,092</b>	<b>₱21,130,830</b>	<b>₱3,462,877</b>	<b>₱24,593,707</b>	<b>₱2,042,534,677</b>
Balances at December 31, 2023		₱687,500,000	₱1,223,556,878	₱11,927,718	₱75,747,336	₱87,675,054	₱9,561,051	₱1,106,973	₱10,668,024	₱2,009,399,956
Net income		–	–	–	64,533,932	64,533,932	–	–	–	64,533,932
Dividend declaration	4	–	–	–	(18,150,000)	(18,150,000)	–	–	–	(18,150,000)
Appropriation	4	–	–	2,299,738	(2,299,738)	–	–	–	–	–
Other comprehensive income	9, 19	–	–	–	–	–	52,592	821,284	873,876	873,876
<b>Balances at December 31, 2024</b>		<b>₱687,500,000</b>	<b>₱1,223,556,878</b>	<b>₱14,227,456</b>	<b>₱119,831,530</b>	<b>₱134,058,986</b>	<b>₱9,613,643</b>	<b>₱1,928,257</b>	<b>₱11,541,900</b>	<b>₱2,056,657,764</b>

See accompanying Notes to Financial Statements.

	Note	Capital Stock	Additional Paid-In Capital	Retained Earnings		Total	Other Equity Reserves		Total	Total Equity
				Appropriated	Unappropriated		Cumulative Unrealized Gains on Changes in Fair Value of Financial Assets at FVOCI (net of deferred tax)	Cumulative Remeasurement Gains on Net Retirement Benefit Liability (net of deferred tax)		
Balances at December 31, 2022		₱687,500,000	₱1,223,556,878	₱6,704,006	₱79,313,664	₱86,017,670	(₱14,014,505)	₱5,989,515	(₱8,024,990)	₱1,989,049,558
Net income		-	-	-	22,997,384	22,997,384	-	-	-	22,997,384
Dividend declaration	4	-	-	-	(21,340,000)	(21,340,000)	-	-	-	(21,340,000)
Appropriation	4	-	-	5,223,712	(5,223,712)	-	-	-	-	-
Other comprehensive income (loss)	9,19	-	-	-	-	-	23,575,556	(4,882,542)	18,693,014	18,693,014
Balances at December 31, 2023		₱687,500,000	₱1,223,556,878	₱11,927,718	₱75,747,336	₱87,675,054	₱9,561,051	₱1,106,973	₱10,668,024	₱2,009,399,956

See accompanying Notes to Financial Statements.

**CTS GLOBAL EQUITY GROUP, INC.**

**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>		
	Note	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax		<b>₱2,593,841</b>	₱59,547,004	₱4,525,514
Adjustments for:				
Interest income	6	<b>(80,164,507)</b>	(91,285,657)	(95,744,802)
Unrealized fair value losses on financial assets at FVPL	7	<b>34,285,891</b>	3,766,622	1,454,215
Dividend income	7	<b>(15,915,204)</b>	(3,489,399)	(2,245,411)
Depreciation and amortization	11	<b>6,030,409</b>	5,531,774	4,375,475
Unrealized foreign exchange losses (gains) - net		<b>(4,851,152)</b>	(17,193,743)	2,860,563
Retirement expense	18	<b>2,872,077</b>	2,686,399	1,839,752
Interest expense		<b>2,057,723</b>	1,932,992	1,389,532
Gain on sale of property and equipment	12	<b>(208,172)</b>	(446)	(1,786)
Reversal of credit losses	8	<b>(5,127)</b>	(2,740)	(7,028)
Operating loss before working capital changes		<b>(53,304,221)</b>	(38,507,194)	(81,553,976)
Decrease (increase) in:				
Financial assets at FVPL		<b>(296,500,679)</b>	(57,011,732)	(7,001,534)
Trade receivables		<b>308,348,826</b>	(38,728,960)	(2,824,017)
Investment in government securities		<b>16,111,330</b>	-	50,000,000
Other current assets		<b>(17,478)</b>	(240,020)	349,550
Other noncurrent assets		<b>(783,096)</b>	(945,130)	(942,631)
Increase (decrease) in:				
Trade payables		<b>11,112,808</b>	21,014,406	(21,173,950)
Other current liabilities		<b>(9,659,464)</b>	6,282,022	(8,564,435)
Net cash used for operations		<b>(24,691,974)</b>	(108,136,608)	(71,710,993)
Interest received		<b>80,564,513</b>	93,375,913	98,734,448
Dividend received		<b>15,911,768</b>	3,529,530	2,209,915
Income taxes paid		<b>(66,792)</b>	(20,537)	(36,712)
Contributions to retirement plan	19	<b>(108,000)</b>	-	(300,000)
Net cash provided by (used in) operating activities		<b>71,609,515</b>	(11,251,702)	28,896,658
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisitions of:				
Property and equipment	12	<b>(478,866)</b>	(4,936,660)	(3,213,295)
Intangible assets	11	<b>(300,000)</b>	(2,532,500)	(247,200)
Proceeds from sale of property and equipment	12	<b>208,172</b>	446	1,786
Net cash used in investing activities		<b>(570,694)</b>	(7,468,714)	(3,458,709)

(Forward)

	Years Ended December 31			
	2025	2024	2023	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments of dividends	4	(P30,030,000)	(P18,150,000)	(P21,340,000)
Payments of lease liabilities	20	(2,288,691)	(2,217,445)	(1,536,300)
Cash used in financing activities		(32,318,691)	(20,367,445)	(22,876,300)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
		38,720,130	(39,087,861)	2,561,649
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>				
		25,248	(256,686)	(120,568)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
		440,287,230	479,631,777	477,190,696
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>				
	6	P479,032,608	P440,287,230	P479,631,777

See accompanying Notes to Financial Statements.

---

## CTS GLOBAL EQUITY GROUP, INC.

### NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025 AND 2024  
AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

---

#### 1. Corporate Information

CTS Global Equity Group, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 22, 1975. The Company is a licensed broker/dealer of securities with the SEC, and both a stockholder and holder of a trading right of the Philippine Stock Exchange (PSE).

On April 13, 2022, the Company was listed in the PSE under the stock symbol CTS. The Company listed 1,375.0 million common shares at an offer price of ₱1.00 per share. The total proceeds, net of offer expenses incidental to initial public offering (IPO), amounted to ₱1,353.3 million (see Note 4).

As at December 31, 2025, the IPO proceeds were fully utilized. The utilization was consistent with the planned allocation and aligned with the Company's long-term strategic objectives, specifically to support the scaling of global trading operations and capitalize on investment opportunities (see Note 4).

The registered office address of the Company is 27/F East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

The financial statements of the Company as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issue by the BOD on March 19, 2026, as recommended for approval by the Audit Committee on the same date.

---

#### 2. Summary of Material Accounting Policy Information

##### **Basis of Preparation**

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

The statements of financial position contain some additional information in line with the requirements of Rule 52.1 of the Implementing Rules and Regulations of the Securities Regulation Code (SRC).

### **Measurement Bases**

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

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

- Financial assets measured at fair value through profit or loss (FVPL);
- Financial assets measured at fair value through other comprehensive income (FVOCI);
- Retirement benefit liability that is carried at the present value of defined benefit obligation less fair value of plan assets; and
- Lease liabilities that are carried at initial recognition at the present value of the remaining lease payments, discounted using an appropriate discount rate.

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

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

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

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

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

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

- Note 5 - Fair Value Measurement
- Note 7 - Financial Assets at FVPL
- Note 9 - Investments in Government Securities
- Note 13 - Investment Property

### **Adoption of Amendments to PFRS Accounting Standards**

The accounting policies adopted are consistent with those of the previous financial year. There are no issued amendments to PFRS Accounting Standards which are effective as at January 1, 2025, that has significant impact on the Company's financial statements.

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

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

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

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

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

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

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

### **Classification of Assets and Liabilities between Current and Noncurrent**

The Company presents current and noncurrent assets, and current and noncurrent liabilities, as separate classifications in the notes to financial statements.

*Current Assets.* The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within 12 months after the reporting period; or
- The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Otherwise, the Company will classify all other assets as noncurrent.

*Current Liabilities.* The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within 12 months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, the Company will classify all other liabilities as noncurrent.

### **Financial Instruments**

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

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*“Day 1” Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes the “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

### **Financial Assets**

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

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVPL, and (c) financial assets at FVOCI.

The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

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

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

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for credit and impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Company's cash and cash equivalents, trade receivables, certain government securities, interest receivables, receivables from employees, and dividends receivable (included under "Other current assets" account in the statements of financial position), and refundable deposits (included under "Other noncurrent assets" account in the statements of financial position) are classified under this category (see Notes 6, 8, 9, 10, and 14).

*Financial Assets at FVPL.* Financial assets at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

Dividends from equity instruments held at FVPL are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

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

As at December 31, 2025 and 2024, the Company's investments in publicly traded equity securities are classified under this category (see Note 7).

*Financial Assets at FVOCI.* For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets are measured at FVOCI if both of the following conditions are met:

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

These debt securities are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method) and impairment gains or losses of debt instruments measured at FVOCI are recognized directly in profit or loss. Fair value changes are recognized in other comprehensive income (OCI) and presented in the equity section of the statements of financial position. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

As at December 31, 2025 and 2024, certain investments in government securities are classified under this category (see Note 9).

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

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

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

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

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

*Impairment of Financial Assets at FVOCI and Amortized Cost.* For trade receivables, the Company has applied the simplified approach, and has calculated the expected credit losses (ECL) based on lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other financial assets measured at FVOCI and amortized cost, the Company applies a general approach in calculating ECL. The Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its other receivables since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due, unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

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

## **Financial Liabilities**

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

*Classification.* The Company classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2025 and 2024, the Company does not have financial liabilities at FVPL.

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

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

As at December 31, 2025 and 2024, the Company's trade payables, other current liabilities (excluding taxes payable and statutory payables), and lease liabilities are classified under this category (see Notes 15, 16, and 20).

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

*Classification of Financial Instrument between Liability and Equity.* A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

#### **Offsetting of Financial Assets and Liabilities**

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

### **Intangible Assets**

Intangible assets pertain to software and licenses, exchange trading right, and intangible asset under development.

*Software and Licenses.* Software and licenses are measured on initial recognition at cost. Subsequent to initial recognition, software and licenses are carried at cost less accumulated amortization and any accumulated impairment losses. Software and licenses are amortized over its estimated economic life of 10 years and assessed for impairment whenever there is an indication that the software and licenses may be impaired.

The amortization period and method are reviewed at least at each reporting date. Changes in the expected economic life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

*Exchange Trading Right.* Exchange trading right is initially measured at cost. It is an intangible asset with indefinite useful life, and is tested for impairment annually. Exchange trading right is not amortized but is carried at cost less accumulated impairment losses, if any. The exchange trading right is deemed to have indefinite useful lives as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The assumption that the exchange trading right remains to be an intangible asset with an indefinite life is reviewed annually to determine whether this continues to be supportable as such. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight line basis unless a more appropriate amortization method is warranted. Any impairment losses determined are recognized in profit or loss.

*Intangible Assets under Development.* Intangible assets under development are measured at cost, net of any accumulated impairment losses. Cost includes cost of development and other directly attributable costs. Intangible assets under development are not amortized until such time that the relevant intangible assets are completed and ready for intended use.

### **Property and Equipment**

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

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

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are normally recognized in profit or loss in the year these are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property and equipment:

	Number of Years
Leasehold improvements	10 or lease term, whichever is shorter
Office condominium units and improvements	10 to 20
Furniture, fixtures, and office equipment	2 to 5

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

Fully-depreciated assets are retained in the account until they are no longer in use and no further change for depreciation is made in respect of those assets.

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

Construction in progress represents properties under construction and is stated at cost, including costs of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

### **Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost, less accumulated depreciation and any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property.

Depreciation of investment property is calculated on a straight-line basis over a 20-year estimated useful life. The estimated useful life and depreciation method are reviewed periodically to ensure that these are consistent with expected pattern of economic benefits of investment property.

Investment property is derecognized when either they have been disposed of or the investment property is permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of investment property are recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

For transfers from investment property to owner-occupied properties or inventories, the cost for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such in accordance with the policy under property and equipment up to the date of change in use.

#### **Other Nonfinancial Assets**

Other nonfinancial assets pertain to excess tax credits and prepayments.

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

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be realized for not more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

#### **Impairment of Nonfinancial Assets**

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, except for the exchange trading right where test of impairment is done annually. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount that would be received to sell an asset in an orderly transaction between participants at the measurement date less costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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

### **Value-Added Tax (VAT)**

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

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

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

The net amount of VAT recoverable from and VAT payable to the taxation authority is included as part of "Other current assets" and "Other current liabilities" accounts, respectively, in the statements of financial position.

### **Equity**

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

*Additional Paid-in Capital (APIC).* APIC represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued. Incremental costs directly attributable to the issuance of new common stocks are recognized as deduction to APIC, net of any tax effects.

*Retained Earnings.* Retained earnings represent the cumulative balance of net income or loss, net of any dividend declarations. At each reporting date, net income or loss of the Company is transferred to retained earnings.

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

*Other Comprehensive Income (Loss).* Other comprehensive income (loss) consists of items of income and expense that are not recognized in profit and loss in accordance with PFRS Accounting Standards. Other comprehensive income (loss), which is presented as "Other equity reserves" in the statements of financial position, pertains to cumulative unrealized gains or losses on changes in fair value of financial assets at FVOCI, net of related deferred tax, and cumulative remeasurement gains or losses on net retirement benefit liability, net of related deferred tax.

### **Revenue Recognition**

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

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

*Commissions.* These pertain to the revenue from brokerage transactions, which are recorded on trade date basis as trade transaction occurs.

The following specific recognition criteria must also be met for other revenues:

*Interests.* Interest income is recognized in profit or loss as it accrues, taking into account the effective yield of the asset, net of final tax.

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

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

*Client Advisory Income.* These are generally recognized over the period when the related service is provided.

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

#### **Cost and Expense Recognition**

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

*Costs of Services.* Costs of services such as direct personnel costs, commissions, transaction costs, research costs, stock exchange dues and fees, central depository fees, and communication costs are recognized when the related revenue is recognized or when the service is rendered.

*Operating Expenses.* Operating expenses incurred by the Company such as indirect personnel costs, utility costs, and other operating expenses are administrative overhead costs and recognized in profit or loss when incurred.

#### **Employee Benefits**

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

*Retirement Benefits.* Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit liability is performed annually by a qualified actuary. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company recognizes service costs, comprising of current service costs and past service costs in profit or loss. Net interest costs on retirement benefit liability is presented as part of "Interest expense" account in the statements of comprehensive income.

The Company determines the net interest expense by applying the discount rate to the net defined liability at the beginning of the year, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefit liability, comprising of actuarial gains and losses, return on plan assets (excluding interest), and effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

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

The net retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefit liability reduced by the fair value of plan assets, out of which the obligations are to be settled directly. The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability. Actuarial valuations are made so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

### **Leases**

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

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

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

The Company also assesses whether a contract contains a lease for each potential separate lease component. The Company recognizes a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee.

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

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

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

After the commencement date, the ROU assets are carried at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are depreciated over the shorter of the lease terms or the useful lives of the underlying assets.

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

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

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

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

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

### **Income Taxes**

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

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

Deferred tax liabilities are recognized for all taxable temporary differences that are expected to increase future taxable income. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from the unused net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

### **Related Party Transactions**

Related party transactions are transfer of resources, services, or obligations between the Company and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. Related parties may be individual or corporate entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related parties in an economically comparable market. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Company's total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Company's total assets.

#### **Foreign Currency-Denominated Transactions**

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

#### **Segment Reporting**

The Company reports separate information about each operating segment identified. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components; from whose operating results are regularly reviewed to make decisions about resources to be allocated to the segment; and for which discrete information is available.

#### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

#### **Contingencies**

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

#### **Earnings per Share (EPS)**

Basic EPS is calculated by dividing the net income (less preferred dividends net of tax, if any) for the year attributable to common stockholders by the weighted average number of common stocks outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Diluted EPS is computed by dividing net income by the weighted average number of common stocks outstanding during the year, after giving retroactive effect for any stock dividends, stock splits, or reverse stock splits during the year, and adjusted for the effect of dilutive options.

#### **Events after the Reporting Date**

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

---

### **3. Summary of Significant Judgments, Accounting Estimates, and Assumptions**

The preparation of the financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and related notes. The judgments and accounting estimates, and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

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

#### **Judgments**

*Determination of the Functional Currency.* Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be Philippine Peso, which is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences economic value of the income and costs from the Company's operations.

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

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

As at December 31, 2025 and 2024, the Company's investments in publicly traded equity securities are classified as financial assets at FVPL (see Note 7).

In 2025, the Company reclassified its financial assets at amortized cost to financial assets at FVOCI, following a change in its business model. The revised model emphasizes active portfolio management, including diversification, duration and credit risk management, and ongoing monitoring of economic conditions to support the Company's investment objectives. The reclassification was applied prospectively in accordance with PFRS 9. Accordingly, the Company's investments in government securities are classified as financial assets at FVOCI as at December 31, 2025 (see Note 9).

Cash and cash equivalents, trade receivables, certain investments in government securities in 2024, interest receivables, receivables from employees and dividends receivable (included under "Other current assets" account in the statements of financial position), and refundable deposits (included under "Other noncurrent assets" account in the statements of financial position) were classified as financial assets at amortized cost because the Company's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 6, 8, 9, 10, and 14).

*Determination of the Lease Term of Contracts with Renewal and Termination Options - Company as Lessee.* The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. The Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company is not reasonably certain to exercise any renewal or termination option on its leases. Hence, only the enforceable portion of the lease term (i.e. legal term of the contract) was considered in the computation of ROU assets and lease liabilities.

*Determination of the Operating Segments.* Determination of operating segments is based on the information about components of the Company that the management uses to make decisions about operating matters. The Company is organized into operating segments based on business activities as allowed under PFRS 8, *Operating Segments*, due to their similar characteristics.

As at December 31, 2025 and 2024, the Company determined that it has two operating segments, which pertain to local and global trading (see Note 23).

*Evaluation of the Adequacy of Tax Liabilities.* The Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### **Accounting Estimates and Assumptions**

*Determination of Fair Value Measurement of Financial Instruments.* The fair values of securities that are actively traded in organized financial markets are determined by reference to unadjusted quoted market prices at the close of business on the reporting date.

When the fair values of financial assets recorded in the statements of financial position cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to this model are taken from observable market when possible, but when this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

Assumptions and methods of determining the fair values of financial instruments are presented in Note 5 to the financial statements.

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

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

Reversals of ECL were made in 2025, 2024, and 2023. The carrying amounts of trade receivables and related allowance for credit losses as at December 31, 2025 and 2024 are disclosed in Note 8 to the financial statements.

*Assessment of the ECL on Investment in Government Securities and Other Financial Assets at Amortized Cost.* The Company determines the allowance for ECL using the general approach. The Company calculates ECL for its investment in government securities measured at FVOCI and amortized cost, and other financial assets at amortized cost at initial recognition by considering the occurrences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

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

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

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

The Company has assessed that the ECL on its investment in government securities and other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with the Philippine government, reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2025, 2024, and 2023.

The carrying amounts of the investments in government securities measured at FVOCI and amortized cost, and other financial assets at amortized cost (cash and cash equivalents, interest receivables, receivables from employees, dividends receivable, refundable deposits) as at December 31, 2025 and 2024 are disclosed in Notes 6, 9, 10, and 14 to the financial statements.

*Estimation of the Useful Lives of Intangible Assets, Property and Equipment (including Right-of-Use Assets), and Investment Property.* The exchange trading right is deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The useful lives of software and licenses, property and equipment, and investment property are estimated based on the period over which the assets are expected to be available for use and are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of software and licenses, property and equipment, and investment property.

The useful lives are updated if expectations differ from previous estimates due to physical wear and tear, and technical and commercial obsolescence. Any reduction in the estimated useful lives of these assets would increase the Company's recorded operating expenses and decrease noncurrent assets.

There is no change in the estimated useful lives of software and licenses, property and equipment, and investment property in 2025, 2024, and 2023.

*Assessment of the Impairment of Nonfinancial Assets.* The Company assesses impairment on intangible assets (excluding exchange trading right), property and equipment (including right-of-use assets), investment property, and other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or Company of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

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

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

No impairment loss was recognized on intangible assets, property and equipment, investment property, and other nonfinancial assets in 2025, 2024 and 2023.

The carrying amounts of the nonfinancial assets (other current assets excluding interest receivables, receivables from employees, and dividends receivable, intangible assets, property and equipment, investment property, and other noncurrent assets excluding refundable deposits) as at December 31, 2025 and 2024 are disclosed in Notes 10, 11, 12, 13, and 14 to the financial statements.

*Assessment for Impairment of the Exchange Trading Right.* Exchange trading right, which is carried at cost less any allowance for impairment loss, is reviewed for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying values may be impaired.

No impairment loss on exchange trading right was recognized in 2025, 2024 and 2023. The carrying amount of exchange trading right as at December 31, 2025 and 2024 is disclosed in Note 11 to the financial statements.

*Determination of the Incremental Borrowing Rate (IBR).* The Company uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using available observable inputs (such as the prevailing Bloomberg Valuation Service (BVAL) interest rates) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Company has applied weighted average IBR ranging from 5.38% to 6.05% in 2025 and 2024, and 4.90% to 6.30% in 2023, respectively, for the computation of lease liabilities and ROU assets.

The carrying amounts of ROU assets and lease liabilities as at December 31, 2025 and 2024 are disclosed in Note 20 to the financial statements.

*Determination of the Retirement Liability.* The determination of the obligation and cost of retirement benefit is dependent on the assumptions used by the actuary in calculating such amounts. The assumptions include, among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are recognized in OCI and, therefore, generally affect the recorded obligation in such future periods.

The carrying amounts of net retirement benefit liability as at December 31, 2025 and 2024 are disclosed in Note 19 to the financial statements.

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

Recognized and unrecognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 21 to the financial statements. The management believes that the Company will be able to generate sufficient taxable income against which these deferred tax assets can be utilized.

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

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

##### **Credit Risk**

The Company's exposure to credit risk arises when the counterparty fails to fulfill its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of trade receivables and other financial assets at amortized cost.

The carrying amounts of the financial assets at amortized cost represent its maximum credit exposure, without taking into account any collateral, other credit enhancements or credit risk mitigating features. The table below presents the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired, if any, are separately presented.

	2025					Total
	12 month ECL			Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
	High Grade	Standard Grade	Substandard Grade			
<b>Financial assets at amortized cost:</b>						
Cash in banks and cash equivalents	₱479,002,608	₱-	₱-	₱-	₱-	₱479,002,608
Trade receivables	-	-	-	120,118,172	351,751	120,469,923
Interest receivables*	9,659,088	-	-	-	-	9,659,088
Receivables from employees*	-	575,122	-	-	-	575,122
Dividends receivable**	14,741	-	-	-	-	14,741
Refundable deposits**	13,479,652	297,265	-	-	-	13,776,917
<b>Financial asset at FVOCI -</b>						
Investment in government securities	1,248,347,135	-	-	-	-	1,248,347,135
	<b>₱1,750,503,224</b>	<b>₱872,387</b>	<b>₱-</b>	<b>₱120,118,172</b>	<b>₱351,751</b>	<b>₱1,871,845,534</b>

	2024					Total
	12 month ECL			Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
	High Grade	Standard Grade	Substandard Grade			
<b>Financial assets at amortized cost:</b>						
Cash in banks and cash equivalents	₱440,257,230	₱-	₱-	₱-	₱-	₱440,257,230
Trade receivables	-	-	-	440,150,621	356,878	440,507,499
Investments in government securities	464,463,427	-	-	-	-	464,463,427
Interest receivables*	7,546,844	-	-	-	-	7,546,844
Receivables from employees*	-	673,929	-	-	-	673,929
Dividends receivable**	9,024	-	-	-	-	9,024
Refundable deposits**	12,649,072	348,996	-	-	-	12,998,068
<b>Financial asset at FVOCI -</b>						
Investment in government securities	787,172,302	-	-	-	-	787,172,302
	<b>₱1,712,097,899</b>	<b>₱1,022,925</b>	<b>₱-</b>	<b>₱440,150,621</b>	<b>₱356,878</b>	<b>₱2,153,628,323</b>

\*Included under "Other current assets" account in the statements of financial position.

\*\*Included under "Other noncurrent assets" account in the statements of financial position.

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

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

**Standard Grade** - The counterparty has no history of default. The counterparty has sufficient liquidity to fully service its debt over the medium term. The counterparty has adequate capital to readily absorb any potential losses from its operations and any reasonably foreseeable contingencies.

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

Credit-impaired financial assets pertain to trade receivables that were deemed uncollectible with carrying amount of ₱0.4 million as at December 31, 2025 and 2024.

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

*Trade Receivables*

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

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

The aging analysis of the Company's receivables from customers arising from brokering transactions is as follows:

Days from Transaction Date of Counterparty	2025		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 - 2 days	₱941,207	₱21,315,690	₱-
3 - 13 days	8,875	838,338	178
14 - 31 days	-	-	-
Over 31 days	973,510	161,428,768	351,573
	<b>₱1,923,592</b>	<b>₱183,582,796</b>	<b>₱351,751</b>

Days from Transaction Date of Counterparty	2024		
	Amount	Collateral (net of haircut)	Counterparty Exposure
1 - 2 days	₱-	₱-	₱-
3 - 13 days	-	-	-
14 - 31 days	-	-	-
Over 31 days	366,726	51,272,712	356,878
	<b>₱366,726</b>	<b>₱51,272,712</b>	<b>₱356,878</b>

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

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

As at December 31, 2025 and 2024, receivables from customers arising from brokering transactions, which amounted to ₱1.9 million and ₱0.4 million, respectively, are secured by collateral comprising of equity securities of listed companies with a total market value of ₱278.4 million and ₱69.9 million, respectively (see Note 8).

Receivables from other brokers pertain to funds held by other brokers for the Company's global trading activities. Receivables from customers arising from client advisory services pertain to receivables from the Company's consultancy services for customers who intend to trade in global stock markets. The Company has assessed that ECL on these receivables are insignificant because the counterparties are companies with good credit standing and low risk of defaults. Further, the funds held by other brokers as at the end of the reporting period were subsequently reinvested to various equity and debt securities in other foreign markets. On the other hand, receivables from clearing house are due and collectible after two business days from the transaction date.

Accordingly, no provision for credit losses was recognized on receivables from other brokers, receivables from clearing house, and receivables from customers arising from client advisory services in 2025, 2024, and 2023.

*Investments in Government Securities and Other Financial Assets at Amortized Cost*

It is the Company's policy to measure ECL on investment in government securities measured at FVOCI and amortized cost, and other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Company has assessed that, considering the factors discussed in Note 3 to the financial statements, the ECL on investments in government securities and other financial assets at amortized cost is insignificant because the transactions with respect to these financial assets are with the Philippine government, and reputable banks and companies with good credit standing and low risk of defaults. Accordingly, no provision for credit losses was recognized in 2025, 2024, and 2023 on investment in government securities and other financial assets at amortized cost.

### **Liquidity Risk**

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

The Company monitors its cash flows, particularly the receivables from customers' collections and the funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in the bank (see Note 6).

The tables below summarize the maturity profile of the financial liabilities of the Company based on remaining undiscounted cash flows:

	2025					Total
	On Demand	1 to 3 Months	More than 3 Months to 12 Months	More than 1 Year to 5 Years		
Trade payables	₱183,631,860	₱-	₱-	₱-		₱183,631,860
Lease liabilities	-	567,150	1,662,610	2,116,300		4,346,060
Other current liabilities*	435,878	438,883	3,915,603	-		4,790,364
	<b>₱184,067,738</b>	<b>₱1,006,033</b>	<b>₱5,578,213</b>	<b>₱2,116,300</b>		<b>₱192,768,284</b>

\*Excluding statutory liabilities amounting to ₱1.2 million as at December 31, 2025.

	2024					Total
	On Demand	1 to 3 Months	More than 3 to 12 Months	More than 1 to 5 Years		
Trade payables	₱172,519,052	₱-	₱-	₱-		₱172,519,052
Lease liabilities	-	574,684	1,269,895.00	15,000		1,859,579
Other current liabilities*	253,450	682,133	10,436,478	-		11,372,061
	<b>₱172,772,502</b>	<b>₱1,256,817</b>	<b>₱11,706,373</b>	<b>₱15,000</b>		<b>₱185,750,692</b>

\*Excluding statutory liabilities amounting to ₱4.2 million as at December 31, 2024.

### **Market Risks**

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

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

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

The following table shows the Company's foreign currency-denominated monetary financial assets:

	December 31, 2025			
	United States (US)	Indonesian (ID)		Philippine Peso
	Dollar	Philippine Peso	Rupiah	
Cash in banks	\$49,084	₱2,886,364	Rp-	₱-
Financial assets at FVPL	5,147,645	302,707,238	2,739,300,000	9,587,550
Receivables from other brokers	1,820,142	107,033,444	1,022,286	3,578
Interest receivable	859	50,533	-	-
Dividends receivable	251	14,741	-	-
	<b>\$7,017,981</b>	<b>₱412,692,320</b>	<b>Rp2,740,322,286</b>	<b>₱9,591,128</b>

	December 31, 2024			
	US Dollar	Philippine Peso	ID Rupiah	Philippine Peso
Cash in banks	\$78,472	₱4,552,453	Rp-	₱-
Financial assets at FVPL	299,123	17,353,330	-	-
Receivables from other brokers	7,073,365	410,354,192	1,022,373	3,681
Interest receivable	15,585	904,132	-	-
Dividends receivable	156	9,024	-	-
	\$7,466,701	₱433,173,131	Rp1,022,373	₱3,681

For purposes of restating the outstanding balances of the Company's foreign currency-denominated monetary financial assets as at December 31, 2025, the exchange rates applied are ₱58.81, and ₱0.0035 per US\$1 and IDR1, respectively. As at December 31, 2024, the exchange rates applied were ₱58.01 and ₱0.0036 per US\$1 and IDR1, respectively.

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

	Increase/Decrease in Exchange Rate		Effect on Income Before Income Tax	
	US Dollar	ID Rupiah	US Dollar	ID Rupiah
<b>December 31, 2025</b>	<b>1.03</b>	<b>0.0001</b>	<b>₱7,228,520</b>	<b>₱274,032</b>
	<b>-1.03</b>	<b>-0.0001</b>	<b>(7,228,520)</b>	<b>(274,032)</b>
December 31, 2024	1.10	0.0001	₱8,213,371	₱102
	-1.10	-0.0001	(8,213,371)	(102)

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

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

The table below sets forth the impact of changes in PSE index (PSEi) in the Company's unrealized gain or loss on fair value changes of its financial assets at FVPL:

	2025		2024		2023	
	16.68%	(16.68%)	15.34%	(15.34%)	14.07%	(14.07%)
Changes in PSEi						
Changes in trading income at equity portfolio under:						
Food, beverage, and tobacco	₱3,853,281	(₱3,853,281)	₱4,534,789	(₱4,534,789)	₱572,517	(₱572,517)
Banks	17,257	(17,257)	29,668	(29,668)	15,517	(15,517)
Real estate	15,850	(15,850)	35,189	(35,189)	-	-
Property	8	(8)	19	(19)	18	(18)
Holding firms	5	(5)	4	(4)	7	(7)
Others	3,272	(3,272)	5	(5)	2	(2)
	₱3,889,673	(₱3,889,673)	₱4,599,674	(₱4,599,674)	₱588,061	(₱588,061)

The table below sets forth the impact of changes in National Association of Security Dealers Automated Quotations (NASDAQ) index, Hang Seng index, and Indonesia Stock Exchange (IDX) index in the Company's unrealized gain or loss on fair value changes of its financial assets at FVPL listed in the NASDAQ, Hong Kong Stock Exchange and IDX, respectively:

	2025		2024	
Changes in NASDAQ index	11.99%	(11.99%)	18.68%	(18.68%)
Changes in trading income at equity portfolio under:				
Financial institution	₱79,093,278	(₱79,093,278)	₱-	₱-
Internet content and information	-	-	1,762,452	(1,762,452)
Changes in Hang Seng index	48.61%	(48.61%)	26.01%	(26.01%)
Changes in trading income at equity portfolio under:				
Mining company	₱2,150,442	(₱2,150,442)	₱-	₱-
Holding company	-	-	1,561,930	(1,561,930)
Changes in IDX index	51.47%	(51.47%)	-%	-%
Changes in trading income at equity portfolio under:				
Mining company	₱3,408,332	(₱3,408,332)	₱-	₱-
Internet content and information	848,881	(848,881)	-	-

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

*Interest Rate Risk.* Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's cash in banks and cash equivalents, and investments in government securities. These interest-bearing financial instruments have fixed interest rates.

The Company calculates price volatility through modified duration in case of changes in fair value interest rate risk. Modified duration was computed as the government securities remaining term discounted by the prevailing market yield as at December 31, 2025 and 2024. A parallel shift of 15 basis points (bps) was applied to the market yield for each government security and the analysis assumes all other variables are held constant.

The table below sets forth the impact of change in the Company's other comprehensive income on changes in fair value interest rates of its investments in government securities.

	2025		
	Fair Value	-15 bps	+15 bps
Investment in government securities	₱1,248,347,135	₱23,798,366	(₱23,798,364)
As percentage of investment in government securities		2%	-2%
	2024		
	Fair Value	-15 bps	+15 bps
Investment in government securities	₱787,172,302	7,249,921	(7,249,923)
As percentage of investment in government securities		1%	-1%

### **Capital Management**

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

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

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

### **Required Capitalization for Broker/Dealers**

In compliance with SRC Rule 28 of the *2015 Implementing Rules and Regulations of Securities Regulation Code*, trading participants, who will be participating in a registered clearing agency, are required to have a reserve capital of ₱100.0 million effective November 9, 2015.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱1,911.1 million as at December 31, 2025, 2024, and 2023.

Details of the Company's common shares at ₱0.10 par value per share are as follows:

	2025		2024		2023	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized Capital Stock</b>						
Balance at beginning and end of year	8,000,000,000	₱800,000,000	8,000,000,000	₱800,000,000	8,000,000,000	₱800,000,000
<b>Issued and Outstanding</b>						
Balance at beginning and end of year	6,875,000,000	₱687,500,000	6,875,000,000	₱687,500,000	6,875,000,000	₱687,500,000

On April 13, 2022, the Company's shares were listed in the PSE and the Company issued 1,375.0 million shares from the Company's unissued capital stock at an offer price of ₱1.00 per share. The proceeds from the IPO amounted to ₱1,375.0 million. The excess of ₱1.00 offer price over ₱0.10 par value of the issued shares, equivalent to ₱1,237.5 million, was recognized as additional paid-in capital. Offer expenses incidental to the IPO amounted to ₱21.7 million, ₱13.9 million of which are recognized as deduction to the additional paid-in capital. The total proceeds, net of offer expenses incidental to the IPO, amounted to ₱1,353.3 million.

In 2025, the Company applied IPO proceeds to support the scaling of global trading operations, through acquisition of additional investments in government securities amounting to ₱781.2 million (see Note 9). As at December 31, 2025, the total proceeds from the IPO were fully utilized. The utilization was consistent with the planned allocation and aligned with the Company's long-term strategic objectives, specifically to support the scaling of global trading operations and capitalize on investment opportunities.

As at December 31, 2025 and 2024, there were four holders of the listed shares of the Company, with its share price closing at ₱0.36 and ₱0.65 per share, respectively.

The Company's BOD approved the declaration and payment of the following cash dividends:

Date of Declaration	Record Date	Payment Date	Dividend per Share	Amount
May 9, 2025	May 28, 2025	June 18, 2025	₱0.001877	₱12,904,375
May 9, 2025	May 28, 2025	June 18, 2025	0.002491	17,125,625
May 10, 2024	May 30, 2024	June 19, 2024	0.000669	4,599,375
May 10, 2024	May 30, 2024	June 19, 2024	0.001971	13,550,625
May 12, 2023	June 9, 2023	July 5, 2023	0.000776	5,335,000
May 12, 2023	June 9, 2023	July 5, 2023	0.002328	16,005,000

#### **Reserve Fund**

The Company shall annually appropriate a certain minimum percentage of its previous year's audited net income and transfer the same to "Appropriated retained earnings" in compliance with SRC Rule 49.1 (B).

The Company appropriated a reserve fund amounting to ₱6.5 million, ₱2.3 million, and ₱5.2 million in 2025, 2024, and 2023, respectively.

The total amount of appropriated retained earnings amounted to ₱20.7 million, ₱14.2 million, and ₱11.9 million as at December 31, 2025, 2024, and 2023, respectively.

#### **Net Liquid Capital (NLC)**

The Company is required, at all times, to have and maintain an NLC of at least ₱5.0 million or 5% of its Aggregate Indebtedness (AI), whichever is higher.

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

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

The equity eligible for NLC shall exclude deferred income tax, revaluation reserves, and minority interest and any outside investment in affiliates and associates. In computing for NLC, the equity eligible for NLC is adjusted by the following:

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

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

The Company's NLC met the minimum prescribed amounts as shown below:

	2025	2024	2023
<b>NLC:</b>			
Equity eligible for NLC	<b>₱2,002,943,583</b>	₱2,018,635,679	₱1,969,337,470
Less ineligible assets	<b>50,127,687</b>	49,943,275	46,827,078
	<b>1,952,815,896</b>	1,968,692,404	1,922,510,392
<b>Required NLC:</b>			
Higher of:			
5% of AI	<b>10,312,452</b>	9,807,348	8,447,083
Minimum amount	<b>5,000,000</b>	5,000,000	5,000,000
	<b>10,312,452</b>	9,807,348	8,447,083
<b>Net risk-based capital excess</b>	<b>₱1,942,503,444</b>	₱1,958,885,056	₱1,914,063,309

**Ratio of AI to NLC**

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

The Company's ratio of AI to NLC is 11%, 10% and 9% as at December 31, 2025, 2024, and 2023, respectively.

**RBCA Requirement/Ratio**

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

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

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

	2025	2024	2023
NLC	<b>₱1,952,815,896</b>	₱1,968,692,404	₱1,922,510,392
TRCR:			
ORR	<b>29,081,322</b>	27,886,792	32,253,457
Credit risk	<b>72,438,509</b>	34,341,494	34,544,618
Position risk	<b>203,578,063</b>	87,212,331	66,694,340
Total risk capital requirement	<b>₱305,097,894</b>	₱149,440,617	₱133,492,415
RBCA ratio	<b>640%</b>	1,317%	1,440%

As at December 31, 2025, 2024 and 2023, the Company is compliant with the required RBCA ratio.

#### **Ratio of Core Equity to ORR**

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

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

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

	2025	2024	2023
Capital stock	<b>₱687,500,000</b>	₱687,500,000	₱687,500,000
Beginning retained earnings	<b>134,058,986</b>	87,675,054	86,017,670
Additional paid in capital	<b>1,223,556,878</b>	1,223,556,878	1,223,556,878
Less dividends declared	<b>(30,030,000)</b>	(18,150,000)	(21,340,000)
Core equity	<b>2,015,085,864</b>	1,980,581,932	1,975,734,548
ORR	<b>29,081,322</b>	27,886,792	32,253,457
Ratio of Core Equity to ORR	<b>6,929%</b>	7,102%	6,126%

As at December 31, 2025, 2024 and 2023, the Company is compliant with the required ratio of core equity to ORR.

## 5. Fair Value Measurement

The following table presents the carrying amount and fair value of the Company's assets measured at fair value and for which fair value is disclosed, and the corresponding fair value hierarchy:

		2025			
		Carrying Amount	Fair Value		
Note	Quoted Prices in Active Markets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets measured at fair value:					
Financial assets at FVPL	7	₱344,131,149	₱344,131,149	₱-	₱-
Investments in government securities measured at FVOCI	9	1,248,347,135	1,248,347,135	-	-
Asset for which fair value is disclosed -					
Investment property	13	7,713,903	-	46,506,748	-
		<b>₱1,600,192,187</b>	<b>₱1,592,478,284</b>	<b>₱46,506,748</b>	<b>₱-</b>
		2024			
		Carrying Amount	Fair Value		
Note	Quoted Prices in Active Markets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets measured at fair value:					
Financial assets at FVPL	7	₱65,382,724	₱65,382,724	₱-	₱-
Investments in government securities measured at FVOCI	9	787,172,302	787,172,302	-	-
Assets for which fair value is disclosed:					
Investments in government securities measured at amortized cost	9	464,463,427	482,373,197	-	-
Investment property	13	8,356,726	-	42,900,120	-
		<b>₱1,325,375,179</b>	<b>₱1,334,928,223</b>	<b>₱42,900,120</b>	<b>₱-</b>

The Company used the following valuation techniques to determine fair value measurements:

**Financial Assets at FVPL.** The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

**Investments in Government Securities.** The fair value of investments in government securities are generally based on quoted market prices. The Company's investments in government securities measured at FVOCI and amortized cost as at December 31, 2025 and 2024 are carried at fair values based on sources classified under Level 1 category.

**Investment Property.** Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment property and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued. The fair valuation is classified under Level 2 category.

The significant unobservable inputs used in the fair value measurement of the Company's investment property are the estimated net price per square meter and various factors such as size, location, and utility, among others. Significant increases (decreases) in the estimated net price per square meter in isolation would result in a significantly higher (lower) fair value measurement. Further, choosing comparable with different inputs would result in a significantly different fair value measurement.

The Company has determined that the current use of its investment property as at December 31, 2025 and 2024 is its highest and best use.

There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2025, 2024 and 2023.

The tables below present the financial assets and liabilities whose carrying amounts approximate their fair values:

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents	<b>₱479,032,608</b>	₱440,287,230
Trade receivables	<b>120,118,172</b>	440,150,621
Interest receivables*	<b>9,659,088</b>	7,546,844
Receivables from employees*	<b>575,122</b>	673,929
Dividends receivable*	<b>14,741</b>	9,024
Refundable deposits**	<b>13,776,917</b>	12,998,068
	<b>₱623,176,648</b>	₱901,665,716

\*Included under "Other current assets" account in the statements of financial position.

\*\*Included under "Other noncurrent assets" account in the statements of financial position.

	2025	2024
Other financial liabilities at amortized cost:		
Trade payables	<b>₱183,631,860</b>	₱172,519,052
Other current liabilities*	<b>4,790,364</b>	11,372,061
	<b>₱188,422,224</b>	₱183,891,113

\*Excluding statutory liabilities aggregating to ₱1.2 million and ₱4.2 million as at December 31, 2025 and 2024, respectively.

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

*Refundable Deposits.* The carrying amount of refundable deposits approximates fair value. The management believes that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is not significant.

## 6. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	<b>₱156,200,969</b>	₱153,201,835
Short-term placements	<b>322,831,639</b>	287,085,395
	<b>₱479,032,608</b>	₱440,287,230

Cash in banks earn interest at prevailing bank deposit rates. Short-term placements are made for varying periods of up to three months, depending on the Company's immediate cash requirements, and earn interest at the respective short-term placement rates ranging from 3.30% to 6.10%, 5.80% to 6.30%, and 5.40% to 6.30% per annum in 2025, 2024, and 2023, respectively.

Interest income was derived from:

	Note	2025	2024	2023
Investments in government securities	9	<b>₱64,496,571</b>	₱64,494,021	₱64,196,661
Short-term placements		<b>10,187,686</b>	11,495,994	11,856,609
Cash in banks		<b>3,851,988</b>	2,243,971	1,469,040
Receivables from other brokers	8	<b>1,628,262</b>	13,051,671	18,222,492
		<b>₱80,164,507</b>	₱91,285,657	₱95,744,802

In compliance with SRC Rule 49.2-1 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱467.7 million and ₱429.5 million as at December 31, 2025 and 2024, respectively. The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As at December 31, 2025 and 2024, the Company's reserve accounts are adequate to cover its reserve requirements.

## 7. Financial Assets at FVPL

This account consists of shares listed in the PSE and other global stock exchanges as follows:

	2025	2024
Equity investments:		
Global	<b>₱312,294,788</b>	₱17,353,330
Local	<b>31,836,361</b>	48,029,394
	<b>₱344,131,149</b>	₱65,382,724

The Company's financial assets at FVPL as at December 31, 2025 and 2024 are carried at fair values based on prevailing quoted market prices or bidding dealer price quotations from active markets as at the reporting date (see Note 5).

Dividend income earned from investments in equity securities amounted to ₱15.9 million, ₱3.5 million, and ₱2.2 million in 2025, 2024, and 2023, respectively.

Net trading gains on investments in equity securities consist of the following:

	2025	2024	2023
Realized trading gains (losses) on sale of stocks held for:			
Local trading	<b>₱34,038,727</b>	₱43,311,589	₱22,025,622
Global trading	<b>2,226,533</b>	23,520,514	(20,143,546)
Unrealized losses on fair value changes of stocks held for:			
Local trading	<b>(17,426,123)</b>	(3,204,529)	(1,454,215)
Global trading	<b>(16,859,768)</b>	(562,093)	–
	<b>₱1,979,369</b>	₱63,065,481	₱427,861

## 8. Trade Receivables

This account consists of:

	2025	2024
Receivables from:		
Other brokers	<b>₱107,037,022</b>	₱410,357,873
Clearing house	<b>11,455,249</b>	29,506,677
Customers	<b>1,977,652</b>	642,949
	<b>120,469,923</b>	440,507,499
Less allowance for credit losses	<b>351,751</b>	356,878
	<b>₱120,118,172</b>	₱440,150,621

Receivables from other brokers pertain to the funds deposited with other brokers as at December 31, 2025 and 2024 in order for the Company to trade in other foreign markets. Interest income earned from receivables from other brokers amounted to ₱1.6 million, ₱13.1 million, and ₱18.2 million in 2025, 2024, and 2023, respectively (see Note 6).

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

Receivables from customers pertain to amounts due from brokering transactions and client advisory services. Receivables from customers arising from brokering transactions, which are due within two days from the reporting date, are as follows:

	2025		2024	
	Money Balances	Security Valuation - Long	Money Balances	Security Valuation - Long
Cash and fully secured accounts:				
More than 250%	<b>₱1,572,019</b>	<b>₱278,410,548</b>	₱9,848	₱69,949,250
Between 200% and 250%	-	-	-	-
Between 150% and 200%	-	-	-	-
Between 100% and 150%	-	-	-	-
Partially secured accounts	-	-	-	-
Unsecured accounts	<b>351,573</b>	-	356,878	-
	<b>1,923,592</b>	<b>278,410,548</b>	366,726	69,949,250
Less allowance for credit losses	<b>351,751</b>	-	356,878	-
	<b>₱1,571,841</b>	<b>₱278,410,548</b>	₱9,848	₱69,949,250

Collaterals related to receivables from customers arising from brokering transactions pertain to listed equity securities amounting to ₱278.4 million and ₱69.9 million as at December 31, 2025 and 2024, respectively. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at the reporting date.

The outstanding balance of trade receivables from a related party amounted to ₱0.6 million as at December 31, 2025 (see Note 17).

Receivables from customers arising from client advisory services amounting to ₱54,060 and ₱0.3 million as at December 31, 2025 and 2024, respectively, are due within 30 days from the reporting date.

Reversal of credit losses pertains to specific reversals on past due receivables from customers. The movement in the allowance for credit losses are as follows:

	2025	2024
Balance at beginning of year	P356,878	P359,618
Reversal of credit losses	(5,127)	(2,740)
Balance at end of year	P351,751	P356,878

Reversal of credit losses on trade receivables in 2023 amounted to P7,028.

## 9. Investments in Government Securities

The movements in the Company's investments in government securities measured at FVOCI and at amortized cost are as follows:

	2025		
	Financial Assets at		Total
	FVOCI	Amortized Cost	
Balance at beginning of year	P787,172,302	P464,463,427	P1,251,635,729
Acquisition	874,865,015	-	874,865,015
Reclassification:			
Investment at carrying amount	464,463,427	(464,463,427)	-
Reclassification gain	16,346,976	-	16,346,976
Disposal:			
Investment at carrying amount	(890,976,345)	-	(890,976,345)
Cumulative unrealized gain on changes in fair value	(8,231,664)	-	(8,231,664)
Net amortization premium	(2,533,514)	-	(2,533,514)
Net unrealized fair value gains	7,240,938	-	7,240,938
Balance at end of year	P1,248,347,135	P-	P1,248,347,135

	2024		
	Financial Assets at		Total
	FVOCI	Amortized Cost	
Balance at beginning of year	P790,058,973	P464,135,145	P1,254,194,118
Net amortization of discount (premium)	(2,956,794)	328,282	(2,628,512)
Net unrealized fair value gains	70,123	-	70,123
Balance at end of year	P787,172,302	P464,463,427	P1,251,635,729

In 2023, the Company's certain government securities classified and measured at amortized cost matured with an aggregate amount of P50.0 million.

### Acquisition

In 2025, the Company purchased investments in government securities amounting to P874.9 million, P781.2 million of which were funded through IPO proceeds.

### **Reclassification**

Effective January 1, 2025, the Company reclassified its financial assets at amortized cost amounting to ₱464.5 million to financial asset at FVOCI, following a change in its business model. The revised model emphasizes active portfolio management, including diversification, duration and credit risk management, and ongoing monitoring of economic conditions to support the Company's investment objectives. The reclassification was applied prospectively in accordance with PFRS 9.

The reclassification resulted in a gain of ₱16.3 million recognized in OCI in 2025, as follows:

Fair value at date of reclassification	₱480,810,403
Carrying amount at date of reclassification	464,463,427
<b>Gain on reclassification</b>	<b>₱16,346,976</b>

Reclassification gain arising from a difference between the carrying amount and fair value of the financial asset at date of reclassification is recognized in OCI.

### **Disposal**

In 2025, the Company disposed of certain financial assets at FVOCI. The details of disposal are as follows:

Net proceeds from disposal	₱896,753,502
Less fair value of investment in government securities	(899,208,009)
	(2,454,507)
Cumulative unrealized gain on changes in fair value of debt securities at FVOCI - reclassified to profit or loss	8,231,664
<b>Gain on sale of government securities</b>	<b>₱5,777,157</b>

### **Interest Income**

Interest income on investments in government securities consists of (see Note 6):

	2025	2024	2023
Financial assets at FVOCI	<b>₱64,496,571</b>	₱39,514,042	₱39,566,392
Financial assets at amortized cost	-	24,979,979	24,630,269
	<b>₱64,496,571</b>	₱64,494,021	₱64,196,661

The interest rates of financial assets at FVOCI ranges from 6.9% to 7.5% per annum in 2025 and 6.30% to 7.30% per annum in 2024 and 2023.

The interest rates of financial assets at amortized cost ranges from 4.60% to 7.50% per annum in 2024 and 2023.

**Cumulative Unrealized Gains (Losses)**

The cumulative unrealized gains (losses) on fair value changes of financial assets at FVOCI recognized in the statements of financial position are as follows:

	2025		
	Cumulative Unrealized Gains	Deferred Tax Benefit (Expense)	Net
Balances at beginning of year	P12,818,191	(P3,204,548)	P9,613,643
Reclassification gain recognized in OCI	16,346,976	(4,086,744)	12,260,232
Cumulative unrealized gain on changes in fair value of disposed debt securities at FVOCI - reclassified to profit or loss	(8,231,664)	2,057,916	(6,173,748)
Unrealized gain	7,240,938	(1,810,235)	5,430,703
Balances at end of year	<b>P28,174,441</b>	<b>(P7,043,611)</b>	<b>P21,130,830</b>

	2024		
	Cumulative Unrealized Gains	Deferred Tax Expense	Net
Balances at beginning of year	P12,748,068	(P3,187,017)	P9,561,051
Unrealized gain	70,123	(17,531)	52,592
Balances at end of year	<b>P12,818,191</b>	<b>(P3,204,548)</b>	<b>P9,613,643</b>

	2023		
	Cumulative Unrealized Gains (Losses)	Deferred Tax Benefit (Expense)	Net
Balances at beginning of year	(P18,686,007)	P4,671,502	(P14,014,505)
Unrealized gain	31,434,075	(7,858,519)	23,575,556
Balances at end of year	<b>P12,748,068</b>	<b>(P3,187,017)</b>	<b>P9,561,051</b>

The Company's financial assets at FVOCI as at December 31, 2025 and 2024 are carried at fair values based on prevailing quoted market prices or bidding dealer price quotations from active markets as at the reporting date (see Note 5).

**10. Other Current Assets**

This account consists of:

	2025	2024
Interest receivables	P9,659,088	P7,546,844
Excess tax credits	7,669,122	7,602,330
Prepayments	1,576,301	1,561,888
Receivable from employees	575,122	673,929
Input VAT	106,154	-
Dividends receivable	14,741	9,024
Others	390,623	394,905
	<b>P19,991,151</b>	<b>P17,788,920</b>

Interest receivables, which are related to short-term placements, receivables from other brokers, and investments in government securities, are generally collectible within one year.

Excess tax credits pertains to the Company's excess income tax payments over the amount due. Unapplied or excess income tax payments are carried forward and can be utilized in succeeding years.

Prepayments, which are related to rentals, subscriptions, insurance, and taxes and licenses, are amortized over the period covered by the payment.

Receivable from employees are unsecured, noninterest-bearing, and generally collectible within one year.

Others are noninterest-bearing and generally settled within one year.

---

## 11. Intangible Assets

This account consists of:

	2025	2024
Software and licenses	₱3,499,403	₱4,193,775
Exchange trading right	475,000	475,000
Intangible assets under development	300,000	–
	<b>₱4,274,403</b>	<b>₱4,668,775</b>

### Software and Licenses

The balance and movements of software and licenses are as follows:

	2025	2024
<b>Cost</b>		
Balance at beginning of year	₱7,908,827	₱5,376,327
Additions	–	2,532,500
Balance at end of year	<b>7,908,827</b>	<b>7,908,827</b>
<b>Accumulated Amortization</b>		
Balance at beginning of year	3,715,052	3,037,656
Amortization	694,372	677,396
Balance at end of year	<b>4,409,424</b>	<b>3,715,052</b>
<b>Carrying Amount</b>	<b>₱3,499,403</b>	<b>₱4,193,775</b>

### Exchange Trading Right

Under the PSE rules, all exchange trading rights are pledged at its full value to PSE to secure the payment of all debts due to other members of the exchange arising out of, or in connection with, the present or future members' contracts.

Republic Act (RA) No. 8799 entitled SRC to prescribe the conversion of PSE from a non-stock corporation into a stock corporation (demutualization) effective August 8, 2001, pursuant to a conversion plan approved by the SEC.

As a result of the conversion plan and on the basis of the relative fair values of the PSE shares and the exchange trading right as of the time of the demutualization, the Company's membership in the PSE, originally amounting to ₱1.0 million was bifurcated equally into (a) investment in PSE shares (classified as financial assets at FVPL) and (b) exchange trading right. The investment in PSE shares was sold in 2020.

As at December 31, 2025 and 2024, the carrying amount of the exchange trading right is ₱0.5 million.

As at December 31, 2025 and 2024, the latest transacted price of the exchange trading right, as provided by the PSE, is ₱7.7 million and ₱8.0 million, respectively.

### **Intangible Assets Under Development**

This pertains to the upgrade of payroll management system which the Company is currently developing and is expected to be used in the following year.

Details of depreciation and amortization are as follows:

	Note	2025	2024	2023
Property and equipment	12	<b>₱4,693,214</b>	₱4,211,555	₱3,172,476
Intangible assets		<b>694,372</b>	677,396	560,176
Investment property	13	<b>642,823</b>	642,823	642,823
		<b>₱6,030,409</b>	₱5,531,774	₱4,375,475

No impairment loss was recognized on intangible assets in 2025, 2024, and 2023.

## **12. Property and Equipment**

The balances and movements of this account are as follows:

	Note	2025			Total
		Leasehold Improvements	Office Condominium Units and Improvements	Furniture, Fixtures, and Office Equipment	
<b>Cost</b>					
Balances at beginning of year		<b>₱11,066,687</b>	<b>₱21,237,151</b>	<b>₱23,851,931</b>	<b>₱56,155,769</b>
Additions		–	4,485,960	478,866	4,964,826
Disposal		–	(4,406,704)	(1,710,763)	(6,117,467)
Balances at end of year		<b>11,066,687</b>	<b>21,316,407</b>	<b>22,620,034</b>	<b>55,003,128</b>
<b>Accumulated Depreciation and Amortization</b>					
Balances at beginning of year		3,925,785	16,873,809	21,948,533	42,748,127
Depreciation and amortization	11	1,101,939	3,063,583	527,692	4,693,214
Disposal		–	(4,406,704)	(1,710,763)	(6,117,467)
Balances at end of year		<b>5,027,724</b>	<b>15,530,688</b>	<b>20,765,462</b>	<b>41,323,874</b>
<b>Carrying Amounts</b>		<b>₱6,038,963</b>	<b>₱5,785,719</b>	<b>₱1,854,572</b>	<b>₱13,679,254</b>

	2024					Total
	Note	Leasehold Improvements	Office Condominium Units and Improvements	Furniture, Fixtures, and Office Equipment	Construction in Progress	
<b>Cost</b>						
Balances at beginning of year		₱5,017,465	₱21,123,830	₱22,059,175	₱2,924,238	₱51,124,708
Additions		439,169	113,321	975,469	3,522,022	5,049,981
Reclassification		5,610,053	–	836,207	(6,446,260)	–
Disposal		–	–	(18,920)	–	(18,920)
Balances at end of year		11,066,687	21,237,151	23,851,931	–	56,155,769
<b>Accumulated Depreciation and Amortization</b>						
Balances at beginning of year		3,141,377	13,829,627	21,584,488	–	38,555,492
Depreciation and amortization	11	784,408	3,044,182	382,965	–	4,211,555
Disposal		–	–	(18,920)	–	(18,920)
Balances at end of year		3,925,785	16,873,809	21,948,533	–	42,748,127
<b>Carrying Amounts</b>		<b>₱7,140,902</b>	<b>₱4,363,342</b>	<b>₱1,903,398</b>	<b>₱–</b>	<b>₱13,407,642</b>

As at December 31, 2025 and 2024, cost of fully-depreciated assets still in use amounted to ₱28.3 million and ₱28.2 million, respectively.

#### **ROU assets**

Additions to ROU assets (included as part of “Office condominium units and improvements” in “Property and equipment” account) amounting to ₱4.5 million, ₱0.1 million, and ₱3.6 million in 2025, 2024, and 2023, respectively, are considered as noncash financial information in the statements of cash flows (see Note 20).

In 2023, additions to property and equipment amounted to ₱6.8 million.

In 2025, the Company derecognized ROU assets amounting to ₱4.4 million due to the expiration of the related lease contracts (see Note 20).

#### **Disposal**

The Company sold fully-depreciated office equipment for ₱0.2 million, ₱446, and ₱1,786, in 2025, 2024 and 2023, respectively, resulting to a gain on sale of office equipment of the same amount.

### **13. Investment Property**

Investment property pertains to a condominium unit, which is currently held by the Company for capital appreciation.

The balance and movements of this account are as follows:

	Note	2025	2024
<b>Cost</b>			
Balances at beginning and end of year		<b>₱12,856,487</b>	₱12,856,487
<b>Accumulated Depreciation</b>			
Balances at beginning of year		<b>4,499,761</b>	3,856,938
Depreciation	11	<b>642,823</b>	642,823
Balances at end of year		<b>5,142,584</b>	4,499,761
<b>Carrying Amount</b>		<b>₱7,713,903</b>	₱8,356,726

The Company did not earn any income from the investment property in 2025, 2024, and 2023.

Direct costs incurred related to its investment property, which pertain to real property tax, amounted to ₱25,612 in 2025, 2024, and 2023.

The fair value of investment property amounted to ₱46.5 million and ₱42.9 million as at December 31, 2025 and 2024, respectively. The fair value was determined using the Sales Comparison Approach, which compares sales of similar or substitute properties and related market data to establish an estimated value (see Note 5).

#### 14. Other Noncurrent Assets

This account consists of:

	Note	2025	2024
Refundable deposits from:			
Clearing and Trade Guarantee Fund (CTGF) contributions		<b>₱13,479,652</b>	₱12,649,072
Rental	20	<b>297,265</b>	348,996
Others		<b>283,259</b>	279,012
		<b>₱14,060,176</b>	<b>₱13,277,080</b>

Refundable deposit from CTGF pertains to the monthly contributions paid by the Company, as a Clearing Member, to the CTGF maintained by the Securities Clearing Corporation of the Philippines (SCCP). The monthly contribution is equivalent to 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag. The deposit is refundable upon the cessation of the business and/or termination of the membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

#### 15. Trade Payables

This account consists of:

	2025		2024	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
Payable to customers:				
With money balance	<b>₱182,300,831</b>	<b>₱5,529,215,457</b>	₱171,188,023	₱5,343,003,672
Without money balance	–	<b>1,767,186,041</b>	–	2,842,656,597
	<b>182,300,831</b>	<b>7,296,401,498</b>	171,188,023	8,185,660,269
Dividends payable to customers	<b>1,331,029</b>	–	1,331,029	–
	<b>₱183,631,860</b>	<b>₱7,296,401,498</b>	<b>₱172,519,052</b>	<b>₱8,185,660,269</b>

Payable to customers pertains to segregated bank balances received and held for customers in the course of its regulated trading activities. These are noninterest-bearing and payable within two business days from reporting date.

Dividends payable to customers are noninterest-bearing and payable on demand.

Trade payables are due to the following parties:

	Note	2025	2024
Third parties		<b>₱165,956,066</b>	₱163,250,652
Related parties	17	<b>17,675,794</b>	9,268,400
		<b>₱183,631,860</b>	₱172,519,052

#### 16. Other Current Liabilities

This account consists of:

	2025	2024
Accruals for:		
Commissions and employee bonuses	<b>₱2,638,053</b>	₱9,195,646
Professional fees	<b>909,440</b>	919,390
Membership fees	<b>120,556</b>	193,527
Outside services	<b>114,801</b>	105,592
Others	<b>253,309</b>	215,850
Taxes payable	<b>742,746</b>	3,789,111
Statutory payables	<b>491,610</b>	460,711
Accounts payable	<b>435,878</b>	253,450
Trading fee payable	<b>318,327</b>	488,606
	<b>₱6,024,720</b>	₱15,621,883

Accruals and accounts payable are noninterest-bearing and generally settled within one year.

Taxes payable, which pertain to output tax, withholding tax, and percentage tax payable to the BIR, are generally settled in the succeeding month from transaction date.

Trading fee payable and statutory payables are generally settled in the succeeding month from the transaction date.

## 17. Related Party Transactions

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

Nature of Transactions	Amount of Transactions		Outstanding Balance		Terms and Conditions	
	2025	2024	2025	2024		
<b>Trade Receivables</b> (see Note 8)						
Affiliate with common officers and stockholders	Commission income	<b>₱118,859</b>	₱-	<b>₱621,211</b>	₱-	Noninterest-bearing; secured; generally collected within two days
<b>Other Receivables</b>						
Affiliate with common officers and stockholders	Sale of equipment	<b>₱206,386</b>	₱-	₱-	₱-	Noninterest-bearing; unsecured; collected in cash within one year
<b>Trade Payables</b> (see Note 15)						
Key management personnel	Commission income	<b>₱272,787</b>	₱205,167	<b>₱14,157,571</b>	₱8,634,540	Noninterest-bearing; secured; no guarantee; settled in cash within two days
Affiliate with common officers and stockholders	Commission income	<b>384,655</b>	400,025	<b>3,518,223</b>	633,860	
				<b>₱17,675,794</b>	₱9,268,400	
<b>Lease liabilities</b> (see Note 20)						
Affiliate with common officers and stockholders	Lease of properties	<b>₱1,115,400</b>	₱1,115,400	<b>₱1,943,115</b>	₱903,516	Unsecured; settled in cash within one to three years
<b>Other Current Liabilities</b>						
Affiliate with common officers and stockholders	Purchase of goods	<b>₱59,456</b>	₱1,597,314	₱-	₱-	Unsecured; settled in cash within one year
<b>Personnel Costs</b>						
Key management personnel	Short-term employee benefits	<b>₱5,325,000</b>	₱8,062,309	₱-	₱-	Noninterest-bearing, unsecured and payable within the month of incurrence
	Directors' fees	<b>290,000</b>	115,000	-	-	Noninterest-bearing, unsecured and payable upon retirement
	Retirement benefits	<b>253,956</b>	263,458	<b>4,224,358</b>	4,322,234	

No impairment loss was recognized on trade receivables from related parties in 2025, 2024, and 2023.

## 18. Personnel Costs

This account consists of:

	Note	2025	2024	2023
Salaries and wages		<b>₱43,576,415</b>	₱48,962,671	₱40,189,293
Retirement expense	19	<b>2,872,077</b>	2,686,399	1,839,752
Other benefits		<b>6,927,736</b>	8,411,649	5,780,877
		<b>₱53,376,228</b>	₱60,060,719	₱47,809,922

Personnel costs were distributed as follows:

	2025	2024	2023
Cost of services	<b>₱35,352,905</b>	₱40,162,024	₱32,179,119
Operating expenses	<b>18,023,323</b>	19,898,695	15,630,803
	<b>₱53,376,228</b>	₱60,060,719	₱47,809,922

## 19. Retirement Plan

The Company has a funded, noncontributory defined benefit retirement plan covering substantially all of its regular employees. The benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The funded benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The benefits to be received by the employees under the defined benefit retirement plan shall not be less than the minimum mandated benefit under RA No. 7641, *The Retirement Pay Law*. There were no termination, curtailment, or settlement in 2025 and 2024. The latest actuarial valuation of the present value of the defined benefit obligation as at December 31, 2025 is dated January 26, 2026.

The components of retirement benefit costs included under “Personnel costs” and “Interest expense” accounts in the statements of comprehensive income are as follows:

	Note	2025	2024	2023
Current service cost	18	<b>₱2,872,077</b>	₱2,686,399	₱1,839,752
Net interest cost		<b>1,917,320</b>	1,712,482	1,331,476
		<b>₱4,789,397</b>	₱4,398,881	₱3,171,228

The components of net retirement benefit liability recognized in the statements of financial position are as follows:

	2025	2024
Balance at beginning of year	<b>₱30,924,504</b>	₱27,620,668
Current service cost	<b>2,872,077</b>	2,686,399
Net interest cost	<b>1,917,320</b>	1,712,482
Contributions paid	<b>(108,000)</b>	–
Remeasurement gain recognized in OCI	<b>(2,046,160)</b>	(1,095,045)
Balance at end of year	<b>₱33,559,741</b>	₱30,924,504

The funded status and amounts recognized in the statements of financial position for the net retirement benefit liability are as follows:

	2025	2024
Present value of retirement benefit liability	<b>₱34,763,355</b>	₱32,083,286
Fair value of plan assets	<b>(1,203,614)</b>	(1,158,782)
	<b>₱33,559,741</b>	₱30,924,504

The changes in the present value of the retirement benefit liability are as follows:

	2025	2024
Balance at beginning of year	<b>₱32,083,286</b>	₱28,707,509
Current service cost	<b>2,872,077</b>	2,686,399
Interest cost	<b>1,989,164</b>	1,779,866
Benefits paid	<b>(108,000)</b>	–
Remeasurement gain recognized in OCI:		
Change in financial assumptions	<b>(1,318,534)</b>	–
Experience adjustments	<b>(754,638)</b>	(1,090,488)
Balance at end of year	<b>₱34,763,355</b>	₱32,083,286

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

	2025	2024
Balance at beginning of year	<b>₱1,158,782</b>	₱1,086,841
Contributions	<b>108,000</b>	–
Benefits paid	<b>(108,000)</b>	–
Interest income	<b>71,844</b>	67,384
Remeasurement gain (loss) recognized in OCI	<b>(27,012)</b>	4,557
Balance at end of year	<b>₱1,203,614</b>	₱1,158,782
Actual return on plan assets	<b>₱44,832</b>	₱71,941

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2025	2024
Cash in bank	<b>0.40%</b>	3.43%
Debt securities	<b>99.49%</b>	96.45%
Others	<b>0.11%</b>	0.12%
	<b>100.00%</b>	100.00%

The cumulative remeasurement gains on retirement benefits recognized in the statements of financial position are as follows:

	2025		
	Cumulative Remeasurement Gains	Deferred Tax Expense	Net
Balances at beginning of year	<b>₱2,571,011</b>	<b>(₱642,754)</b>	<b>₱1,928,257</b>
Remeasurement gain	<b>2,046,160</b>	<b>(511,540)</b>	<b>1,534,620</b>
Balances at end of year	<b>₱4,617,171</b>	<b>(₱1,154,294)</b>	<b>₱3,462,877</b>
	2024		
	Cumulative Remeasurement Gains	Deferred Tax Expense	Net
Balances at beginning of year	₱1,475,966	(₱368,993)	₱1,106,973
Remeasurement gain	1,095,045	(273,761)	821,284
Balances at end of year	₱2,571,011	(₱642,754)	₱1,928,257
	2023		
	Cumulative Remeasurement Gains	Deferred Tax Benefits (Expense)	Net
Balances at beginning of year	₱7,986,022	(₱1,996,507)	₱5,989,515
Remeasurement loss	(6,510,056)	1,627,514	(4,882,542)
Balances at end of year	₱1,475,966	(₱368,993)	₱1,106,973

The principal assumptions used in determining retirement benefit liability are as follows:

	<b>2025</b>	2024
Discount rate	<b>6.50%</b>	6.20%
Future salary increase	<b>5.00%</b>	5.00%

Sensitivity analysis on retirement benefit liability is as follows:

	Change in Assumption	Effect on Retirement Benefit Liability	
		<b>2025</b>	2024
Discount rate	+1.00%	<b>(P3,919,890)</b>	(P3,765,081)
	-1.00%	<b>4,690,039</b>	4,529,543
Salary increase rate	+1.00%	<b>4,461,557</b>	4,303,057
	-1.00%	<b>(3,797,331)</b>	(3,644,501)

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

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

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

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

As at December 31, 2025, the maturity analysis of the undiscounted retirement benefit liability is as follows:

Year	Amount
More than one year to five years	P13,371,520
More than five years to 10 years	12,593,342
More than 10 years to 15 years	27,225,905
More than 15 years	200,712,811
	<b>P253,903,578</b>

As at December 31, 2025, the average duration of the net retirement benefit liability at the end of the reporting period is 36 years.

## 20. Leases

The Company, as lessee, has lease agreements for its office spaces with lease terms ranging from two to three years as at December 31, 2025 and 2024. The leases are renewable upon mutual agreement of the parties. Refundable deposits on these lease agreements amounted to ₱0.3 million as at December 31, 2025 and 2024 (see Note 14).

The balance and movements of ROU assets (included as part of “Office condominium units and improvements” under “Property and equipment” account) are as follows:

	Note	2025	2024
<b>Cost</b>			
Balance at beginning of year		<b>₱4,520,027</b>	₱4,406,706
Additions	12	<b>4,485,960</b>	113,321
Derecognition	12	<b>(4,406,704)</b>	–
Balance at end of year		<b>4,599,283</b>	4,520,027
<b>Accumulated Depreciation</b>			
Balance at beginning of year		<b>2,780,729</b>	678,584
Depreciation		<b>2,121,544</b>	2,102,145
Derecognition	12	<b>(4,406,704)</b>	–
Balance at end of year		<b>495,569</b>	2,780,729
<b>Carrying Amount</b>		<b>₱4,103,714</b>	<b>₱1,739,298</b>

The balance and movements of lease liabilities are as follows:

	2025	2024
Balance at beginning of year	<b>₱1,835,016</b>	₱3,761,773
Additions	<b>4,485,960</b>	113,321
Interest expense	<b>78,102</b>	177,367
Lease payments	<b>(2,288,691)</b>	(2,217,445)
Balance at end of year	<b>₱4,110,387</b>	₱1,835,016

Lease liabilities are presented in the statements of financial position as follows:

	2025	2024
Current	<b>₱2,057,065</b>	₱1,820,166
Noncurrent	<b>2,053,322</b>	14,850
	<b>₱4,110,387</b>	<b>₱1,835,016</b>

Lease liabilities are payable to the following parties:

	Note	2025	2024
Third parties		<b>₱2,167,272</b>	₱931,500
Related parties	17	<b>1,943,115</b>	903,516
		<b>₱4,110,387</b>	<b>₱1,835,016</b>

The Company recognized the following lease-related expenses:

	2025	2024	2023
Depreciation	<b>₱2,121,544</b>	₱2,102,145	₱1,495,199
Interest expense on lease liabilities	<b>78,102</b>	177,367	58,056
	<b>₱2,199,646</b>	<b>₱2,279,512</b>	<b>₱1,553,255</b>

Future minimum lease commitments under non-cancellable leases as at December 31, 2025 are as follows:

Within one year	₱2,229,760
After one year but no more than three years	2,116,300
	<b>₱4,346,060</b>

## 21. Income Taxes

The components of income taxes as reported in the statements of comprehensive income are as follows:

	Note	2025	2024	2023
<b>Reported in Profit or Loss</b>				
Current tax expense - MCIT		<b>₱-</b>	₱126,996	<b>₱-</b>
Deferred tax benefit		<b>(261,265)</b>	(5,113,924)	(18,471,870)
		<b>(₱261,265)</b>	<b>(₱4,986,928)</b>	<b>(₱18,471,870)</b>
<b>Reported in OCI</b>				
Deferred tax expense (benefit) on:				
Remeasurement gains (losses) on				
net retirement benefit liability	19	<b>511,540</b>	₱273,761	(₱1,627,514)
Unrealized gains on changes in				
fair value of financial assets				
at FVOCI	9	<b>3,839,063</b>	17,531	7,858,519
		<b>₱4,350,603</b>	<b>₱291,292</b>	<b>₱6,231,005</b>

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

	Note	2025	2024
Deferred tax assets:			
NOLCO		<b>₱20,254,821</b>	₱28,013,900
Excess of cost over fair value of financial assets at FVPL		<b>9,830,803</b>	1,336,229
Net retirement benefit liability		<b>8,389,935</b>	7,731,126
Lease liabilities		<b>1,027,597</b>	458,754
Allowance for credit losses		<b>87,938</b>	89,220
Excess MCIT over RCIT		–	392,856
		<b>39,591,094</b>	38,022,085
Deferred tax liabilities:			
Cumulative unrealized foreign exchange gains		<b>12,855,944</b>	11,643,157
Cumulative unrealized gains on changes in fair value of debt securities at FVOCI	9	<b>7,043,611</b>	3,204,548
ROU assets		<b>1,025,929</b>	434,825
Others		<b>152,176</b>	136,783
		<b>21,077,660</b>	15,419,313
		<b>₱18,513,434</b>	₱22,602,772

In 2025, the Company did not recognize the following deferred tax assets as management assessed that sufficient future taxable income is not probable within the next three reporting periods to utilize these benefits.

	Amount
NOLCO	₱16,023,712
Excess of MCIT over RCIT	126,996
	<b>₱16,150,708</b>

The details of NOLCO and excess MCIT over RCIT as at December 31, 2025 are as follows:

	Inception		Expired	Ending Balance	Expiry Year
	Year	Amount			
NOLCO	2025	₱49,237,771	₱–	₱49,237,771	2028
	2024	29,121,361	–	29,121,361	2027
	2023	66,754,999	–	66,754,999	2026
	2022	16,179,239	16,179,239	–	2025
		<b>₱161,293,370</b>	<b>₱16,179,239</b>	<b>₱145,114,131</b>	
Excess MCIT over RCIT	2024	₱126,996	₱–	₱126,996	2027
	2022	265,860	265,860	–	2025
		<b>₱392,856</b>	<b>₱265,860</b>	<b>₱126,996</b>	

The income tax rates used in the financial statements are 25% for RCIT in 2025, 2024, and 2023; and 2% MCIT in 2025 and 2024, and 1.5% MCIT in 2023.

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

	2025	2024	2023
Income tax expense at statutory tax rate	<b>₱648,460</b>	₱14,886,751	₱1,131,379
Tax effects of:			
Interest income already subjected to final tax	<b>(19,634,061)</b>	(19,558,497)	(19,380,578)
Unrecognized deferred tax assets	<b>16,150,708</b>	–	–
Expired NOLCO	<b>4,044,810</b>	–	–
Dividend income exempt from tax	<b>(1,939,980)</b>	(581,204)	(383,906)
Expired excess MCIT over RCIT	<b>265,860</b>	–	–
Nondeductible expenses	<b>202,938</b>	266,022	161,235
Income tax at effective tax rates	<b>(₱261,265)</b>	(₱4,986,928)	(₱18,471,870)

## 22. Earnings per Share

Basic and diluted EPS are computed as follows:

	2025	2024	2023
Net income attributable to common stockholders	<b>₱2,855,106</b>	₱64,533,932	₱22,997,384
Divided by weighted average number of outstanding common shares	<b>6,875,000,000</b>	6,875,000,000	6,875,000,000
Per share amounts: Basic and diluted EPS	<b>₱0.0004</b>	₱0.0094	₱0.0033

Diluted EPS equals the basic EPS as the Company does not have any dilutive potential common shares at the end of each of the years presented.

## 23. Segment Reporting

### Business Segments

The Company's business segments consist of local and global trading.

### Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, financial assets at FVPL, investments in government securities, receivables, property and equipment, investment property, and intangible assets (net of allowances, accumulated depreciation and amortization), and other current and noncurrent assets. Segment liabilities include all operating liabilities and consist primarily of trade payables and other current and noncurrent liabilities.

### Major Customer

The Company does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Company.

Financial information about reportable segments are as follows:

	December 31, 2025		
	Local Trading	Global Trading	Total
<b>REVENUES</b>			
Interests	₱78,536,245	₱1,628,262	₱80,164,507
Dividends	7,759,918	8,155,286	15,915,204
Gain on sale of government securities	5,777,157	–	5,777,157
Commissions	4,504,713	–	4,504,713
Net trading gains (losses) on financial assets at FVPL	16,612,604	(14,633,235)	1,979,369
Client advisory income	48,268	–	48,268
	<b>113,238,905</b>	<b>(4,849,687)</b>	<b>108,389,218</b>
<b>COST OF SERVICES</b>			
Personnel costs	17,676,453	17,676,452	35,352,905
Commissions	12,686,300	3,535,919	16,222,219
Transaction costs	3,096,855	8,508,582	11,605,437
Research	–	2,765,412	2,765,412
Stock exchange dues and fees	2,168,023	–	2,168,023
Communications	1,185,403	–	1,185,403
Central depository fees	814,855	–	814,855
	<b>37,627,889</b>	<b>32,486,365</b>	<b>70,114,254</b>
<b>GROSS PROFIT (LOSS)</b>	<b>75,611,016</b>	<b>(37,336,052)</b>	<b>38,274,964</b>
<b>OPERATING EXPENSES</b>	<b>(35,419,858)</b>	<b>(5,320,589)</b>	<b>(40,740,447)</b>
<b>OTHER INCOME</b>			
Foreign exchange gains	25,248	4,825,904	4,851,152
Other income	208,172	–	208,172
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>40,424,578</b>	<b>(37,830,737)</b>	<b>2,593,841</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<b>(1,443,366)</b>	<b>1,182,101</b>	<b>(261,265)</b>
<b>NET INCOME (LOSS)</b>	<b>₱41,867,944</b>	<b>(₱39,012,838)</b>	<b>₱2,855,106</b>
<b>SEGMENT ASSETS</b>	<b>₱1,850,464,301</b>	<b>₱419,397,084</b>	<b>₱2,269,861,385</b>
<b>SEGMENT LIABILITIES</b>	<b>₱227,326,708</b>	<b>₱–</b>	<b>₱227,326,708</b>
<b>CAPITAL EXPENDITURES</b>			
Fixed assets	₱778,866	₱–	₱778,866
<b>CASH FLOWS ARISING FROM:</b>			
Operating activities	₱81,076,988	(₱9,467,473)	₱71,609,515
Investing activities	(570,694)	–	(570,694)
Financing activities	(32,318,691)	–	(32,318,691)

	December 31, 2024		
	Local Trading	Global Trading	Total
<b>REVENUES</b>			
Interests	₱78,233,986	₱13,051,671	₱91,285,657
Net trading gains on financial assets at FVPL	40,107,060	22,958,421	63,065,481
Commissions	4,283,997	–	4,283,997
Dividends	2,324,817	1,164,582	3,489,399
Client advisory income	369,989	–	369,989
	<u>125,319,849</u>	<u>37,174,674</u>	<u>162,494,523</u>
<b>COST OF SERVICES</b>			
Personnel costs	20,081,012	20,081,012	40,162,024
Commissions	9,848,133	8,467,084	18,315,217
Transaction costs	4,011,288	9,421,337	13,432,625
Research	869,186	1,795,926	2,665,112
Stock exchange dues and fees	2,660,082	–	2,660,082
Communications	1,186,903	–	1,186,903
Central depository fees	931,017	–	931,017
	<u>39,587,621</u>	<u>39,765,359</u>	<u>79,352,980</u>
<b>GROSS PROFIT (LOSS)</b>	85,732,228	(2,590,685)	83,141,543
<b>OPERATING EXPENSES</b>	(36,001,762)	(4,786,966)	(40,788,728)
<b>OTHER INCOME (LOSSES)</b>			
Foreign exchange losses	(256,686)	17,450,429	17,193,743
Other income	446	–	446
<b>INCOME BEFORE INCOME TAX</b>	49,474,226	10,072,778	59,547,004
<b>INCOME TAX EXPENSE (BENEFIT)</b>	(7,529,015)	2,542,087	(4,986,928)
<b>NET INCOME</b>	<u>₱57,003,241</u>	<u>₱7,530,691</u>	<u>₱64,533,932</u>
<b>SEGMENT ASSETS</b>	<u>₱1,848,933,860</u>	<u>₱428,624,359</u>	<u>₱2,277,558,219</u>
<b>SEGMENT LIABILITIES</b>	<u>₱220,900,455</u>	<u>₱–</u>	<u>₱220,900,455</u>
<b>CAPITAL EXPENDITURES</b>			
Fixed assets	₱7,469,160	₱–	₱7,469,160
<b>CASH FLOWS ARISING FROM:</b>			
Operating activities	₱23,739,385	(₱34,991,087)	(₱11,251,702)
Investing activities	(7,468,714)	–	(7,468,714)
Financing activities	(20,367,445)	–	(20,367,445)

	December 31, 2023		
	Local Trading	Global Trading	Total
<b>REVENUES</b>			
Interests	₱77,522,310	₱18,222,492	₱95,744,802
Net trading gains (losses) on financial assets at FVPL	20,571,407	(20,143,546)	427,861
Commissions	5,290,848	–	5,290,848
Dividends	1,535,623	709,788	2,245,411
	104,920,188	(1,211,266)	103,708,922
<b>COST OF SERVICES</b>			
Personnel costs	16,089,560	16,089,559	32,179,119
Commissions	7,257,084	1,907,096	9,164,180
Transaction costs	2,416,327	12,872,984	15,289,311
Research	–	2,533,446	2,533,446
Stock exchange dues and fees	1,710,872	–	1,710,872
Communications	1,070,503	–	1,070,503
Central depository fees	1,033,088	–	1,033,088
	29,577,434	33,403,085	62,980,519
<b>GROSS PROFIT (LOSS)</b>	75,342,754	(34,614,351)	40,728,403
<b>OPERATING EXPENSES</b>	(29,700,670)	(3,643,442)	(33,344,112)
<b>OTHER INCOME (LOSS)</b>			
Foreign exchange losses	(120,568)	(2,739,995)	(2,860,563)
Other income	1,786	–	1,786
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	45,523,302	(40,997,788)	4,525,514
<b>INCOME TAX BENEFIT</b>	(10,051,940)	(8,419,930)	(18,471,870)
<b>NET INCOME (LOSS)</b>	₱55,575,242	(₱32,577,858)	₱22,997,384
<b>SEGMENT ASSETS</b>	₱1,815,080,283	₱386,503,478	₱2,201,583,761
<b>SEGMENT LIABILITIES</b>	₱192,183,805	₱–	₱192,183,805
<b>CAPITAL EXPENDITURES</b>			
Fixed assets	₱3,460,495	₱–	₱3,460,495
<b>CASH FLOWS ARISING FROM:</b>			
Operating activities	₱105,713,197	(₱76,816,539)	₱28,896,658
Investing activities	(57,601,413)	54,142,704	(3,458,709)
Financing activities	(22,876,300)	–	(22,876,300)

## 24. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and noncash changes:

	2025			2024			2023		
	Lease Liabilities	Dividends Payable	Total	Lease Liabilities	Dividends Payable	Total	Lease Liabilities	Dividends Payable	Total
Balance at beginning of year	<b>₱1,835,016</b>	<b>₱-</b>	<b>₱1,835,016</b>	₱3,761,773	<b>₱-</b>	₱3,761,773	₱1,695,532	<b>₱-</b>	₱1,695,532
Noncash changes:									
Dividend declaration	-	<b>30,030,000</b>	<b>30,030,000</b>	-	18,150,000	18,150,000	-	21,340,000	21,340,000
Additions to									
lease liabilities	<b>4,485,960</b>	-	<b>4,485,960</b>	113,321	-	113,321	3,544,485	-	3,544,485
Interest expense	<b>78,102</b>	-	<b>78,102</b>	177,367	-	177,367	58,056	-	58,056
Cash change -									
Payments	<b>(2,288,691)</b>	<b>(30,030,000)</b>	<b>(32,318,691)</b>	(2,217,445)	(18,150,000)	(20,367,445)	(1,536,300)	(21,340,000)	(22,876,300)
Balance at end of year	<b>₱4,110,387</b>	<b>₱-</b>	<b>₱4,110,387</b>	₱1,835,016	<b>₱-</b>	₱1,835,016	₱3,761,773	<b>₱-</b>	₱3,761,773



## **REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
CTS Global Equity Group, Inc.  
27/F East Tower, Tektite Towers  
Exchange Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of CTS Global Equity Group, Inc. (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024, and 2023, and have issued our opinion thereon dated March 19, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk-Based Capital Adequacy Worksheet Pursuant to SEC Memorandum Circular No. 16;
- Information Relating to the Possession or Control Requirements under SRC Rule 49.2;
- Computation for Determination of Reserve Requirements under SRC Rule 49.2;
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit;
- Results of Year-end Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended;
- Reconciliation of Retained Earnings Available for Dividend Declaration under the Revised SRC Rule 68;
- Financial Soundness Indicators under the Revised SRC Rule 68; and
- Additional supplementary schedules under Annex 68-J and Annex 68-I of the Revised SRC Rule 68.

The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024, and 2023, and no material exceptions were noted.



The foregoing supplementary schedules are presented for purposes of complying with the Revised Securities Regulations Code Rule 68 issued by the SEC, and are not part of the basic financial statements prepared in accordance with PFRS Accounting Standards. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

**REYES TACANDONG & Co.**

*Mark Christian M. Ababa*

MARK CHRISTIAN M. ABABA

Partner

CPA Certificate No. 130245

Tax Identification No. 287-809-533-000

BOA Accreditation No. 4782/P-027; Valid until June 6, 2026

SEC Accreditation No. 130245-SEC Group A

Issued November 26, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-026-2024

Valid until March 26, 2027

PTR No. 10764002

Issued January 2, 2026, Makati City

March 19, 2026

Makati City, Metro Manila

**SCHEDULE I**

**CTS GLOBAL EQUITY GROUP, INC.  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

**DECEMBER 31, 2025**

The Company has no subordinated liability.

**SCHEDULE II**

**CTS GLOBAL EQUITY GROUP, INC.  
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY WORKSHEET PURSUANT TO  
SEC MEMORANDUM CIRCULAR NO. 16**

**DECEMBER 31, 2025**

Assets	₱2,269,861,385
Liabilities	227,326,708
Equity per books	2,042,534,677
Adjustments to Equity per books	
Add (Deduct):	
Allowance for Market Decline	-
Subordinated Liability	-
Unrealized Gain / (Loss) in Proprietary Accounts	-
Deferred Income Tax	(39,591,094)
Deposit for Future Stock Subscription	-
Minority Interest	-
Total Adjustments to Equity per books	(39,591,094)
Equity Eligible For Net Liquid Capital	2,002,943,583
Contingencies and Guarantees	
Deduct: <u>Contingent Liability</u>	-
<u>Guarantees or Indemnities</u>	-
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	4,274,403
b. Intercompany Receivables	-
c. Fixed Assets, net of accumulated and excluding those used as collateral	21,393,157
d. Prepayment from Client for Early Settlement of Account	-
e. All Other Current Assets	10,317,322
f. Securities Not Readily Marketable	-
g. Negative Exposure (SCCP)	82,629
h. Notes Receivable (non-trade related)	-
i. Interest and Dividends Receivables outstanding for more than 30 days	-
j. Ineligible Insurance claims	-
k. Ineligible Deposits	-
l. Short Security Differences	-
m. Long Security Differences not resolved prior to sale	-
n. Other Assets including Equity Investment in PSE	14,060,176
Total ineligible assets	50,127,687
Net Liquid Capital (NLC)	1,952,815,896
Less:	
Operating Risk Requirement	29,081,322
Position Risk Requirement	203,578,063
Counterparty Risk	-
Large Exposure Risk	
LERR to a Single Client	-
LERR to a Single Debt	39,996,348
LERR to a Single Issuer and Company of Companies	32,442,161
Total Risk Capital Requirement (TRCR)	305,097,894
Net RBCA Margin (NLC-TRCR)	1,647,718,002
Liabilities	227,326,708
Add: Deposit for Future Stock Subscription	-
Less: Exclusions from Aggregate Indebtedness	-
Subordinated Liability	-
Loans and Secured Securities	-
Loans Secured by Fixed Assets	-
Others	21,077,660
Total Adjustments to AI	(21,077,660)
Aggregate Indebtedness	206,249,048
5% of Aggregate Indebtedness	10,312,452
Required Net Liquid Capital (> of 5% of AI or ₱5M)	10,312,452
Net Risk-Based Capital Excess / (Deficiency)	1,942,503,444
Ratio of AI to Net Liquid Capital	11%
RBCA Ratio (NLC/TRCR)	640%

**SCHEDULE III**

**CTS GLOBAL EQUITY GROUP, INC.  
INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS UNDER SRC RULE 49.2**

**DECEMBER 31, 2025**

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

Market valuation	NIL
Number of items	NIL

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

Market valuation	NIL
Number of items	NIL

**SCHEDULE IV**

**CTS GLOBAL EQUITY GROUP, INC.  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER SRC RULE 49.2**

**DECEMBER 31, 2025**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱168,143,260	
2. Monies borrowed collateralized by securities carried for the account of customers.	-	
3. Monies payable against customers' securities loaned.	-	
4. Customers' securities failed to receive.	-	
5. Credit balances in firm accounts which are attributable to principal sales to customer.	-	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	1,331,029	
7. Market value of the short security count differences over 30 calendar days old.	-	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	-	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	-	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱1,556,298
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		-
12. Failed to deliver customers' securities not older than 30 calendar days.		378,667
13. Others due from clearing house		-
<b>Total</b>	<b>₱169,474,289</b>	<b>₱1,934,965</b>
<b>Net Credit (Debit)</b>	<b>₱167,539,324</b>	
<b>Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)</b>	<b>₱167,539,324</b>	

**SCHEDULE V**

**CTS GLOBAL EQUITY GROUP, INC.  
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED  
SINCE THE DATE OF THE PREVIOUS AUDIT**

**DECEMBER 31, 2025**

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

**SCHEDULE VI**

**CTS GLOBAL EQUITY GROUP, INC.  
RESULTS OF YEAR-END SECURITIES COUNT  
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED**

**DECEMBER 31, 2025**

There is no discrepancy in the results of the securities count conducted. Refer to page 78-82 for the results of year-end securities count conducted for the year ended December 31, 2025.

**CTS GLOBAL EQUITY GROUP, INC.**  
**RESULTS OF YEAR-END SECURITIES COUNT**  
**CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED**  
**DECEMBER 31, 2025**

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
358	JIANGXI COPPER CO LTD-H	11,000	₱3,563,945	11,000	₱3,563,945	-	₱-
AAA	ASIA AMALGAMATED CORP.	9,700	-	9,700	-	-	-
AB	ATOK BIG WEDGE	1,170	2,410	1,170	2,410	-	-
ABA	ABACORE CAPITAL HOLDINGS, INC.	2,158,769	561,280	2,158,769	561,280	-	-
ABG	ASIABEST GROUP	13,400	251,652	13,400	251,652	-	-
ABS	ABS-CBN	50,330	211,889	50,330	211,889	-	-
ABSP	ABS CBN PDR	14,700	50,127	14,700	50,127	-	-
AC	AYALA CORPORATION	42,417	19,851,156	42,417	19,851,156	-	-
ACE	ACESITE HOTEL	308,698	370,438	308,698	370,438	-	-
ACEN	ACEN CORPORATION	12,048,201	32,771,107	12,048,201	32,771,107	-	-
ACENB	ACEN CORP SERIES B PREF SHARES	1,785	1,909,950	1,785	1,909,950	-	-
ACPAR	Ayala Corporation Class A Preferred	2,440	6,197,600	2,440	6,197,600	-	-
ACPB3	AYALA CORP CLASS B PREF SHARES	4,000	7,952,000	4,000	7,952,000	-	-
ACR	ALSONS CONS.	20,723,000	9,739,810	20,723,000	9,739,810	-	-
AEV	ABOITIZ EQUITY	398,330	11,153,240	398,330	11,153,240	-	-
AGI	ALLIANCE GLOBAL GROUP, INC.	2,178,100	17,838,639	2,178,100	17,838,639	-	-
AGIW	ALLIANCE GLOBAL, INC.	407,450	476,717	407,450	476,717	-	-
ALCO	ARTHALAND CORPORATION	508,025	213,371	508,025	213,371	-	-
ALHI	ANCHOR LAND HOLDINGS	137,850	533,480	137,850	533,480	-	-
ALI	AYALA LAND	1,723,640	38,695,718	1,723,640	38,695,718	-	-
ALLDY	ALLDAY MARTS, INC.	16,728,000	518,568	16,728,000	518,568	-	-
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	1,394,540	1,812,902	1,394,540	1,812,902	-	-
ALTER	ALTERNERGY HOLDINGS CORP.	40,000	33,600	40,000	33,600	-	-
ANI	AGRINURTURE, INC.	87,900	47,466	87,900	47,466	-	-
ANS	ANSCOR	1,592,865	22,937,256	1,592,865	22,937,256	-	-
AP	ABOITIZ POWER CORP	402,873	17,726,412	402,873	17,726,412	-	-
APC	APC GROUP	3,994,200	423,385	3,994,200	423,385	-	-
APL	APOLLO GLOBAL CAPITAL, INC.	38,574,500	192,873	38,574,500	192,873	-	-
APO	ANGLO-PHIL.	4,089,332	2,862,532	4,089,332	2,862,532	-	-
APVI	ALTUS PROPERTY VENTURES INC	2,803	23,545	2,803	23,545	-	-
APX	APEX MINING A	72,625,832	903,465,350	72,625,832	903,465,350	-	-
AR	ABRA MINING	383,200,000	-	383,200,000	-	-	-
ARA	ARANETA PROPERTIES	1,152,065	460,826	1,152,065	460,826	-	-
AREIT	AREIT INC.	21,600	939,600	21,600	939,600	-	-
ASLAG	Raslag Corp.	71,000	58,220	71,000	58,220	-	-
AT	ATLAS CONS.	3,730,625	22,495,669	3,730,625	22,495,669	-	-
ATI	ASIAN TERMINALS	202,399	6,982,766	202,399	6,982,766	-	-
ATN	ATN HOLDINGS A	3,854,000	1,907,730	3,854,000	1,907,730	-	-
ATNB	ATN HOLDINGS B	6,000	2,970	6,000	2,970	-	-
AUB	ASIA UNITED BANK CORPORATION	442,185	17,333,652	442,185	17,333,652	-	-
AXLM	AXELUM RESOURCES CORP	382,000	901,520	382,000	901,520	-	-
BC	BENGUET CORP. A	199,350	996,750	199,350	996,750	-	-
BCB	BENGUET CORP. B	2,529	12,215	2,529	12,215	-	-
BCP	BENGUET CORP. CONV. PREF. A	43	1,081	43	1,081	-	-
BDO	BDO UNIBANK, INC.	1,523,311	205,037,661	1,523,311	205,037,661	-	-
BEL	BELLE CORP.	60,502,051	79,862,707	60,502,051	79,862,707	-	-
BHI	BOULEVARD HOLDINGS, INC.	3,970,000	154,830	3,970,000	154,830	-	-
BKR	BRIGHT KINDLE RESOURCES & INVESTMEN	1,049,740	682,331	1,049,740	682,331	-	-
BLOOM	BLOOMBERRY	2,664,900	6,768,846	2,664,900	6,768,846	-	-
BMM	BOGO MEDELLIN MILLING	5,425	-	5,425	-	-	-
BNCOM	Bank Of Commerce	26,000	239,200	26,000	239,200	-	-
BPI	BANK OF P.I.	111,681	12,966,164	111,681	12,966,164	-	-
BRN	A BROWN CO., INC.	4,963,944	4,616,468	4,963,944	4,616,468	-	-
BRNPC	A BROWN COMPANY, INC. SERIES C PREF	20,000	2,110,000	20,000	2,110,000	-	-
BSC	BASIC ENERGY CORPORATION	1,217,901	142,494	1,217,901	142,494	-	-
C	CHELSEA LOGISTICS AND INFRASTRUCTUR	244,300	232,085	244,300	232,085	-	-
CA	CONCRETE AGGREGATES A	2,000	96,700	2,000	96,700	-	-
CAT	CENTRAL AZUCARERA DE TARLAC	112,000	1,087,520	112,000	1,087,520	-	-
CBC	CHINA BANKING CORP.	7,587,393	432,481,401	7,587,393	432,481,401	-	-
CDC	CITYLAND DEV. CORP.	7,306	4,311	7,306	4,311	-	-
CEB	CEBU AIR, INC.	58,300	1,865,600	58,300	1,865,600	-	-
CEBCP	CEBU AIR INC	107,868	3,775,380	107,868	3,775,380	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CEI	CROWN EQUITIES	7,774,910	₱559,794	7,774,910	₱559,794	-	₱-
CEU	CENTRO ESCOLAR UNIV	4,320	67,824	4,320	67,824	-	-
CHP	CONCREAT HOLDINGS PHILIPPINES INC	2,488,429	2,712,388	2,488,429	2,712,388	-	-
CLI	CEBU LANDMASTERS INC	145,890	342,842	145,890	342,842	-	-
CNPF	CENTURY PACIFIC FOODS, INC.	27,700	1,080,300	27,700	1,080,300	-	-
CNVRG	CONVERGE INFORMATION AND COMMUNICAT	113,000	1,731,160	113,000	1,731,160	-	-
COAL	COAL COMMON SHARES	1,000,000	-	1,000,000	-	-	-
COL	COL FINANCIAL	1,967,530,250	2,793,892,955	1,967,530,250	2,793,892,955	-	-
COSCO	COSCO CAPITAL, INC.	2,272,594	15,885,432	2,272,594	15,885,432	-	-
CPG	CENTURY PROPERTIES GROUP INC.	277,522	191,490	277,522	191,490	-	-
CPM	CENTURY PEAK HOLDINGS CORPORATION	174,000	415,860	174,000	415,860	-	-
CREC	Citicore Renewable Energy Corp	10,000	42,800	10,000	42,800	-	-
CREIT	CITICORE ENERGY REIT CORP	2,824,000	10,081,680	2,824,000	10,081,680	-	-
CROWN	CROWN ASIA CHEM CORP COMMON SHARES	10,000	16,800	10,000	16,800	-	-
CTS	CTS Global Equity Group, Inc.	3,006,358,540	1,082,289,074	3,006,358,540	1,082,289,074	-	-
CYBR	CYBER BAY CORP.	3,630,550	-	3,630,550	-	-	-
DD	DOUBLE DRAGON CORPORATION	151,100	1,402,208	151,100	1,402,208	-	-
DDMPR	DDMP REIT INC.	5,820,000	5,936,400	5,820,000	5,936,400	-	-
DDPR	DOUBLEDRAGON CORPORATION- PREF	52,000	5,044,000	52,000	5,044,000	-	-
DELM	DEL MONTE PACIFIC LIMITED	456,100	2,143,670	456,100	2,143,670	-	-
DFNN	DFNN, INC.	2,000	1,600	2,000	1,600	-	-
DHI	DOMINION HOLDINGS, INC.	411,955	572,617	411,955	572,617	-	-
DITO	DITO CME HOLDINGS CORP	2,245,674	1,527,058	2,245,674	1,527,058	-	-
DIZ	DIZON COPPER SILVER	270,512	1,352,560	270,512	1,352,560	-	-
DMC	DMCI HOLDINGS	2,064,230	21,756,984	2,064,230	21,756,984	-	-
DMW	DM WENCESLAO AND ASSOCIATES INC	227,500	1,137,500	227,500	1,137,500	-	-
DNL	DNL INDUSTRIES, INC.	10,536,100	40,563,985	10,536,100	40,563,985	-	-
DWC	DISCOVERY WORLD CORPORATION	2,166,100	2,339,388	2,166,100	2,339,388	-	-
ECVC	EAST COAST VULCAN MINING CORPORATIO	1,202,560	324,691	1,202,560	324,691	-	-
EEL	EEL CORP.	2,503,099	7,108,801	2,503,099	7,108,801	-	-
EG	IP E-GAME VENTURES INC.	6,000,000	-	6,000,000	-	-	-
EGRN	EVERWOODS GREEN RESOURCES AND HOLDI	495,000	-	495,000	-	-	-
EIBA	EXPORT & INDUSTRY BANK, INC.	5,356,970	-	5,356,970	-	-	-
EIBB	EXPORT & INDUSTRY BANK B	200,000	-	200,000	-	-	-
ELI	EMPIRE EAST	15,482,409	1,610,171	15,482,409	1,610,171	-	-
EMI	EMPERADOR INC	100,000	1,600,000	100,000	1,600,000	-	-
ENEX	ENEX ENERGY CORP.	290,487	970,227	290,487	970,227	-	-
EW	EAST WEST BANKING CORP.	268,209	3,111,224	268,209	3,111,224	-	-
FAF	FIRST ABACUS FINANCIAL	163,600	107,976	163,600	107,976	-	-
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	10,000	550,000	10,000	550,000	-	-
FDC	FILINVEST DEV. CORP.	758,702	3,452,094	758,702	3,452,094	-	-
FFI	FILIPINO FUND, INC.	58,632	439,740	58,632	439,740	-	-
FGEN	FIRST GEN CORPORATION	639,200	11,339,408	639,200	11,339,408	-	-
FILRT	FILINVEST REIT CORP	2,397,988	7,433,763	2,397,988	7,433,763	-	-
FLI	FILINVEST LAND	17,532,136	13,499,745	17,532,136	13,499,745	-	-
FNI	GLOBAL FERRONICKEL HOLDINGS INC	609,985	823,480	609,985	823,480	-	-
FOOD	ALLIANCE SELECT FOODS INTERNATIONAL	103,197	38,183	103,197	38,183	-	-
FPH	FIRST PHIL. HOLDINGS	133,537	10,282,349	133,537	10,282,349	-	-
FPI	FORUM PACIFIC, INC.	5,054,260	1,213,022	5,054,260	1,213,022	-	-
FRUIT	FRUITAS HOLDINGS INC	13,549,000	8,671,360	13,549,000	8,671,360	-	-
FYN	FILSYN CORP. A	20,329	43,097	20,329	43,097	-	-
GEO	GEOGRACE	7,775,856	676,499	7,775,856	676,499	-	-
GERI	GLOBAL-ESTATE	18,461,882	12,738,699	18,461,882	12,738,699	-	-
GLO	GLOBE TELECOMS	38,673	61,258,032	38,673	61,258,032	-	-
GMA7	GMA NETWORK, INC.	238,000	1,287,580	238,000	1,287,580	-	-
GMAP	GMA PDRS	327,000	1,729,830	327,000	1,729,830	-	-
GO	GOTESCO LAND, INC.A	297,659	-	297,659	-	-	-
GOB	GOTESCO LAND, INC. B	71,360	-	71,360	-	-	-
GREEN	GREENENERGY HOLDINGS	157,998	28,440	157,998	28,440	-	-
GSMI	GINEBRA SAN MIGUEL INC.	41,310	12,186,450	41,310	12,186,450	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	13,490	8,026,550	13,490	8,026,550	-	-
HI	HOUSE OF INVESTMENTS	330,000	1,485,000	330,000	1,485,000	-	-
HOME	ALLHOME CORP	36,400	8,627	36,400	8,627	-	-
HTI	Haus Talk, Inc.	20,000	22,000	20,000	22,000	-	-
I	IREMIT	170,669	-	170,669	-	-	-
ICT	INTL. CONTAINER TERMINAL	357,449	202,673,583	357,449	202,673,583	-	-
IMI	INTEGRATED MICRO- ELECTRONICS, INC.	38,394	133,227	38,394	133,227	-	-
IMP	IMPERIAL RES.	79,920	55,944	79,920	55,944	-	-
INFRA	PHILIPPINE INFRADEV HOLDINGS INC	97,000	30,555	97,000	30,555	-	-
ION	IONICS, INC.	885,652	903,365	885,652	903,365	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
IPM	IPM HOLDINGS INC	300,000	₱471,000	300,000	₱471,000	-	₱-
IPO	IPEOPLE, INC.	101,654	609,924	101,654	609,924	-	-
IS	ISLAND INFORMATION	6,098,000	750,054	6,098,000	750,054	-	-
ISANEKAT	ANEKA TAMBANG TBK PT	330,000	3,638,250	330,000	3,638,250	-	-
ISGOTOGO	GOTO GOJEK TOKOPEDIA TBK PT	13,200,000	2,956,800	13,200,000	2,956,800	-	-
ISMERDEB	MERDEKA BATTERY MATERIALS TBK PT	1,500,000	2,992,500	1,500,000	2,992,500	-	-
JAS	JACKSTONES, INC	2,110,000	2,363,200	2,110,000	2,363,200	-	-
JFC	JOLLIBEE	34,390	6,190,200	34,390	6,190,200	-	-
JFCPB	JOLLIBEE FOODS CORP	9,600	9,542,400	9,600	9,542,400	-	-
JGS	JG SUMMIT	505,860	11,963,589	505,860	11,963,589	-	-
KEEPR	THE KEEPERS HOLDINGS INC	320,195	794,084	320,195	794,084	-	-
LC	LEPANTO CONS A	98,926,893	18,301,475	98,926,893	18,301,475	-	-
LCB	LEPANTO CONS B	8,483,397	1,586,395	8,483,397	1,586,395	-	-
LFM	LIBERTY FLOUR MILLS	1,014,440	34,288,072	1,014,440	34,288,072	-	-
LMG	LMG CHEMICALS	1,800,000	450,000	1,800,000	450,000	-	-
LODE	LODESTAR INVESTMENT HOLDINGS	344,000	120,400	344,000	120,400	-	-
LOTO	PACIFIC ONLINE SYSTEMS	29,290,800	49,794,360	29,290,800	49,794,360	-	-
LPC	LFM Properties Corp	175,436,420	7,192,893	175,436,420	7,192,893	-	-
LPZ	LOPEZ HOLDINGS CORPORATION	1,290,975	4,802,427	1,290,975	4,802,427	-	-
LSC	LORENZO SHIPPING	100,000	61,000	100,000	61,000	-	-
LTG	LT GROUP, INC.	625,450	9,244,151	625,450	9,244,151	-	-
MA	MANILA MINING A	414,959,369	3,029,203	414,959,369	3,029,203	-	-
MAB	MANILA MINING B	10,939,310	78,763	10,939,310	78,763	-	-
MAC	MACROASIA CORP.	1,444,328	6,268,384	1,444,328	6,268,384	-	-
MACAY	MACAY HOLDINGS, INC.	544,366	3,805,118	544,366	3,805,118	-	-
MAH	METRO ALLIANCE HOLDINGS A	22,500	8,325	22,500	8,325	-	-
MAHB	METRO ALLIANCE HOLDINGS B	1,500	1,035	1,500	1,035	-	-
MARC	MARCVENTURES HOLDINGS, INC.	6,580	4,606	6,580	4,606	-	-
MAXS	MAX'S GROUP, INC.	727,000	1,781,150	727,000	1,781,150	-	-
MB	MANILA BULLETIN	3,479,973	570,716	3,479,973	570,716	-	-
MBT	METROBANK	1,204,255	82,491,468	1,204,255	82,491,468	-	-
MC	MARSTEEL CONS.	150,000	-	150,000	-	-	-
MCB	MARSTEEL CONSOLIDATED	4,850,000	-	4,850,000	-	-	-
MEDIC	Medilines Distributors Incorporated	63,000	16,380	63,000	16,380	-	-
MEG	MEGAWORLD CORPORATION	7,760,291	16,141,405	7,760,291	16,141,405	-	-
MER	MERALCO	240,148	137,844,952	240,148	137,844,952	-	-
MFC	MANULIFE FINANCIAL CORP.	638	1,199,440	638	1,199,440	-	-
MG	MILLENNIUM GLOBAL HOLDINGS, INC.	8,274,000	496,440	8,274,000	496,440	-	-
MGH	METRO GLOBAL HOLDINGS CORPORATION	76,400	-	76,400	-	-	-
MHC	MABUHAY HOLDINGS	2,598,000	298,770	2,598,000	298,770	-	-
MJC	MANILA JOCKEY CLUB, INC.	17,871,699	-	17,871,699	-	-	-
MJIC	MJC INVESTMENTS CORP.	3,400	-	3,400	-	-	-
MM	MERRYMART CONSUMER CORP.	57,000	22,800	57,000	22,800	-	-
MMC	MARCOPPER MINING	17	-	17	-	-	-
MONDE	MONDE NISSIN CORP	2,246,100	13,027,380	2,246,100	13,027,380	-	-
MRC	MRC ALLIED, INC.	737,000	641,190	737,000	641,190	-	-
MREIT	MREIT INC.	214,000	2,996,000	214,000	2,996,000	-	-
MRSGI	METRO RETAIL STORES GROUP, INC.	67,000	77,050	67,000	77,050	-	-
MWC	MANILA WATER COMPANY	139,200	5,609,760	139,200	5,609,760	-	-
MWIDE	MWIDE	88	263	88	263	-	-
MWP5	MEGAWIDE CONSTRUCTION CORPORATION	3,500	360,500	3,500	360,500	-	-
MYNLD	MAYNILAD WATER SVCS, INC.COMMON SHS	384,000	6,489,600	384,000	6,489,600	-	-
NI	NIHAO MINERAL RESOURCES	623,300	196,340	623,300	196,340	-	-
NIKL	NICKEL ASIA CORPORATION	7,643,244	29,732,219	7,643,244	29,732,219	-	-
NOW	NOW CORPORATION	173,500	117,980	173,500	117,980	-	-
NRCP	NATIONAL REINSURANCE CORP.	8,885,000	6,841,450	8,885,000	6,841,450	-	-
NXGEN	NEXTGENESIS CORPORATION	61,800	-	61,800	-	-	-
OGP	OceanaGold (Philippines), Inc.	14,000	450,800	14,000	450,800	-	-
OM	OMICOR CORP.	802,497	81,052	802,497	81,052	-	-
OPM	ORIENTAL PET. & MIN. A	1,035,932,235	12,431,187	1,035,932,235	12,431,187	-	-
OPMB	ORIENTAL PET. & MIN. B	677,315,314	8,127,784	677,315,314	8,127,784	-	-
ORE	ORIENTAL PENINSULA RESOURCES	1,473,700	545,269	1,473,700	545,269	-	-
OV	PHILODRILL	486,867,094	4,333,117	486,867,094	4,333,117	-	-
PA	PACIFICA HOLDINGS INC	58,550	55,623	58,550	55,623	-	-
PAL	PAL HOLDINGS, INC.	57,328	217,846	57,328	217,846	-	-
PAX	PAXYS, INC.	10,829,000	28,263,690	10,829,000	28,263,690	-	-
PBB	PHILIPPINE BUSINESS BANK	57,923	446,007	57,923	446,007	-	-
PBC	PHIL. BANK OF COMMUNICATIONS	4,455	74,399	4,455	74,399	-	-
PCOR	PETRON	2,311,505	5,732,532	2,311,505	5,732,532	-	-
PCP	PICOP RESOURCES	1,520,420	-	1,520,420	-	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PERC	PETROENERGY RESOURCES CORP.	2,751,356	₱9,629,746	2,751,356	₱9,629,746	-	₱-
PGOLD	PUREGOLD PRICE CLUB, INC.	64,400	2,447,200	64,400	2,447,200	-	-
PHA	PremiereHorizon	45,000	10,665	45,000	10,665	-	-
PHC	PHILCOMSAT HOLDINGS CORP.	10,000	18,400	10,000	18,400	-	-
PHN	PHINMA CORPORATION	2,645	44,172	2,645	44,172	-	-
PHR	PH RESORTS GROUP HOLDINGS INC	102,000	13,566	102,000	13,566	-	-
PIZZA	SHAKEYS PIZZA ASIA VENTURES INC	3,100	21,080	3,100	21,080	-	-
PLUS	DigiPlus Interactive Corp.	1,377,275	22,311,855	1,377,275	22,311,855	-	-
PMPC	PANASONIC MANUFACTURING PHILS	2,722	29,398	2,722	29,398	-	-
PMT	PRIMETOWN PROPERTY GROUP	155,600	-	155,600	-	-	-
PNB	PHILIPPINE NATIONAL BANK	121,636	6,616,998	121,636	6,616,998	-	-
PNC	PHIL. NATIONAL CONST.	5,153	-	5,153	-	-	-
PNX	PHOENIX PETROLEUM	71,725	-	71,725	-	-	-
PNX3B	PPPI SERIES 3B PREF SHARES	19,700	-	19,700	-	-	-
PNX4	PPPI SERIES 4 PREF SHARES	600	-	600	-	-	-
PRC	PHIL. RACING CLUB	24,453	161,390	24,453	161,390	-	-
PRF4A	PETRON CORP SERIES A PREFERRED	300	293,850	300	293,850	-	-
PRF4B	PETRON CORP SERIES B PREFERRED	870	865,650	870	865,650	-	-
PRIM	PRIME MEDIA HOLDINGS, INC.	2,077	2,700	2,077	2,700	-	-
PSB	PHIL. SAVINGS BANK	31,171	1,683,234	31,171	1,683,234	-	-
PSE	PHIL. STOCK EXCHANGE	2,088	428,875	2,088	428,875	-	-
PTT	PT&T Corp	725,139	-	725,139	-	-	-
PX	PHILEX	5,334,868	52,815,193	5,334,868	52,815,193	-	-
PXP	PXP ENERGY CORPORATION	1,011,149	2,406,535	1,011,149	2,406,535	-	-
RCB	RCBC	6,065	157,387	6,065	157,387	-	-
RCI	ROXAS AND COMPANY, INC.	417,177	1,118,034	417,177	1,118,034	-	-
RCR	RL COMMERCIAL REIT INC.	965,200	7,740,904	965,200	7,740,904	-	-
REG	REPUBLIC GLASS HOLDINGS	7,546	17,356	7,546	17,356	-	-
RFM	RFM CORP.	169,236	803,871	169,236	803,871	-	-
RLC	ROBINSON LAND	161,443	2,608,919	161,443	2,608,919	-	-
RLT	PHIL. REALTY & HOLDINGS	9,218,281	1,004,793	9,218,281	1,004,793	-	-
ROCK	ROCKWELL LAND CORPORATION	52,165,549	96,506,266	52,165,549	96,506,266	-	-
ROX	ROXAS HOLDINGS, INC.	109,710	-	109,710	-	-	-
RPC	REYNOLDS PHILS.	75,271	-	75,271	-	-	-
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	119,900	3,962,695	119,900	3,962,695	-	-
SBS	SBS PHILS CORP COMMON SHARES	96,105	373,848	96,105	373,848	-	-
SCC	SEMIRARA MINING AND POWER CORPORATION	1,670,300	47,185,975	1,670,300	47,185,975	-	-
SDP	SIME DARBY	60	-	60	-	-	-
SECB	SECURITY BANK	264,656	17,374,666	264,656	17,374,666	-	-
SEVN	PHILIPPINE SEVEN CORP.	3,200	118,400	3,200	118,400	-	-
SFI	SWIFT FOODS	53,646,137	2,521,368	53,646,137	2,521,368	-	-
SFIP	SWIFT FOODS CONV. PREF.	15,428	26,073	15,428	26,073	-	-
SGI	SOLID GROUP	4,115,850	5,227,130	4,115,850	5,227,130	-	-
SGP	SYNERGY GRID	191,050	3,163,788	191,050	3,163,788	-	-
SHLPH	SHELL PILIPINAS CORP	9,953,500	68,977,755	9,953,500	68,977,755	-	-
SHNG	SHANG PROPERTIES, INC.	42,024,453	148,766,564	42,024,453	148,766,564	-	-
SLF	SUN LIFE FINANCIAL, INC.	3,909	13,446,960	3,909	13,446,960	-	-
SLI	STA. LUCIA LAND	137,730	358,098	137,730	358,098	-	-
SM	SM INVESTMENTS CORP	31,183	21,812,509	31,183	21,812,509	-	-
SMC	SAN MIGUEL	642,680	52,699,760	642,680	52,699,760	-	-
SMC2L	SMCPREFS2L	22,000	1,708,300	22,000	1,708,300	-	-
SMC2N	SMCPREFS2N	90,000	7,245,000	90,000	7,245,000	-	-
SMC2O	SMCPREFS2O	50,000	4,050,000	50,000	4,050,000	-	-
SMC2P	SMCPREFS2P	90,000	6,930,000	90,000	6,930,000	-	-
SMC2S	SMCPREFS2S	7,000	544,600	7,000	544,600	-	-
SMPH	SM PRIME HOLDINGS	4,097,637	93,221,242	4,097,637	93,221,242	-	-
SOC	SOCResources, Inc.	110,000	20,020	110,000	20,020	-	-
SPM	SEAFRONT RESOURCES CORP.	46,246	109,141	46,246	109,141	-	-
SPNEC	SP NEW ENERGY CORPORATION	2,789,000	3,263,130	2,789,000	3,263,130	-	-
SSI	SSI GROUP, INC.	4,339,100	11,411,833	4,339,100	11,411,833	-	-
STI	STI HOLDINGS	8,595,000	12,118,950	8,595,000	12,118,950	-	-
STN	STENIEL MFG. CORP.	384,895	839,071	384,895	839,071	-	-
STR	VISTAMALLS, INC.	31,300	39,125	31,300	39,125	-	-
SUN	SUNTRUST RESORT HOLDINGS, INC.	5,046,250	3,835,150	5,046,250	3,835,150	-	-
SWM	SANITARY WARES MFG.	40,700	-	40,700	-	-	-
T	TKC METALS CORPORATION	290,000	127,600	290,000	127,600	-	-
TBGI	TRANSPACIFIC BROADBAND GROUP	1,300,000	172,900	1,300,000	172,900	-	-
TECH	CIRTEK HOLDINGS PHILIPPINES CORP	6,380	4,019	6,380	4,019	-	-
TEL	PLDT INC.	15,573	19,621,980	15,573	19,621,980	-	-
TFHI	TOP FRONTIER INVESTMENTS HOLDINGS,	49,186	3,000,346	49,186	3,000,346	-	-

CODE	NAME	Per Records		Per Count		Unlocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
TLT	ISHARES 20+ YEAR TREASURY BD	57,400	₱294,200,474	57,400	₱294,200,474	-	₱-
TOP	TOP LINE BUS	30,000	48,000	30,000	48,000	-	-
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	1,020,000	601,800	1,020,000	601,800	-	-
U.UN	SPROTT PHYSICAL URANIUM TR	4,300	4,942,819	4,300	4,942,819	-	-
UBP	UNION BANK	49,771	1,323,909	49,771	1,323,909	-	-
UNH	UNIHOLDINGS INC.	2,290	265,640	2,290	265,640	-	-
UNI	UNIOIL RES. & HOLDINGS CO.	7,823,500	-	7,823,500	-	-	-
UP	UNIVERSAL RIGHTFIELD PROP.	4,416,320	-	4,416,320	-	-	-
UPM	UNITED PARAGON MNG.	21,175,000	122,815	21,175,000	122,815	-	-
URC	UNIVERSAL ROBINA	254,976	17,159,885	254,976	17,159,885	-	-
V	VANTAGE EQUITIES, INC.	1,511,250	1,345,013	1,511,250	1,345,013	-	-
VITA	VITARICH	2,316,256	1,227,616	2,316,256	1,227,616	-	-
VLL	VISTA LAND & LIFESCAPES	1,269,190	1,319,958	1,269,190	1,319,958	-	-
VMC	VICTORIAS MILLING CO., INC.	3,276,804	5,668,871	3,276,804	5,668,871	-	-
VREIT	VISTAREIT INC.	10,000	13,700	10,000	13,700	-	-
VVT	VIVANT CORPORATION	625	12,150	625	12,150	-	-
WEB	PHILWEB CORPORATION	168,060	1,041,972	168,060	1,041,972	-	-
WIN	WELLEX IND., INC.	1,136,000	295,360	1,136,000	295,360	-	-
WLCON	WILCON DEPOT INC	60,800	423,168	60,800	423,168	-	-
WPI	WATERFRONT PHIL., INC.	669,138	271,001	669,138	271,001	-	-
X	XURPAS INC	126,000	31,248	126,000	31,248	-	-
ZHI	ZEUS HOLDINGS	200,000	13,400	200,000	13,400	-	-
			₱7,918,943,195		₱7,918,943,195	-	₱-

**SCHEDULE VII**

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**CTS GLOBAL EQUITY GROUP, INC.**

27/F East Tower, Tektite Towers, Exchange Road  
Ortigas Center, Pasig City

	Amount
<b>Unappropriated retained earnings, beginning of reporting period</b>	₱57,611,504
<b>Less: Items that are directly debited to unappropriated retained earnings</b>	
Dividend declaration during the reporting period	(30,030,000)
Retained earnings appropriated during the reporting period	(6,453,393)
<b>Unappropriated retained earnings, as adjusted</b>	<b>21,128,111</b>
<b>Add: Net income for the current year</b>	<b>2,855,106</b>
<b>Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(3,619,428)
<b>Less: Other items that should be excluded from the determination of the amount of available for dividends distribution</b>	
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	(1,000,166)
Net movement in deferred tax on ROU assets and lease liabilities	22,261
<b>Total retained earnings, end of the reporting period available for dividend</b>	<b>₱19,385,884</b>

**SCHEDULE VIII**

**CTS GLOBAL EQUITY GROUP, INC.  
SUPPLEMENTARY SCHEDULE OF  
FINANCIAL SOUNDNESS INDICATORS UNDER REVISED SRC RULE 68**

**DECEMBER 31, 2025**

	2025	2024
<b>Current/liquidity ratio</b>	<b>5.02</b>	5.07
Current assets	<b>₱963,273,080</b>	₱963,609,495
Current liabilities	<b>191,713,645</b>	189,961,101
<b>Solvency ratio</b>	<b>0.04</b>	0.32
After-tax income before depreciation	<b>₱8,885,515</b>	₱70,065,706
Total liabilities	<b>227,326,708</b>	220,900,455
<b>Debt-to-equity ratio</b>	<b>0.11</b>	0.11
Total liabilities	<b>₱227,326,708</b>	₱220,900,455
Total equity	<b>2,042,534,677</b>	2,056,657,764
<b>Asset-to-equity ratio</b>	<b>1.11</b>	1.11
Total assets	<b>₱2,269,861,385</b>	₱2,277,558,219
Total equity	<b>2,042,534,677</b>	2,056,657,764
<b>Interest rate coverage ratio</b>	<b>2.26</b>	31.81
Income before interest and taxes	<b>₱4,651,564</b>	₱61,479,996
Interest expense	<b>2,057,723</b>	1,932,992
<b>Return on equity</b>	<b>0.0014</b>	0.0314
After-tax income	<b>₱2,855,106</b>	₱64,533,932
Total equity	<b>2,042,534,677</b>	2,056,657,764
<b>Return on assets</b>	<b>0.0013</b>	0.0283
After-tax income	<b>₱2,855,106</b>	₱64,533,932
Total assets	<b>2,269,861,385</b>	2,277,558,219
<b>Other relevant ratios</b>		
RBCA ratio	<b>640%</b>	1,317%
Ratio of AI to NLC	<b>10%</b>	10%
Ratio of Core Equity to ORR	<b>6,929%</b>	7,102%

**SCHEDULE IX**

**CTS GLOBAL EQUITY GROUP, INC.  
ADDITIONAL SUPPLEMENTARY SCHEDULES UNDER  
ANNEX 68-J OF THE REVISED SRC RULE 68**

**DECEMBER 31, 2025**

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	3
D	Long-Term Debt	4
E	Indebtedness to Related Parties	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE A  
FINANCIAL ASSETS

DECEMBER 31, 2025

<b>Name of Issuing Entity and Association of Each Issue</b>	<b>Number of Shares or Principal Amount of Bonds and Notes</b>	<b>Amount Shown in the Balance Sheet</b>	<b>Income Received and Accrued</b>
<b>Financial Assets at FVPL</b>			
iShares 20+ Year Treasury ETF	57,400	294,200,474	7,962,755
D and L Industries Inc.	8,141,600	31,345,160	1,674,052
Various securities	22,142,825	18,585,515	6,278,397
	<b>30,341,825</b>	<b>344,131,149</b>	<b>15,915,204</b>
<b>Financial Assets at FVOCI</b>			
Investments in government securities	1,248,347,135	1,248,347,135	72,807,242
<b>Total</b>	<b>1,278,688,960</b>	<b>₱1,592,478,284</b>	<b>₱88,722,446</b>



**CTS GLOBAL EQUITY GROUP, INC.**

---

**SCHEDULE C  
AMOUNTS RECEIVABLE FROM  
RELATED PARTIES WHICH ARE ELIMINATED DURING  
CONSOLIDATION OF FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

<b>Name and Designation of Debtor</b>	<b>Balance at Beginning of Period</b>	<b>Additions</b>	<b>Amounts Collected</b>	<b>Amounts Written Off</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Balance at End of Period</b>
---------------------------------------	---------------------------------------	------------------	--------------------------	----------------------------	----------------	-------------------	---------------------------------

---

Not Applicable.

**CTS GLOBAL EQUITY GROUP, INC.**

---

**SCHEDULE D  
LONG-TERM DEBT**

**DECEMBER 31, 2025**

<b>Title of Issue and Type of Obligation</b>	<b>Amount Authorized by Indenture</b>	<b>Amount Shown Under Caption "Current Portion of Loans Payable" in Related Balance Sheet</b>	<b>Amount Shown Under Caption "Loans Payable - Net of Current Portion" in Related Balance Sheet</b>	<b>Interest Rate</b>	<b>Maturity Dates</b>

None.

**CTS GLOBAL EQUITY GROUP, INC.**

---

**SCHEDULE E  
INDEBTEDNESS TO RELATED PARTIES**

**DECEMBER 31, 2025**

<b>Name of Related Party</b>	<b>Balance at Beginning of Period</b>	<b>Balance at End of Period</b>
	None.	

**CTS GLOBAL EQUITY GROUP, INC.**

---

**SCHEDULE F  
GUARANTEES OF SECURITIES AND OTHER ISSUERS**

**DECEMBER 31, 2025**

<b>Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed</b>	<b>Title of Issue of Each Class of Securities Guaranteed</b>	<b>Total Amount Guaranteed and Outstanding</b>	<b>Amount Owned by Person for Which Statement is Filed</b>	<b>Nature of Guarantee</b>
		None.		

**CTS GLOBAL EQUITY GROUP, INC.**

**SCHEDULE G  
CAPITAL STOCK**

**DECEMBER 31, 2025**

<b>Title of Issue</b>	<b>Number of Shares Authorized</b>	<b>Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption</b>	<b>Number of Shares Reserved for Options, Warrants, Conversion and Other Rights</b>	<b>Number of Shares Held by Related Parties</b>	<b>Directors, Officers and Employees</b>	<b>Others</b>
Common Stock	8,000,000,000	6,875,000,000	–	–	4,581,908,500	2,293,091,500

**CTS GLOBAL EQUITY GROUP, INC.**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**  
**DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>Total Audit Fees</b>	<b>₱975,000</b>	<b>₱925,000</b>
Non-audit service fees:		
All other services	200,000	250,000
Tax services	-	120,000
Other assurance services	-	-
<b>Total Non-audit Fees</b>	<b>200,000</b>	<b>370,000</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱1,175,000</b>	<b>₱1,295,000</b>

**CTS GLOBAL EQUITY SECURITIES, INC.**  
**SCHEDULE FOR LISTED COMPANIES**  
**WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC UNDER**  
**ANNEX 68-I OF THE REVISED SRC RULE 68**  
**December 31, 2025**

	Estimated	Actual
Gross Proceeds	₱1,375,000,000	₱1,375,000,000
Offer Expenses	(21,728,465)	(21,728,465)
Net Proceeds	1,353,271,535	1,353,271,535
Use of Proceeds		
Scaling of global trading operations	(1,342,977,987)	(1,342,977,987)
General corporate purposes	(10,293,548)	(10,293,548)
	(1,353,271,535)	(1,353,271,535)
Unapplied Proceeds	₱-	₱-

# **SUSTAINABILITY REPORT**

**CTS Global Equity Group, Inc.**

**Year 2025**

## TABLE OF CONTENTS

A. Contextual Information.....	2
1. Company Details.....	2
2. Materiality Process .....	2
B. Economic.....	3
1. Economic Performance .....	3
2. Climate-Related Risks and Opportunities.....	5
3. Procurement Practices .....	6
4. Anti-Corruption .....	7
C. Environment.....	9
1. Resource Management .....	9
2. Environmental Impact Management .....	11
D. Social .....	14
1. Employee Management .....	14
2. Supply Chain Management .....	24
3. Relationship with Community .....	24
4. Customer Management .....	25
E. United Nations Sustainable Development Goals .....	29

**A. CONTEXTUAL INFORMATION**

**1. Company Details**

<b>Name of Organization</b>	<b>CTS Global Equity Group, Inc. (“CTS”, the “Corporation”)</b>
<b>Location of Headquarters</b>	<i>Pasig City, Metro Manila, Philippines</i>
<b>Location of Operations</b>	<i>Pasig City, Metro Manila, Philippines</i>
<b>Report Boundary: Legal entities included in this report</b>	<i>CTS Global Equity Group, Inc.</i>
<b>Business Model, including Primary Activities, Brands, Products, and Services</b>	<i>Proprietary Trading, Broker/ Dealer of Securities</i>
<b>Reporting Period</b>	<i>Calendar year ending 31 December 2025</i>
<b>Highest Ranking Person responsible for this Report</b>	<i>Juan Carlos G. Aquino/ Associated Person</i>

**2. Materiality Process**

To create this report, the Corporation’s management identified key areas that are materially relevant for CTS to reach long-term sustainable operations. It likewise endeavored to identify the expectations and interests of its various stakeholders comprising of, among others, its personnel (directors, officers, employees, and independent traders), clients, service providers, regulators, investors and shareholders, and competitors.

Out of the 33 GRI topics, the following are material to the Corporation’s stakeholders. These topics must be validated against stakeholder interviews:

- Economic Performance;
- Indirect Economic Impacts;
- Employee Hiring and Benefits;
- Employee Training and Development;
- Customer Satisfaction;
- Customer Privacy;
- Data Security; and
- Local Communities; Financial Inclusion, Accessibility and Financial Education.

*(This space is intentionally left blank.)*

## B. ECONOMIC

### 1. Economic Performance

#### a. Direct Economic Value Generated and Distributed

The following figures are based on the 2025 Audited Financial Statements of CTS Global Equity Group, Inc.:

Disclosure	Amount (in ₱)
<b>Direct economic value generated (revenue)</b>	<b>108,389,218</b>
<b>Direct economic value distributed:</b>	
<b>a. Operating costs</b>	<b>40,470,447</b>
<b>b. Employee wages and benefits</b>	<b>53,376,228</b>
<b>c. Payments to suppliers, other operating costs</b>	<b>16,738,026</b>
<b>d. Dividends given to stockholders and interest payments to loan providers</b>	<b>27,187,723</b>
<b>e. Taxes given to government*</b>	<b>18,147,741</b>

\*CTS also remitted to the government sales transactions tax collected from its customers amounting to ₱3,204,455.00.

#### (1) Impact

CTS was established to engage in the business of equities trading as a broker-dealer for the Philippine market, but through time, shifted focus to its proprietary trading desk for global equities. It uses its expertise garnered from years of experience and intellectual property assets – specifically on risk management, macroeconomics, fundamental, and technical analysis – to capitalize on opportunities on a local and global scale through trading of equities listed in various stock exchanges. With a cumulative experience of more than a hundred years trading in the stock market, the Corporation has been able to develop a robust trading system that allows its traders to consistently generate returns on proprietary and client capital.

As part of CTS’s commitment to establishing the Philippines as the lead proprietary trading hub in the world and uplifting world-class Filipino talent into the global trading arena, the Corporation has built a robust trader development ecosystem and continues to invest in technology that strengthens its ability to efficiently produce and distribute valuable content and information to traders. Having moved beyond the digital transitions of the pandemic era, the Corporation has now fully integrated automated analytics and real-time risk monitoring, paving the way for the Corporation to scale its operations to a global high-performance standard.

The economic performance of CTS affects the following stakeholders: its own personnel (consisting of its directors, officers, full-time employees, and independent traders), the Corporation’s clients, its investors and shareholders, its regulators consisting of, among others, the Securities and Exchange Commission, the Anti-Money Laundering Council, the Philippine Stock Exchange, Inc., and the Capital Markets Integrity Corporation, and the capital markets in general.

To manage its economic performance, CTS is committed to maximizing its profitability through the efficient use of its capital resources with the ultimate objective of increasing shareholder value. Consequently, CTS regularly monitors and reviews the effectiveness of its corporate activities and key performance indicators, which are considered important in measuring the success of implemented financial and operating strategies and concomitant action plans. Below are some of the Corporation's key performance indicators which are measured from time to time:

- Revenue/ Capital;
- Gross Margin;
- Net Margin;
- Global Trading Revenues;
- Local Trader Revenues;
- Total Revenues;
- Net Liquid Capital; and
- Risk Based Capital Adequacy Ratio.

## **(2) Identified Risks**

Market risk remains the primary concern for CTS, as the Corporation's performance is directly tied to the volatility and movement of global equities. Successfully navigating shifting market conditions is essential for generating returns, making disciplined risk management a core pillar of CTS's operations.

In 2025, global stock markets transitioned into a period of macro-divergence. While the extreme inflationary pressures of 2024 have stabilized, markets now face a "post-rate-hike" equilibrium where corporate earnings and AI-driven productivity gains are the primary drivers of valuation. However, volatility has persisted as investors navigate shifting global trade blocs and the recalibration of high-growth technology sectors. This environment requires a more granular approach to sector rotation and risk allocation than in previous years.

Geopolitical risks continue to provide a backdrop of uncertainty. Fragmented global supply chains and regional trade restrictions on sensitive technologies have created localized disruptions, particularly impacting emerging markets. Domestically, the Philippine Stock Exchange Index (PSEi) has reflected these broader global shifts. While maintaining its role as a key regional market, it remains sensitive to foreign capital flows and local economic headwinds, requiring CTS to maintain a diversified and agile portfolio.

Despite these challenges, CTS maintained a disciplined risk management approach, continuously adapting its proprietary trading models to shifting market conditions. By closely monitoring liquidity, adjusting exposure to volatile asset classes, and reinforcing capital adequacy measures, CTS ensured its traders remained agile and well-positioned. The Corporation remains committed to navigating evolving market risks while safeguarding long-term value for its stakeholders.

### **(3) Identified Opportunities**

Local talent remains CTS's greatest advantage in the global trading landscape. The Philippines' lower cost of living, coupled with a large pool of highly skilled and educated professionals, provides a strong competitive edge. With a median age of 26 years and a 93% literacy rate, the country offers a deep talent pipeline. CTS continues to invest in education, recruitment, and trader development programs to cultivate world-class professionals and maximize this opportunity.

In 2025, CTS fully operationalized its Client Advisory Services, marking a strategic expansion beyond proprietary trading. This initiative is expected to eventually become a key revenue driver, leveraging the firm's expertise in trading and risk management to provide high-value advisory solutions to institutional and high-net-worth clients. By productizing our internal intellectual property, we have created a scalable model for growth.

Beyond its established markets in the U.S., Hong Kong, Japan, and the Philippines, CTS is actively expanding its regional footprint through its ASEAN trading team. This initiative positions the firm to capitalize on the rapidly growing financial markets in Southeast Asia, where increasing investor participation and market infrastructure improvements present new opportunities for alpha generation.

These developments create significant value for CTS's personnel, clients, shareholders, and the broader capital markets, reinforcing the Corporation's role as a leading player in the evolving financial landscape.

## **2. Climate-Related Risks and Opportunities**

The Corporation acknowledges the integral role of environmental stewardship in its business and operations. In line with its commitment to sustainability and climate action, CTS continues to support initiatives that promote environmental awareness and biodiversity conservation. While no environmental activities were conducted in 2025, the Corporation formalized its affiliation with the Haribon Foundation for the Conservation of Natural Resources, Inc. (Haribon Foundation), an organization that advocates for biodiversity conservation through building constituencies, empowering communities, and applying multi-disciplinary approaches.

This partnership builds on the Corporation's previous participation in the Native Tree Walks initiative held at the Ninoy Aquino Parks & Wildlife Center on October 19, 2024, where employee volunteers gained firsthand experience in understanding native tree species and the importance of biodiversity in urban ecosystems. Through this continued collaboration, the Corporation aims to strengthen its environmental initiatives in the coming years.

### 3. Procurement Practices

#### a. *Proportion of Spending on Local Suppliers*

While CTS dealt only with Philippine-based suppliers, there is no data available to confirm whether the products sourced were locally made or manufactured or were sourced by said suppliers overseas.

##### (1) Impact

The Corporation's procurement practices affect its personnel, suppliers, and service providers.

Being a broker / dealer in securities, the Corporation relies on its suppliers only for its internal requirements. Most items sourced from suppliers involve office equipment, which, while necessary to allow its personnel to work more effectively, is not critical to the actual operations of the business. The only items sourced from suppliers which are critical to the Corporation's performance are those related to its technical equipment, such as its computer servers. The Corporation sources these critical pieces of equipment from established suppliers, with reputations for implementing sound business practices and meet the quality requirements set by the Corporation.

All supplier procurement is coursed through the Corporation's procurement team, working under its Operations Department. They work closely with the department requesting the procurement, to ensure that the quality standards are met. Procurement of critical equipment and/or services is likewise approved by the Corporation's management.

##### (2) Identified Risks

The identified risks would affect the Corporation's personnel, suppliers, and service providers.

Getting the wrong vendor or supplier may result in losses to the Corporation. These involve financial losses as well as time lost. This means that time that could have been spent providing improved services to customers may have to be reallocated to fixing the issues caused by the vendor or supplier.

To address the abovementioned risks, the Corporation implements quality control checks for supplies and services received. The procurement team is required to obtain quotes from multiple potential suppliers, to ensure that it is getting the best deal in the market. The Corporation has likewise streamlined its supplier contracts to include, among others, warranties on quality of materials and/or supplies, as well as structuring the compensation to supplier to allow the Corporation an opportunity to withhold partial payment in case of defective materials.

##### (3) Identified Opportunities

The identified opportunities involve the Corporation’s personnel, suppliers, and service providers.

The Corporation is continuously studying additional ways it can improve its procurement system and processes. These present an opportunity for the Corporation to find better suppliers and service providers which are aligned with the Corporation’s objectives. In improving its procurement processes, the Corporation may have potential savings or may be able to obtain better products or services.

#### 4. Anti-Corruption

##### a. Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity
<i>Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to</i>	100%
<i>Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to</i>	(see note below)
<i>Percentage of directors and management that have received anti-corruption training</i>	(see note below)
<i>Percentage of employees that have received anti-corruption training</i>	(see note below)

The Corporation has a zero-tolerance policy for Corruption and Bribery. It has put in place and implemented an Anti-Bribery and Anti-Corruption Policy which is integrated in both its Office Handbook and Code of Business Conduct and Ethics. Said policy is also publicly available in the Corporation’s website. This policy is relayed to all employees and directors as part of their orientation. Although this is not an issue being experienced by the Corporation, CTS conducted a separate training on its Anti-Bribery and Anti-Corruption Policy.

##### b. Incidents of Corruption

Disclosure	Quantity
<i>Number of incidents in which directors were removed or disciplined for corruption</i>	0
<i>Number of incidents in which employees were dismissed or disciplined for corruption</i>	0
<i>Number of incidents when contracts with business partners were terminated due to incidents of corruption</i>	0

##### (1) Impact (for both items (a) and (b))

The actions of its people reflect on the Corporation. As such, it is the Corporation’s responsibility to ensure that each person acts with integrity and is above reproach.

The Corporation is aware that the adequacy or inadequacy of its anti-corruption training will affect its own personnel, the regulators with whom it engages with, its suppliers and service providers, as well as its clients.

To address potential incidents of corruption, the Corporation has instituted an Anti-Bribery and Anti-Corruption policy to clarify and strengthen the Corporation's stance against these unethical practices. The policy puts in place the proper procedures for the handling of complaints of this nature. The procedures allow complaints to be submitted through various means. It likewise empowers several offices to make the investigation to provide complainants with various avenues to seek redress of their grievances.

All Corporation personnel are required to review the Corporation's Anti-Bribery and Anti-Corruption policy. These policies are discussed during the personnel's onboarding with the Corporation and supported through the Corporation's processes and procedures which reduce the possible instances of violation. The Corporation's Anti-Bribery and Anti-Corruption policy is supported by its Grievance and Whistleblowing mechanisms, which provides avenues for Corporation personnel to report any untoward incidents.

**(2) Identified Risks (for both items (a) and (b))**

No significant risks have been identified.

**(3) Identified Opportunities (for both items (a) and (b))**

There are always opportunities to strengthen the Corporation's adherence to its existing policies through the conduct of personnel and supplier training.

The Corporation is currently studying how to further strengthen and support its Anti-Bribery and Anti-Corruption Policy. Potential programs being reviewed include additional training for concerned personnel, and inclusion of anti-bribery and anti-corruption terms in all supplier and service contracts.

These identified opportunities affect the Corporation's personnel, suppliers and service providers, and regulators.

*(This space is intentionally left blank.)*

## C. ENVIRONMENT

### 1. Resource Management

#### a. Energy Consumption within the Organization

Disclosure	Quantity
<i>Energy consumption (renewable sources)</i>	0
<i>Energy consumption (gasoline)</i>	0
<i>Energy consumption (LPG)</i>	0
<i>Energy consumption (diesel)</i>	0
<i>Energy consumption (electricity)</i>	36,836 kWh

Given the nature of the Corporation's business, it does not utilize energy other than electricity. As for its electricity consumption, it sources its electricity from the local distribution utilities.

#### b. Reduction of Energy Consumption

Disclosure	Quantity
<i>Energy reduction (renewable sources)</i>	0
<i>Energy reduction (gasoline)</i>	0
<i>Energy reduction (LPG)</i>	0
<i>Energy reduction (diesel)</i>	0
<i>Energy reduction (electricity)</i>	0

Given the nature of the Corporation's business, it does not utilize energy other than electricity. As for its electricity consumption, the Corporation does not have sufficient data on hand regarding its electricity consumption on a year-on-year basis.

#### (1) Impact

The Corporation's energy consumption affects its personnel, suppliers, clients, and the community at large.

The Corporation consumes energy, in the form of electricity, to support its business operations. It obtains the electricity supply from the local distribution utility, and thus is dependent on such distribution utility on the source of such power supply (e.g. whether from renewable or non-renewable sources). Given that it is a financial services company, its use of the other forms of energy (such as from LPG, diesel, and gasoline), if any, is very insignificant.

As part of its efforts to help conserve energy, the Corporation tries to use energy efficient equipment. Employees are also reminded to be conscientious of their energy consumption.

#### (2) Identified Risks and Opportunities

No significant risks and/or opportunities have been identified with respect to this matter.

**c. Water Consumption within the Organization**

Disclosure	Quantity
<i>Water withdrawal</i>	-
<i>Water consumption</i>	133 Cubic meters
<i>Water recycled and reused</i>	-

**(1) Impact**

As the Corporation is in the financial services industry, it uses tap water mainly for cleaning and personal hygiene purposes of its personnel and clients.

Aware that the Corporation's water consumption affects its personnel and community at large, the Corporation promotes conscientious use of water through giving its personnel reminders and issuing guidelines on use of water.

**(2) Identified Risks and Opportunities**

No significant risks and/ or opportunities have been identified with respect to this matter.

**d. Materials Used by the Organization**

Disclosure	Quantity
<i>Materials used by weight or volume</i>	
• <i>renewable</i>	*
• <i>non-renewable</i>	*
<i>Percentage of recycled input materials used to manufacture the organization's primary products and services</i>	*

*\*These do not apply as the Corporation is not in the manufacturing business.*

**(1) Impact**

While the Corporation is not involved in manufacturing, and thus, concerns with respect to materials it uses does not rank high in its materiality assessment, the Corporation understands its responsibility to ensure that it does its part to protect the environment.

On an operational level, the Corporation refrains from using paper unless the same is necessary. Personnel are also discouraged from printing unnecessary items and without compromising data security, encouraged to recycle paper. For items that need to be printed for internal purposes, they are printed in newsprint rather than white paper.

The Corporation also has an on-going garbage segregation project where personnel are encouraged to segregate their garbage between renewable and non-renewable materials.

**(2) Identified Risks**

The Corporation has not identified any significant risks with respect to this matter.

**(3) Identified Opportunities**

There is an opportunity to deepen the participation of the Corporation’s personnel in its environmental conservation efforts. Aside from increasing its recycling and garbage segregation efforts, the Corporation can also encourage its employees to attend and actively participate in the different environmentally themed activities and educational campaigns.

**e. *Ecosystem and Biodiversity (Upland / Watershed or Coastal / Marine)***

<b>Disclosure</b>	<b>Quantity</b>
<i>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</i>	<i>None identified</i>
<i>Habitats protected or restored</i>	<i>None identified</i>
<i>IUCN Red List species and national conservation list species with habitats in areas affected by operations</i>	<i>None identified</i>

**(1) Impact**

All of the Corporation’s leased offices are situated in business district areas. As none of these locations are in, or adjacent to, any protected areas, there are currently no identified impacts of the Corporation’s operations on biodiversity and ecosystems.

**(2) Identified Risks and Opportunities**

As of the moment, there are no significant risks or opportunities identified with respect to the above matter.

**2. Environmental Impact Management**

**a. *Air Emissions***

**(1) GHG**

<b>Disclosures</b>	<b>Quantity</b>
<i>Direct (Scope 1) GHG Emissions</i>	-
<i>Energy indirect (Scope 2) GHG Emissions</i>	-
<i>Emissions of ozone-depleting substances (ODS)</i>	-

**(2) Air Pollutants**

Disclosure	Quantity
<i>NO<sub>x</sub></i>	-
<i>SO<sub>x</sub></i>	-
<i>Persistent organic pollutants (POPs)</i>	-
<i>Volatile organic compounds (VOCs)</i>	-
<i>Hazardous air pollutants (HAPs)</i>	-
<i>Particulate matter (PM)</i>	-

**(3) Impact for both (1) and (2)**

The nature of the business of the Corporation does not result in as much direct material environmental impact as opposed to a business that is part of the manufacturing industry, for instance. As such, the Corporation's impact on greenhouse gas emissions is insignificant, and mainly results from courier services. However, there is currently no data available on the greenhouse gas emissions resulting from these activities.

Internally, the Corporation encourages employees to help in reducing greenhouse gas emissions by doing simple practices to conserve electricity and water. The Corporation also considers environmental impact in the design and maintenance of its facilities, such as the use of LED bulbs, among others.

Further, the nature of the Corporation's business does not lead to distinct or identifiable sources of emissions involving pollutants detrimental to public health or the environment.

**(4) Identified Risks and Opportunities for both (1) and (2)**

There are no significant risks or opportunities identified for the matters above.

**b. *Solid and Hazardous Wastes***

**(1) Solid Waste**

Disclosure	Quantity
<i>Total solid waste generated</i>	-
<i>Reusable</i>	-
<i>Recyclable</i>	-
<i>Composted</i>	-
<i>Incinerated</i>	-
<i>Residuals/Landfilled</i>	-

**(2) Hazardous Waste**

Disclosure	Quantity
<i>Total weight of hazardous waste generated</i>	-
<i>Total weight of hazardous waste transported</i>	-

**(3) Effluents**

Disclosure	Quantity
<i>Total volume of water discharges</i>	-
<i>Percent of wastewater recycled</i>	-

**(4) Impact for Solid and Hazardous Waste and Effluents**

The Corporation's operations generate, for the most part, commercial waste consisting mostly of paper and plastic waste. No hazardous waste has been identified within the operations of the Corporation, as the term is defined by Republic Act No. 6969 (Toxic Substances and Hazardous Nuclear Waste Control Act of 1990). With respect to effluents, the Corporation uses tap water mainly for personal hygiene of its employees and clients. This water is sourced from the water utility provider in its building.

To help maintain the cleanliness of the premises, the Corporation provides trash bins within the office areas which are collected daily by the janitors of the building. Segregation into biodegradable, non-biodegradable and organic waste is also being observed.

**(5) Identified Risks and Opportunities for all items**

There are no significant risks or opportunities identified for the matters above.

**c. Environmental Compliance**

**(1) Non-Compliance with Environmental Laws and Regulations**

Disclosure	Quantity
<i>Total amount of monetary fines for non-compliance with environmental laws and/or regulations</i>	0
<i>No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations</i>	0
<i>No. of cases resolved through dispute resolution mechanism</i>	0

**(2) Impact**

Given the nature of the Corporation's business, any changes in environmental laws or regulations would not affect it more significantly than how it would affect any other business. Such amendment of regulation or law may have an impact on the Corporation's personnel, clients, investors, and suppliers or service providers.

**(3) Identified Risks and Opportunities for all items**

There are no significant risks or opportunities identified for the matters above.

**D. SOCIAL**

**1. Employee Management**

**a. Employee Hiring and Benefits**

**(1) Employee Data**

<b>Disclosure</b>	<b>Quantity</b>
<b>Total number of employees</b>	77
<b>a. Number of female employees</b>	24
<b>b. Number of male employees</b>	53
<b>Attrition rate</b>	9.09%*
<b>Ratio of lowest paid employee against minimum wage</b>	-

SEC Memorandum Circular No. 4, series of 2019 defines attrition rate as follows:

$$\frac{\text{No. of new hires} - \text{No. of turnover}}{\text{Average of total no. of employees of previous year and total no. of employees of current year}}$$

We respectfully opine that using the formula above may not provide a true reflection of the employee turnover in the Corporation. In 2025, the Corporation expanded its headcount, hiring not just to fill roles left vacant by those who resigned but also to fill newly created positions. Due to the increase in headcount, using the formula, the Corporation's attrition rate becomes inflated at 9.09%. This number is not representative of the situation in 2025, as it gives the impression that 9.09% of the Corporation personnel resigned, when in fact what occurred instead was that Management decided to open 1 new position.

Thus, for the purposes of this sustainability report, the Corporation adopted the formula for attrition rate used by most Human Resource practitioners, as follows:

$$\frac{\text{No. of resignations}}{\text{Average of total no. of employees of previous year and total no. of employees of current year}}$$

For the calendar year ending on December 31, 2025, 7 employees resigned from the Corporation, against an average headcount of approximately 77.

All CTS full time employees are paid above the minimum wage.

**(2) Employee Benefits**

List of Benefits	Y/N	% Female Employee Availment	% Male Employee Availment
<i>SSS</i>	Y	100.0%	100.0%
<i>PhilHealth</i>	Y	100.0%	100.0%
<i>Pag-IBIG</i>	Y	100.0%	100.0%
<i>Parental leaves</i>	Y	100.0%	100.0%
<i>Vacation leaves</i>	Y	100.0%	100.0%
<i>Sick leaves</i>	Y	100.0%	100.0%
<i>Medical benefits (aside from PhilHealth)</i>	Y	100.0%	100.0%
<i>Housing assistance (aside from Pag-IBIG)</i>	N	-	-
<i>Retirement fund (aside from SSS)</i>	Y	-	-
<i>Further education support</i>	Y	-	-
<i>Company stock options</i>	N	-	-
<i>Telecommuting</i>	N	-	-
<i>Flexible-working Hours</i>	Y	100.0%	100.0%
<i>Emergency Salary Loan</i>	Y	4.17%	-

*SSS, Philhealth, and Pag-IBIG Benefits:* The Corporation regularly remits the monthly contributions for SSS, Philhealth, and Pag-IBIG. The Corporation, through its Human Resources Department, processed the benefit applications of all employees who have applied for these benefits and have met the minimum conditions for availment. These benefits include maternity and sickness benefits for SSS, Philhealth deductions on medical expenses, SSS and Pag-IBIG loans, among others.

*Parental, Vacation, and Sick Leaves:* All employees who are qualified to avail of said leaves have been granted them. All employees are granted a certain number of sick and vacation leaves per calendar year, which amount of leaves would depend on the employee's rank and tenure with the Corporation.

*Medical Benefits (aside from SSS):* The Corporation gives a health card to all regular employees. Further, the Corporation sponsors the annual physical examination of its personnel. This benefit was extended to agency hires assigned to the Corporation.

*Retirement Fund (aside from SSS):* The Corporation has a retirement program which may be availed of by employees who have rendered at least five (5) years of service.

*Further Education Support:* The Corporation has a training and development program to support the training needs of its personnel.

*Housing Assistance (aside from Pag-IBIG); Company Stock Options:* The Corporation does not have a housing assistance program (other than Pag-IBIG). It also does not currently have an employee stock option program.

*Flexible Working Hours and Telecommuting:* As Corporation employees need to be accessible during the hours that trading in the Philippine Stock Exchange are open, the

Corporation cannot adopt flexible working hours for all positions. However, some employees, depending on their rank and role, have been granted flexible or semi-flexible working hours.

In 2025, the Corporation adopted the hybrid work set-up wherein employees are asked to report to work in the office premises on certain days of the week.

*Emergency Salary Loan:* The Corporation grants an emergency salary loan to all regular employees. The loanable amount as well as repayment terms depend on several factors including, among others, tenure and purpose for the loan.

### **(3) Impact**

CTS aims to provide a conducive and rewarding work environment for its employees. The Corporation values the contribution of each and every employee and has crafted its human resources policies with the aim of attracting and retaining key talent in the organization. These policies are constantly being reviewed in line with the changing circumstances as well as the changing needs of the Corporation's employees over time.

To attract and retain its talents, the Corporation has adopted, among others, the following human resources benefits and programs:

- i. Competitive salary which is regularly benchmarked against market rates;
- ii. Annual performance review to determine salary adjustments and promotions;
- iii. Annual review of job functions and needed skills and training to ensure career growth;
- iv. At least 24 annual leave credits;
- v. HMO health benefits;
- vi. Group life insurance;
- vii. Meal and transportation allowances;
- viii. Emergency salary loans;
- ix. Employee training / study grant;
- x. Maternity benefit;
- xi. Service Awards; and
- xii. Retirement and separation pay.

### **(4) Identified Risks**

A critical risk is employee disengagement. A disengaged employee will only do the minimum, which performance will affect the overall performance of the Corporation.

Another risk is the resignation or separation of employees who then shift to either direct competitors or other companies within the same industry.

The Corporation shares its vision of uplifting world-class Filipino talent into the global trading arena to its personnel. CTS believes that it is important that its employees believe in its vision in order to understand the direction and the overall focus of the Corporation.

To address engagement and foster a spirit of community within CTS, the Corporation hosts various employee related events including teambuilding, a year-end party, a yearly kick-off party and a mid-year town hall, to name a few.

The Corporation's leaders also practice an "open door" policy which allows personnel to approach them directly in case of any concerns. The Corporation also has a grievance mechanism and has implemented a whistleblowing policy that provides additional avenues for personnel to forward their grievances.

**(5) Identified Opportunities**

There are many new developments in human resources that provide the Corporation with opportunities to deepen employee engagement and drive employment retention. Further, each interaction with the employee also provides the Corporation with an opportunity of understanding their needs and seeing how CTS can properly address them.

The Corporation studies each trend in human resources against the needs of the employees to see how the former can address the latter. The Corporation does this by sending its human resources team for continuous learning and through its memberships in HR organizations. The Corporation also encourages employees to make suggestions and explores these ideas to see if they can be applied.

**b. Employee Training and Development**

Disclosure	Quantity
<b>Total training hours provided to employees</b>	-
<b>a. Female employees</b>	-
<b>b. Male employees</b>	-
<b>Average training hours provided to employees</b>	-
<b>a. Female employees</b>	-
<b>b. Male employees</b>	-

The above information is not available. While the Corporation has a list of employees who underwent training programs in 2025, it does not have on file the total number of hours of training of each employee.

For 2025, select personnel of the Corporation attended the following seminars:

Training	In-house / External Trainer	Department Concerned
<b>January</b>		
<b>How to Manage Good and Bad Stressors</b>	External	All Departments
<b>February</b>		
<b>Mental Health Awareness</b>	External	All Departments
<b>June</b>		
<b>2025 CMIC Trading Participants Seminar</b>	External	Compliance Department
<b>July</b>		
<b>AML/CFT Compliance Series: The Importance of</b>	External	Compliance

<b>Training</b>	<b>In-house / External Trainer</b>	<b>Department Concerned</b>
<b><i>Institutional Risk Assessment &amp; Beneficial Ownership Verification in Mitigating Money Laundering/Terrorism Financing (ML/TF) Risk</i></b>		<i>Department</i>
<b><i>August</i></b>		
<b><i>Practical Personal IT Security and Awareness Seminar</i></b>	<i>External</i>	<i>All Employees</i>
<b><i>September</i></b>		
<b><i>Standard First Aid and Basic Life Support (BLS) – CPR with AED Training</i></b>	<i>External</i>	<i>HR Department</i>
<b><i>Corporate Governance Training</i></b>	<i>External</i>	<i>Directors and Officers</i>
<b><i>November</i></b>		
<b><i>Webinar: AML/CFT Compliance Series: Mitigating Proliferation Financing Risk Through Transaction Reporting</i></b>	<i>External</i>	<i>Compliance Department</i>

**(1) Impact**

The continued improvement and learning of the Corporation’s personnel directly impacts the organization. The Corporation further believes in the capabilities of each individual member of the organization, and thus seeks different methods to help them reach their full potential.

On an annual basis, during the performance evaluation, Corporation managers provide recommendations on how their team members may continue their professional development. These may be in the form of learning a new set of skills, attending a training program, or exposure to a different facet of the job to help them have a more meaningful understanding of their role in the Corporation. These trainings are Corporation sponsored and all concerned employees are highly encouraged to attend.

The Corporation also encourages the employees to join outside organizations related to their tasks to help deepen their networks and expose them to the best practices of other companies.

The Corporation also allows its employees to take long leaves (sabbaticals) to give them an opportunity to pursue further studies. As long as allowed by the individual’s role, the Corporation is also amenable to adjusting the work schedule of employees who are taking additional studies to fit their school schedule.

Employee training may also involve topics for personal development, such as leadership training and strengths training.

Aside from the above, the Corporation culture also encourages employees to approach their managers, department heads, or the human resources department if they have any suggestions, including possible topics for further study.

**(2) Identified Risks**

Each learning and development training or activity is an investment in the employee, requiring resources on the part of the Corporation. There is a risk that the employee leaves the Corporation after completion of their training, bringing their upgraded skills to a competitor or other organization.

However, for the Corporation to move to the next level and meet new challenges, it cannot stop from and must continue to invest in the learning, training, and development of its personnel. The risk of employee resignation, after investment on their training, may be mitigated as follows:

- i. For training requiring a substantial investment on the part of the Corporation, the employee is required to sign a training bond;
- ii. The Corporation employs a selection mechanism to determine who will receive training which includes the consideration of, among others, the following factors: tenure and employee performance; and
- iii. Employment of employee retention / employee engagement strategies as listed previously.

### **(3) Identified Opportunities**

Technology is breaking barriers in terms of accessibility – programs that used to be only available overseas may be accessed remotely, some courses by renowned institutions are available online, and what used to be classroom only type lectures may now be translated to an online platform. All of these present opportunities to the Corporation and give it and its employees more options in finding the training most suited to them.

The Corporation’s Human Resources Department is continually exploring which learning methodologies, courses, and platforms, fit the needs and profile of the employees.

### **c. Labor Management Relations**

<b>Disclosure</b>	<b>Quantity</b>
<b><i>% of employees covered with Collective Bargaining Agreements</i></b>	<i>0</i>
<b><i>Number of consultations conducted with employees concerning employee-related policies</i></b>	<i>-</i>

The Corporation does not have formal data on this. However, prior to implementation of any policy, consultations are done with employee representatives of different departments to obtain their views on the proposed policy.

### **(1) Impact**

The Corporation believes that its people are its most valuable resource. Any issue that directly affects its personnel will have an impact on the organization. Likewise, most Corporation decisions will impact its employees, directly or indirectly.

As part of its mission to provide a conducive and rewarding work environment to all personnel, the Corporation strives to provide employees with compensation, benefits, and a work environment that are at least at par with, or better, than what is required by labor laws and best practices of other corporations.

Given the relatively small size of the Corporation, the employees are not unionized. Thus, to ensure transparency and open dialogue with the employees, the Corporation seeks many ways to engage them. These include the imposition of an “open door” policy for all officers, the hosting of events such as town hall meetings where employees may openly ask their questions to management, the seeking of employee feedback and employee representatives in certain human resources initiatives.

**(2) Identified Risks and Opportunities**

The Corporation has not identified any significant risks and/or opportunities with regards to this matter.

**d. *Diversity and Equal Opportunity***

<b>Disclosure</b>	<b>Quantity</b>
<b>% of female workers in the workforce</b>	<b>31.17%</b>
<b>% of male workers in the workforce</b>	<b>68.83%</b>
<b>Number of employees from indigenous communities and/or vulnerable sector</b>	<b>-</b>

While the Corporation employs persons from the vulnerable sector, it does not monitor the headcount from such sectors. The term “vulnerable sector” includes elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

**(1) Impact**

CTS strives to create a workplace that is reflective of the communities it serves. While it recognizes that there is still work to be done, the Corporation is committed to increasing gender diversity at all levels of the organization. As of December 31, 2025, women make up approximately 31% of the total workforce, and 18% of the Corporation’s Board of Directors.

Preliminarily, it bears stressing that the Corporation employs a merit-based approach in hiring and employee movements (e.g. promotions). While there are certain departments that are predominantly male or female, this was not a result of a deliberate preference by the Corporation of one gender over another. An applicant or employee is evaluated only against factors that affect their job performance, ignoring aspects which have no bearing on them such as their gender, age, race, religion, or social status.

The Corporation has developed programs catered to women – such as the company maternity benefit policy. However, Department Heads are also given some degree of flexibility in defining some of their programs to suit their employees.

**(2) Identified Risks**

There is a risk that the needs of the minority may be ignored or not given the proper priority. The Human Resources Department must continually exert efforts to interact with all employees and keep updated on on-going issues, to avoid becoming tone-deaf and inadvertently exclude the needs of a minority group.

The Corporation encourages accessibility of all officers and the Human Resources Department. Further, prior to implementation of policies, the Corporation seeks the opinion of its personnel, and tries to ensure that all interests and groups are represented.

**(3) Identified Opportunities**

There is an opportunity in understanding what makes each member of the organization unique. Diversity should not be understood only in the limited male-female dichotomy. Rather, there is a need for the Corporation to look at diversity in terms of age, sexual orientation, religion, experiences, roles, and skill sets, among others.

The Corporation engages in constant dialogue between the human resources team, Management, and the personnel to understand what makes each individual unique, what binds all of them together, and how the Corporation may best address their needs.

**e. *Occupational Health and Safety***

<b>Disclosure</b>	<b>Quantity</b>
<b><i>Safe Man-Hours</i></b>	-
<b><i>No. of work-related injuries</i></b>	0
<b><i>No. of work-related fatalities</i></b>	0
<b><i>No. of work-related ill-health</i></b>	0
<b><i>No. of safety drills</i></b>	-

**(1) Impact**

Given the nature of the Corporation’s business as a financial institution, work-related hazards are limited to occasional accidents, such as slipping, falling, or contact with sharp objects, as well as those that affect the community as a whole.

The Corporation has tasked its Admin Department, together with select personnel who are Occupational Safety and Health (OSH) certified to ensure that the work premises are safe for its personnel, clients, and guests. Work areas are routinely checked and items deemed to be hazardous or with a potential to cause injury are immediately remedied.

The Corporation likewise is in close coordination with the building administration office to ensure that any building-related issues affecting the health and safety of the personnel are immediately raised and addressed.

As part of its benefits, the Corporation sponsors the health card of its employees. With the help of its HMO provider, the Corporation regularly reviews the common illnesses, if any, of its employees, and finds solutions to address them. On an annual basis, the

Corporation also sponsors the annual physical exam of all personnel to ensure their continued health and safety. Prior to reporting for their first day in the office, new employees are required to complete a pre-employment examination and receive cleared results. Those who are not cleared by the doctor are given additional time to address their medical issues before joining the Corporation.

**(2) Identified Risks**

The Corporation manages all applicable risks using the approaches mentioned above.

**(3) Identified Opportunities**

Each crisis provides the Corporation with an opportunity of discovering new and improved ways to deliver services to its clients and look after the safety and welfare of its personnel.

The Corporation is always open and seeks to remain flexible in order to explore new alternatives and solutions.

*(This space is intentionally left blank.)*

**f. Labor Laws and Human Rights**

Disclosure	Quantity
<b>No. of legal actions or employee grievances involving forced or child labor</b>	0

Topic	Company Policy
<b>Forced labor</b>	<i>The Corporation complies with all applicable laws, including the Philippine Constitution and labor laws, which prohibit forced labor.</i>
<b>Child labor</b>	<i>The Corporation only hires applicants who are of legal age, or at least 18 years old.</i>
<b>Human Rights</b>	<i>The Corporation complies with all applicable laws, including the Philippine Constitution and labor laws, which protect human rights.</i>

**(1) Impact**

Any violation of labor laws or human rights against the Corporation’s personnel directly impacts its people.

The Corporation believes that its people are its greatest resource. As such, apart from ensuring compliance with the requirements of all applicable laws and regulations, the Corporation, as much as possible, tries to adopt the best practices in other organizations. Further, the Corporation ensures that there are open lines of communication between its personnel and management, to ensure that the personnel’s critical needs are addressed.

**(2) Identified Risks**

Being in the financial services industry, there are instances when Corporation personnel are ill-treated by clients or other third parties.

As much as possible, the Corporation tries to find a win-win solution for any incident. However, this is never at the expense of the rights of its personnel. Clients are informed in advance that Corporation personnel must be treated with courtesy and respect, and that unprofessional behavior will not be tolerated. Any such behavior will give rise to the Corporation’s right to terminate the engagement. Further, the Corporation ensures that security guards are present in its offices to protect its employees.

**(3) Identified Opportunities**

New solutions to emerging or existing issues are constantly being developed which the Corporation can learn from.

The Corporation reviews these potential solutions vis-à-vis the factual circumstances of the Corporation and its personnel. Depending on the urgency of the situation, applicable solutions may be adopted on a staggered basis.

## 2. Supply Chain Management

While there is no formal written policy on supplier accreditation, the Corporation requires new suppliers to complete a Vendor Information Sheet and to submit the same together with supporting documents which includes, among others:

- i. Company Profile
- ii. List of Product Lines/Services
- iii. List of Completed Projects
- iv. Business Permit
- v. SEC/DTI Registration
- vi. Audited Financial Statement
- vii. Latest General Information Sheet
- viii. BIR Registration Form 2303
- ix. VAT Exemption Certificate
- x. Certificate of Appointment (if exclusive distributor)
- xi. Sample Official Receipt/Sales Invoice/Collection Receipt
- xii. Secretary's Certificate/Special Power of Attorney (Authorized representative and signatory)

The Corporation then conducts a background check of the prospective vendor based on their trade references. In conducting its background check, it considers a variety of factors which include sustainability topics such as environmental performance, forced labor, child labor, human rights, and bribery and corruption, among others.

### **(1) Impact**

The Corporation highly values integrity and its reputation may be affected by its partnerships with various persons, including its vendors and service providers. Thus, the reputation of the prospective supplier or service provider forms part of the criteria to be considered prior to entering into any agreement. Any adverse news on the above topics will cause the Corporation to reconsider its relationship with said supplier or service provider.

### **(2) Identified Risks and Opportunities**

The Corporation has not identified any substantial risks and/or opportunities with respect to the above matters.

*(This space is intentionally left blank.)*

### 3. Relationship with Community

#### a. Significant Impacts on Local Community

##### (1) Impact

CTS believes in establishing the Philippines as the lead proprietary trading hub in the world. Because of this, the Corporation has chosen to focus its efforts on educating more Filipinos on the merits of financial literacy and investor education. To this end, CTS holds an internship program that educates the youth in global trading standards. CTS also regularly partners with public and private companies and organizations, as well as schools and student organizations, to further its advocacy and reach.

##### (2) Identified Risks and Opportunities

There are no significant risks and/or opportunities identified with respect to this matter.

### 4. Customer Management

#### a. Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
<i>Customer Satisfaction</i>	-	-

##### (1) Impact

The Corporation has yet to implement a formal customer satisfaction survey. Given its limited client size, the Corporation has chosen to use a more personalized / one-on-one approach in getting customer feedback.

##### (2) Identified Risks and Opportunities

The Corporation has not identified any material risks and/or opportunities with respect to the above.

#### b. Health and Safety

Disclosure	Quantity
<i>No. of substantiated complaints on product or service health and safety</i>	0
<i>No. of complaints addressed</i>	0

Given the nature of the Corporation's business, substantiated customer complaints, if any, do not involve health and safety issues. Substantiated complaints include complaints from customers that went through the organization's formal communication channels and

grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

**(1) Impact**

As the Corporation is a broker / dealer of securities, its services do not have any impact on the physical health and safety of its clients.

**(2) Identified Risks and Opportunities**

The Corporation has not identified any material risks and/or opportunities with respect to the above.

**c. *Marketing and Labelling***

<b>Disclosure</b>	<b>Quantity</b>
<b><i>No. of substantiated complaints on marketing and labelling</i></b>	<i>0</i>
<b><i>No. of complaints addressed</i></b>	<i>0</i>

Given the nature of the Corporation's business, substantiated customer complaints, if any, do not involve marketing and labelling issues. Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

**(1) Impact**

The Corporation does not actively advertise itself or its products.

**(2) Identified Risks and Opportunities**

The Corporation has not identified any material risks and/or opportunities with respect to the above.

**d. *Customer Privacy***

<b>Disclosure</b>	<b>Quantity</b>
<b><i>No. of substantiated complaints on customer privacy</i></b>	<i>0</i>
<b><i>No. of complaints addressed</i></b>	<i>0</i>
<b><i>No. of customers, users and account holders whose information is used for secondary purposes</i></b>	<i>0</i>

The Corporation did not receive any substantiated complaints on customer privacy for the calendar year ending 31 December 2024. Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

**(1) Impact**

The Corporation values the privacy of its customers. Unless otherwise required by applicable law or regulations, or necessary to process customer transactions, the Corporation does not disclose any customer data. Further, in case disclosures are needed, only the required minimum information is disclosed.

The Corporation has published its privacy policy in the website. In case the basis of processing is consent, the customer may choose to withdraw such consent or unsubscribe from such email blasts. The Corporation also regularly reviews its account opening documentation and other customer forms to minimize, as much as is reasonably and legally possible, the customer data being collected.

In case customers have a concern with respect to their data, they may contact the Corporation through any of CTS’s official customer channels. Said client may also directly contact the Corporation’s Data Protection Officer at [dpo@ctsglobalgroup.com](mailto:dpo@ctsglobalgroup.com).

**(2) Identified Risks**

A privacy incident may lead to the disclosure of customer information.

To manage this risk, the Corporation has imposed policies to protect customer privacy. These include, among others, the following:

- i. having a regular training on data privacy to all personnel;
- ii. identifying persons in charge of data from each department;
- iii. imposing levels of access that would limit access to customer data to what is needed by a particular personnel’s role;
- iv. incorporating a review process for requests of customer data; and
- v. cybersecurity and other IT measures as will be discussed in the succeeding portion of this report.

**(3) Identified Opportunities**

There are a variety of training as well as security protocols that are being developed. The Corporation can take advantage of these trainings and products to further enhance its customer privacy protocols.

**e. *Data Security***

<b>Disclosure</b>	<b>Quantity</b>
<b><i>No. of data breaches, including leaks, thefts and losses of data</i></b>	<b><i>0</i></b>

**(1) Impact**

The Corporation needs to collect and process personal data in the pursuit of its services. The Corporation must ensure security and integrity of such data to maintain the trust of its clients.

The Corporation prioritizes the security and integrity of its online systems. The Corporation has established its security operations center that responds to all potential security issues and threats.

The Corporation has assigned a data protection officer and a compliance officer for privacy to ensure protection of the data subjects. Under the Data Privacy Act, the Corporation is mandated to comply with the Five Pillars of Compliance, namely, (a) appointment of data protection officer; (b) conduct of on-going privacy impact assessments; (c) implementation of a privacy management program; (d) establishing data privacy and security measures; and (e) exercise of data breach protocols.

**(2) Identified Risks**

Any data breach or security incident may result in disruption of Corporation operations, the loss of data, or compromise the integrity of data. In case of such event, some clients may choose to no longer transact with CTS.

To ensure data and IT security, the Corporation, among others:

- i. Ensures all employees are trained on relevant data privacy policies;
- ii. Ensures relevant IT employees receive the appropriate advance training to help them address any changes in IT security; and
- iii. Ensures that it is kept up to date on all trends and developments in IT and data security through its partnerships with its external providers and data privacy organizations.

**(3) Identified Opportunities**

The Corporation finds new and more innovative ways to keep its data secure.

Aside from keeping abreast of the fast-changing technology involving data security, the Corporation has also taken advantage of the available training for its personnel.

*(This space is intentionally left blank.)*

**E. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

**1. Product or Service Contribution to UN SDGs**

<b>Topic</b>	<b>Remarks</b>
<b>Key Products and Services</b>	Broker Dealer in Securities / Proprietary Trading
<b>Societal Value/ Contribution to UN SDGs</b>	<p>Goal 1: End poverty in all its forms everywhere</p> <p>Goal 10. Reduce inequality within and among countries</p> <p>The Corporation's internship program, global trader training, and upcoming client advisory business gives its clients and stakeholders the opportunity to participate in the global capital markets.</p>
<b>Potential Negative Impact of Contribution</b>	The stock market does not have a guaranteed return, thus stakeholders risk losing some of their capital.
<b>Management Approach to Negative Impact</b>	The Corporation has built a robust risk-management system, as well as structured the on-boarding of their traders, to help guide its people in their trading journey. It also aims to educate the youth of the country by conducting an annual internship program, giving its participants access to a cumulative experience of more than a hundred years in the equity market.