



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** A199910065

**Company Name:** COL FINANCIAL GROUP, INC. DOING BUSINESS UNDER THE NAMES AND STYLES OF CITISECONLINE.COM; COL FINANCIAL; COL SECURITIES; AND CITISECONLINE STOCKBROKERS

**Industry Classification:** J68120

**Company Type:** Stock Corporation

## Document Information

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# COVER SHEET

SEC Registration Number

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Company Name

C	O	L	F	I	N	A	N	C	I	A	L	G	R	O	U	P	,	I	N	C	.				

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

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Form Type

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Department requiring the report

C	F	D
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Secondary License Type, If Applicable

B	r	o	k	e	r
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## COMPANY INFORMATION

Company's Email Address

<b>helpdesk@colfinancial.com</b>
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Company's Telephone Number/s

<b>(02) 8636-5411</b>
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Mobile Number

<b>NA</b>
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No. of Stockholders

<b>32</b>
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Annual Meeting  
Month/Day

<b>Any date in April</b>
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Fiscal Year  
Month/Day

<b>12/31</b>
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## CONTACT PERSON INFORMATION

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

Name of Contact Person

<b>Mr. Conrado F. Bate</b>
----------------------------

Email Address

<b>dino.bate@colfinancial.com</b>
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Telephone Number/s

<b>(02) 8636-5411</b>
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Mobile Number

<b>NA</b>
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Contact Person's Address

<b>Unit 2401-B East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City</b>
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**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: **A199910065**
3. BIR Tax Identification No.: **203-523-208-00000**
4. Exact name of issuer as specified in its charter: **COL FINANCIAL GROUP, INC.**
5. Province, Country or other jurisdiction of incorporation or organization:  
**PASIG CITY, PHILIPPINES**
6. Industry Classification Code:  (SEC Use Only)
7. Address of principal office Postal Code: **1605**  
**24F East Tower, Tektite Towers, Exchange Road,  
Ortigas Center, Pasig City**
8. Issuer's telephone number, including area code: (632) **8636-5411**
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</b>	<b>5,949,999,998 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.  
₱2,615,407,319 (1,909,056,437 @ ₱1.37 per share as of March 16, 2026)

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## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### Company Overview

COL Financial Group, Inc. ("COL", "COL Financial", or the "Parent Company") is a publicly listed company in the Philippine Stock Exchange ("PSE"), incorporated on August 16, 1999.

COL Financial is widely recognized as the leading online stockbroker in the Philippines, serving over half a million clients. Since launching the country's first non-bank online trading platform in 2005, COL has been at the forefront of democratizing stock market access. At a time when investing was largely limited to a select few, COL broke barriers by leveraging technology and education to empower everyday Filipinos to take control of their financial future.

To build investor confidence and promote financial literacy, COL invested in free seminars, research tools, and educational resources, supporting self-directed investors with the knowledge they needed to make informed investment decisions.

As the market evolved, so did COL. In 2010, the Parent Company launched a dedicated advisory team to serve high-net-worth individuals and institutional clients. By 2014, COL expanded into the fund distribution space, offering access to a broad range of local and global investment products.

In 2019, COL Investment Management Inc. ("CIMI"), COL's asset management arm, was established to provide professionally managed solutions tailored to the Filipino investor. In 2022 and 2023, CIMI launched two in-house mutual funds, namely:

- COL Equity Index Unitized Mutual Fund, Inc. ("CEIUMF")
- COL Strategic Growth Equity Unitized Mutual Fund, Inc. ("CSGEUMF")

These funds reflect COL's continued commitment to making expert-led investment solutions more accessible to the public.

In line with COL's continuing initiatives to strengthen its service offerings, it implemented further enhancements to its client engagement framework. Recognizing the growing need of the high-net-worth clients for a more personalized, goal-driven financial guidance, COL formally established its Private Wealth group in June 2025. This unit builds on COL's long-standing advisory capabilities and provides higher-touch, relationship-based support to clients seeking a more comprehensive approach to managing their investments. Through deeper engagement, customized strategies, and an expanded suite of investment solutions, the Private Wealth group helps clients manage, grow, and preserve their wealth—further strengthening COL's position as a trusted partner in long-term financial planning.

In parallel with these advancements, COL also undertook strategic realignments to ensure operational focus and long-term sustainability. As part of this effort, COL made the decision to wind down its Hong Kong operations through its subsidiary, COL Securities (HK) Limited ("COLHK"), which ceased trading operations in May 2024. The Securities and Futures Commission ("SFC") revoked COLHK's license on April 7, 2025, and all remaining cash was transferred to the Parent Company on May 15, 2025. Following the Inland Revenue Department's issuance of a notice of no objection, the Companies Registry acknowledged receipt of the deregistration application on November 26, 2025. The process is now pending final regulatory approval.

Today, COL continues to be the most trusted online stockbroker in the Philippines, with a consistent focus on technology innovation, investor empowerment, and financial education. As the financial industry transforms, COL is evolving into a full-scale investment platform, enabling Filipinos to build, grow, track,

and protect their wealth across multiple asset classes, while staying true to its founding mission of financial inclusion and empowerment.

### **Business Model**

COL Financial is driven by the belief that every Filipino deserves the opportunity to live a richer life—regardless of age, income level, or investment knowledge. Staying true to this mission, COL has made investing more accessible to all, from seasoned market participants to first-time investors.

The business model of COL is anchored on creating long-term value for its customers by addressing their evolving needs through financial education, a broad range of ethical products and services, and expert insights. This approach ensures that clients are equipped with both the knowledge and the right investment solutions to meet their financial goals—no matter where they are in their investing journey.

COL Financial generates a significant portion of its revenue from its core stock brokerage operations in the Philippines. Its key revenue streams include:

- Commissions from stock trades,
- Interest income from margin financing,
- Trail fees from its fund distribution business, and
- Interest income from short-term placements.

Looking ahead, COL Financial remains focused on supporting Filipinos in building wealth by continuously expanding its investment offerings, enhancing its technology-driven solutions, and solidifying its position as the country’s leading online broker.

### **Products and Services**

COL Financial takes pride in its array of value-driven products and services that are designed to provide its customers with an optimal investing experience:

#### ***1. Investment Products***

- **Securities Trading**

COL offers a robust online platform where customers can trade various securities listed on the PSE, including common shares, preferred shares, warrants, exchange traded funds (“ETFs”), and real estate investment trusts (“REITs”). This enables investors to easily access and manage a broad range of investment options.

- **Public Offerings & Rights Issues**

Customers can participate in Initial Public Offerings (“IPOs”), and Follow-on Public Offerings (“FOOs”), and Tender Offers through COL’s online platform, with a seamless process that simplifies payment remittances, making the subscription process more convenient.

- **Fund Offerings thru the COL Fund Source**

Through strategic partnerships with major asset management firms, COL provides clients access to over 72 local and global mutual funds and unit investment trust funds (“UITFs”), offering a convenient and diversified investment option at competitive cost. This service caters to clients who prefer professionally managed portfolios without the need for active trading. Through COL Fund Source, the platform continues to enhance the client experience by making fund selection and investment execution more seamless and user-friendly.

- **Margin Lending**

COL provides a margin facility that enables eligible clients to access additional investible funds through a portfolio-secured credit line. This allows clients to efficiently deploy capital and respond to market opportunities without requiring full upfront funding, supporting more dynamic portfolio management under varying market conditions.

## **2. *Investment Services***

- **Equity Advisory Services**

COL provides personalized advisory services through both institutional business groups (“IBG”) and high-net-worth client advisory teams. These services offer tailored investment strategies designed to align with clients’ financial objectives and market conditions.

- **Agency and Advisory Accounts**

For clients seeking hands-on portfolio management, COL provides either managed accounts or advisory services, depending on the client’s needs. This is particularly suited for high-net-worth individuals looking for professional guidance in managing their investments.

## **3. *Tools and Technology***

- **Online Platform & Mobile App**

The full-service trading platform, complemented by a mobile app, allows clients to trade securities, access research tools, and manage portfolios on-the-go.

- **Research and Insights**

COL provides in-depth research on stocks and funds, giving clients the necessary tools to make informed investment decisions. This includes comprehensive company analysis, technical analysis, and market briefings, empowering investors with insights to navigate the market.

- **Automatic Investing**

The Easy Investment Program (“EIP”) allows clients to automate their investments in stocks and funds through scheduled recurring orders, encouraging a disciplined and consistent investment approach. By allowing investors to build positions gradually over time, EIP promotes long-term wealth accumulation while reducing the need for active market monitoring.

## **4. *Education and Support***

- **Investor Education**

COL continues to promote financial literacy through a range of educational initiatives delivered via seminars, webinars, and workshops. These programs cover topics such as stock market fundamentals, investing principles, stock selection, platform navigation, and income-oriented investing, catering to both new and experienced investors. In addition, COL conducts periodic investor-focused events and learning sessions that provide relevant market insights and practical guidance to support more informed investment decisions.

- **Digital Knowledge Platforms**

COL utilizes its digital channels, including social media and its YouTube platform, to deliver accessible and on-demand investment content to a broad client base. These channels feature a range of educational materials, market updates, and expert-led discussions that provide insights on market trends, portfolio strategies, and economic developments. By making relevant information readily available in a more engaging and interactive format, these platforms support investor education while also strengthening client engagement through opportunities for real-time interaction with both COL specialists and the investing community.

- **Customer Support**

COL provides clients with multiple service channels, including email, live chat, and social media platforms, ensuring accessible and timely assistance across different touchpoints. Dedicated teams handle specific client requirements such as account opening, funding and withdrawals, and account maintenance, allowing for more efficient resolution of inquiries and transactions. Premium clients are supported by designated relationship teams that provide more tailored assistance aligned with their investment needs.

## 5. *Customer-Centric Initiatives*

- **Investor Centers & Face-to-Face Support**

In addition to its online services, COL maintains Investor Centers in key locations (Pasig, Cebu, and Davao) to provide clients with the option of personalized, face-to-face assistance. These centers serve as dedicated touchpoints for client support, as well as venues for educational sessions and market updates, supporting both client engagement and service delivery. Through the continued enhancement of its support infrastructure and processes, the Parent Company aims to improve responsiveness and deliver a consistent and reliable service experience.

- **Digital Communities**

Complementing its digital knowledge platforms, COL leverages its social media channels to foster ongoing interaction with clients and the broader investing public. These platforms serve as interactive spaces where clients can raise inquiries, share perspectives, and connect with both COL representatives and fellow investors. By encouraging dialogue and participation, these digital communities help strengthen client relationships and promote a more engaged and collaborative investing environment.

## **Competitive Positioning and Competitor Analysis**

COL operates primarily in the Philippine securities brokerage business and offers fund distribution as part of its integrated platform, providing clients with the ability to trade equities and access a range of investment products. It also serves institutional and high-net-worth clients through its platform and advisory capabilities. COL's financial position supports its ability to sustain operations, invest in platform development, and navigate varying market conditions.

The industry has experienced increased adoption of digital trading capabilities, with most market participants offering comparable baseline functionalities such as real-time data access, charting tools, research, and mobile trading platforms. As these features have become more widely available, competition has increasingly shifted toward differentiation in platform integration, breadth of investment products, client scale, and the overall quality of client engagement and service delivery.

COL competes with both bank-affiliated and independent brokerage firms offering online trading services. Bank-affiliated brokers generally benefit from established client relationships, broader financial resources,

and integration with banking platforms, while independent and digital-first brokers typically compete through platform innovation, user experience, and targeted service offerings.

Competition in the industry is primarily driven by pricing (including brokerage commissions and related fees), platform reliability and functionality, range of investment products, quality of research and advisory services, and overall client experience. Market participants differentiate themselves based on their ability to provide a seamless and integrated investment platform supported by efficient execution, relevant investment insights, and responsive client support.

Set out below is a comparison of selected platform capabilities of COL relative to typical market offerings:

<b>Capability Area</b>	<b>COL</b>	<b>Competitors</b>
<b>Core Trading Platform</b>	Fully digital platform with real-time trading, research, and mobile access	Generally available across market participants
<b>Investment Product Access</b>	Integrated access to equities, local and global mutual funds and UITFs within a single platform	Varies; some platforms offer limited or no integrated fund access
<b>Platform Integration</b>	Single-account access to multiple investment products and services	May require multiple platforms or have limited integration
<b>Investor Education</b>	Structured and continuous education through digital content, seminars, and in-person sessions	Generally available but varies in scope and delivery
<b>Client Engagement Channels</b>	Combination of digital channels and physical Investor Centers in key locations	Primarily digital, with varying levels of physical presence
<b>Client Base and Scale</b>	Almost 570,000 clients as of end-2025	Typically smaller and varies by institution
<b>Service Model</b>	Hybrid model combining self-directed trading and in-person advisory services with available support channels	Varies from purely digital to broker-assisted models
<b>Additional Features</b>	Includes margin facility, demo accounts, auto-investing facility, and fund distribution platform	Feature availability varies across providers

*Note: The above reflects a high-level comparison of platform capabilities based on publicly available information and internal assessment and is not intended to be exhaustive.*

**Key Differentiating Strengths**

While core trading functionalities are broadly comparable across market participants, COL’s competitive position is supported by the following:

**1. Scale and Established Client Base**

With almost 570,000 clients as of December 31, 2025, COL maintains one of the largest retail investor bases in the Philippine market, supporting sustained client activity and reinforcing its market presence.

**2. Integrated Multi-Product Platform**

COL enables clients to access equities alongside a wide range of local and global mutual funds and UITFs within a single platform, allowing for more seamless investment management.

**3. Comprehensive Investment Ecosystem**

In addition to trade execution, COL provides research, market insights, and investor education through both digital and in-person channels, supporting clients across different stages of their investment journey.

#### **4. Client Engagement and Service Infrastructure**

COL combines digital service channels with Investor Centers in key locations, enabling multiple touchpoints for client support and engagement.

#### **5. Client-Centric Platform Development**

COL continues to enhance its platform, products, and processes in response to evolving client needs, with a focus on improving usability, accessibility, and overall client experience.

#### **6. Experienced Management and Industry Track Record**

COL is led by a management team with extensive experience in the capital markets, providing strategic direction and operational discipline.

#### **7. Strong Balance Sheet**

COL maintains a strong balance sheet, characterized by high liquidity and low leverage. This supports the timely settlement of transactions and the orderly handling of client withdrawals, particularly during periods of market volatility, while ensuring that client funds are properly safeguarded in accordance with regulatory requirements. It also provides financial flexibility to support operations, invest in platform development, and respond to changing market conditions.

### **Business Strategy**

COL's strategy is centered on strengthening its platform to better serve the evolving needs of its clients, recognizing that sustained client participation and activity are fundamental to long-term growth. By enhancing access, expanding investment options, and improving overall service delivery, COL aims to support clients across different stages of their investment journey while maintaining a scalable and resilient operating model.

COL's strategic direction is guided by the following priorities:

#### **1. Accessible and Reliable Platform**

COL remains committed to making investing more accessible by providing a secure, seamless, and user-friendly platform. It continues to enhance its digital infrastructure to improve system reliability, usability, and transaction efficiency, enabling clients to participate in the capital markets more easily across different market conditions.

#### **2. Investor Education and Market Insights**

COL promotes financial literacy through structured educational initiatives delivered via seminars, webinars, and digital content, complemented by timely market updates and research materials. Together, these resources help clients better understand market developments and support more informed investment decisions.

#### **3. Expanded Investment Access**

COL continues to broaden the range of investment products available to clients and improve how these are made accessible within its system, enabling clients to diversify their holdings more conveniently within a single environment.

#### 4. **Wealth Management and Advisory Services**

COL is building out its wealth management capabilities, supported by a team of well-trained and carefully selected Wealth Specialists who provide more personalized guidance to clients. This initiative aims to attract new market segments while better serving clients with more complex needs, helping them build diversified portfolios and stay aligned with their long-term financial goals, while also deepening client relationships over time.

#### 5. **Operational Strength and Service Delivery**

COL continues to enhance its operational processes, client support channels, and risk management practices to ensure reliable transaction processing and consistent service delivery as client activity grows.

Taken together, these strengths and strategic priorities position COL to sustain client engagement, support continued growth in activity levels, and reinforce its relevance in an increasingly competitive market.

#### **Customers**

The business of COL 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 COL and its subsidiaries taken as a whole. Further, there is no customer that accounts for, or based upon existing transactions, will account for 20.00% or more of COL's total sales.

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

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

	<b>Mark</b>	<b>Date of Application</b>	<b>Status and Validity</b>
1.	"Citiseconline"	April 13, 2012	Approved; Registration up to February 8, 2033
2.	"EIP"	September 22, 2014	Approved; Registration up to January 15, 2035
3.	"Richer Life"	September 24, 2014	Approved; Registration up to January 15, 2035
4.	"Fund Source"	March 19, 2015	Approved; Registration up to September 24, 2035
5.	"C" (COL Logo)	March 19, 2015	Approved; Registration up to July 2, 2035
6.	"Investing Together"	January 11, 2019	Approved; Registration up to November 14, 2029
7.	"COL"	May 24, 2019	Approved; Registration up to September 13, 2029

COL believes, however, that its operation is not contingent on the effectivity of its trademark registered with the IPO. The Parent 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, COL executes certain customer transactions through CTS Global Equity Group, Inc., a related party with common stockholders.

The Parent Company facilitates the distribution of investment products offered by its local subsidiaries. COL distributes funds managed by CIMI, particularly CEIUMF and CSGEUMF, through its platform and client network. As a distributor, the Parent Company provides clients access to these funds alongside third-party offerings via COL Fund Source and earns trail fees on investments made through its platform. In support of these activities, the Parent Company also provides administrative and operational services to its subsidiaries.

All other transactions between the Parent Company and its subsidiaries and their respective directors, major stockholders, or affiliated entities arise in the ordinary course of the brokerage business. These transactions, including trading activities, are executed, priced, and settled on terms consistent with those applied to unrelated parties. This approach ensures impartiality and mitigates potential conflicts of interest, thereby safeguarding the interests of all stockholders.

To further mitigate potential conflicts of interest and uphold fairness, any material related party transactions must adhere to the Parent Company's Related Party Transactions Policy. Such transactions require the approval of two-thirds of the Board of Directors ("BOD"), including a majority vote from independent directors.

### **Government Regulation**

The securities industry in the Philippines is heavily regulated. As a broker/dealer, COL is required to adhere to rules set by several authorities, including the SEC, PSE, the Bureau of Internal Revenue ("BIR"), the Capital Markets Integrity Corporation ("CMIC") and the Anti-Money Laundering Council ("AMLC"). Any changes to these regulations or their enforcement could impact COL's operations and profitability.

COL does not currently solicit orders from customers. Should it decide to engage in this activity in the future, it would be subject to additional regulations governing sales practices.

Broker/dealers must also comply with the SEC's Risk-Based Capital Adequacy Ratio ("RBCA") requirements, which ensure that a firm's liquid capital is sufficient to cover its risks. COL must maintain a minimum RBCA of 110.00% and net liquid capital of at least ₱5.00 million. Failure to meet these standards could result in the suspension or loss of its broker/dealer license. Furthermore, any changes to these regulations could restrict operations that require significant capital, such as trading, and limit COL's ability to pay dividends, service debt, or redeem shares. Large financial losses or a significant reduction in capital could also hinder COL's growth.

In addition, COL's subsidiaries, CIMI, CEIUMF, and CSGEUMF, are regulated by the SEC and must comply with the Investment Company Act and the Securities Regulation Code ("SRC").

This regulatory framework is crucial in ensuring COL operates within the bounds of the law, but it also presents challenges as new rules or enforcement changes can impact its business strategies and operations.

### **Employees**

As of December 31, 2025, the Parent Company and its subsidiaries had approximately 182 employees, of which 51.00% were rank-and-file, 42.00% were professional and supervisory staff, and 7.00% were senior management, engaged in various functional areas supporting their operations and business activities. The Parent Company's workforce remains relatively lean, supported by a high degree of automation and scalable systems and processes that allow it to efficiently support a large client base and increasing transaction volumes without a proportionate increase in manpower. Consistent with this operating model, the Parent Company expects a moderate increase in headcount in 2026 to support its ongoing business initiatives and platform enhancements.

None of the employees are covered by a collective bargaining agreement. There have been no strikes or work stoppages during the past three (3) years, nor are there any known circumstances that may give rise to a labor dispute.

The Parent Company and its subsidiaries provide compensation and benefits in accordance with applicable laws and industry practice, including performance-based incentives and other employee benefits.

## **Risk Factors and Risk Management**

Operating in the stock brokerage and fund distribution industry presents a range of risks that require proactive management and strategic mitigation. These risks include:

### **Market and Economic Risks**

The business is highly sensitive to market conditions, economic cycles, and investor sentiment. Periods of market volatility, economic downturns, and geopolitical uncertainties can lead to lower trading volumes, reduced investor participation, and revenue fluctuations.

### **Regulatory and Compliance Risks**

The industry is subject to stringent regulatory oversight, with evolving policies from financial regulators. Changes in regulations, tax laws, or compliance requirements may impact operations, increase costs, or impose restrictions on product offerings.

### **Technology and Cybersecurity Risks**

As a digital-first platform, system reliability, data security, and technological advancements are critical. Cyber threats, data breaches, and system downtimes could impact client trust and business continuity. Keeping pace with technological innovations is essential to maintaining competitive advantages.

### **Competitive and Industry Risks**

The rise of new financial technologies, alternative investment platforms, and competitive brokerage services pose a risk to market share. Differentiation through innovation, client-centric solutions, and enhanced user experience is crucial to sustaining growth.

### **Liquidity and Financial Risks**

A decline in trading volumes or assets under administration (“AUA”) could affect revenue streams. Additionally, fluctuations in interest rates and inflation may impact profitability and operational costs.

### **Client Behavior and Retention Risks**

Investor preferences and behaviors are evolving, driven by access to financial information, investment trends, and economic shifts. Ensuring strong client engagement, financial education, and personalized services is essential to maintaining and growing the client base.

### **Operational and Talent Risks**

Efficient execution of transactions, robust risk management frameworks, and operational excellence are vital. Additionally, attracting, developing, and retaining skilled professionals in an evolving financial landscape remains a challenge, particularly in specialized areas like wealth management and investment advisory.

To safeguard its business and continue delivering value to clients, COL has implemented the following proactive risk management strategies, among others:

### **Regulatory Compliance and Governance**

- COL maintains strict adherence to financial regulations through a dedicated compliance team that monitors regulatory developments and ensures timely implementation of necessary adjustments.

- Regular coordination with regulators and industry bodies allows COL to stay ahead of evolving compliance requirements.

### **Market Resilience and Client Engagement**

- COL actively educates investors through regular market briefings, research reports, and financial literacy programs, ensuring clients remain engaged even in volatile markets.
- To diversify investment options, COL Fund Source offers a broad selection of mutual funds and UITFs, allowing clients to explore alternative investment opportunities beyond stocks.

### **Technology and Cybersecurity Enhancements**

- Significant investments have been made in IT infrastructure, including enhanced cybersecurity measures, system redundancies, and continuous penetration testing to safeguard client data and platform security.
- A dedicated cybersecurity team regularly assesses potential threats and updates security protocols to protect against cyberattacks.

### **Operational Efficiency, Talent Development, and Retention**

- COL continuously improves its internal processes through automation, ensuring operational accuracy and efficiency.
- Recognizing the importance of attracting and retaining talent, COL invests in leadership development programs, training initiatives, and competitive benefits and compensation packages to build a strong and capable workforce.
- Employee engagement programs and succession planning ensure business continuity and a sustainable talent pipeline.

### **Competitive Positioning and Revenue Diversification**

- COL is expanding its wealth management services and broadening its product offerings to cater to a wider range of investors.
- Personalized investment solutions, enhanced customer support, and data-driven insights help deepen client relationships and strengthen retention efforts.

While these mitigation strategies address key risks, this list is not exhaustive. The financial services industry is continuously evolving, requiring COL to remain agile, forward-thinking, and responsive to emerging threats and opportunities. By reinforcing its compliance efforts, investing in technology, strengthening its workforce, and deepening client engagement, COL ensures that it remains well-positioned as the most trusted investment service provider in the Philippines.

## **Item 2. Properties**

### Leased Properties

The following table shows the list of properties being leased by the Parent Company as of December 31, 2025:

<b>Purpose</b>	<b>Location</b>	<b>No. of Units</b>
Mixed-use (front office, back office)	Metro Manila	17
Mixed-use (back office, storage)	Central Luzon	2
Investor center	Cebu	1
Investor center	Davao	1

COL maintains its offices and storage facilities to support a safe, functional, and conducive environment for both its employees and customers.

The premises are covered by lease arrangements typically for a period of one (1) to three (3) years and expiring at various dates. The lease on the properties is renewable upon mutual agreement of the parties.

#### Owned Properties

In 2017, COL purchased an office space at the PSE One Bonifacio High Street in Taguig City with an initial cost of ₱17.50 million. This office space is being held for capital appreciation.

COL's other properties consist of various computer hardware and related accessories as well as proprietary software systems supporting its online trading platform and internal operations. COL directly owns a Trading Right in the PSE.

#### Limitations on Properties

Aside from the lease agreements mentioned above, COL's properties are free from any mortgage, lien, or encumbrance.

#### Properties to be Acquired

As part of COL's ongoing information technology development and expansion program, the Parent Company has earmarked up to ₱100.00 million from retained earnings over a five-year period ending 2027. The planned expenditures relate primarily to the acquisition and enhancement of systems and technology infrastructure to support COL's operations. As of December 31, 2025, a total of ₱52.40 million has been utilized and correspondingly reversed from the original appropriation.

### **Item 3. Legal Proceedings**

COL 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 COL or in which any of COL's property is the subject.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this annual report.

## **PART II - OPERATIONAL AND FINANCIAL INFORMATION**

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

#### **Market Information**

The common shares of COL Financial were listed at the PSE on July 12, 2006, under the ticker symbol "COL". The total number of outstanding shares of COL as of December 31, 2025 is 5,949,999,998 with a market capitalization of ₱8.45 billion as of the end of 2025, based on the closing price of ₱1.42 per share.

The adjusted high and low sales prices of COL shares, reflecting the stock dividend, for each quarter over the past two (2) years are as follows:

	2025		2024	
	High	Low	High	Low
1 <sup>st</sup> Quarter	1.74	1.53	2.14	1.68
2 <sup>nd</sup> Quarter	1.65	1.46	1.94	1.70
3 <sup>rd</sup> Quarter	1.53	1.43	1.88	1.65
4 <sup>th</sup> Quarter	1.50	1.20	2.18	1.55

As of March 30, 2026, the closing price of COL shares is ₱1.40 per share.

### **Holders of Common Equity**

As of March 16, 2026, there are 32 holders of common shares of COL. The top 20 common shareholders of the Parent Company are as follows:

	Name	No. of Common Shares Total	Percentage of Total Shares Outstanding held by each
1	PCD Nominee Corporation	5,079,951,187	85.3773
2	Lee, Edward K.	778,125,000	13.0777
3	Ang, Valentina L.	62,500,000	1.0504
4	Lee, Lydia C.	12,500,000	0.2101
5	Tan, Jessalynn L.	12,500,000	0.2101
6	Lim, Hernan G.	1,250,000	0.0210
7	Yu, Raymond C.	1,250,000	0.0210
8	Han, Paulwell	1,250,000	0.0210
9	Barretto, Serafin Jr. P.	150,000	0.0025
10	Estacion, Manuel S.	125,000	0.0021
11	Yu, Wellington C. Or Yu, Victoria O.	125,000	0.0021
12	Villanueva, Myra P.	75,000	0.0013
13	Filio, Sernando	62,500	0.0011
14	Gara, Rosario	62,500	0.0011
15	Khoo Boo Boon	12,500	0.0002
16	Hapi Iloilo Corporation	12,500	0.0002
17	Litman, Joel A.	12,500	0.0002
18	Guerzon, Maria Carmen	8,350	0.0001
19	Villanueva, Milagros P.	6,250	0.0001
20	Villanueva, Myrna P.	6,250	0.0001
	<b>TOTAL</b>	<b>5,949,984,537</b>	<b>99.9997</b>

### **Dividends**

#### **a. Cash Dividends**

The BOD, in its meeting held on April 26, 2007, approved a policy of declaring an annual regular cash dividend of 20.00% of its net income. The payment of dividends shall be taken out of the unappropriated retained earnings of the Parent Company. There are no restrictions that limit payment of dividends on common shares.

The following is a summary of the cash dividend declared and distributed by the Parent Company in 2024 and 2025:

Year	Amount / Share	Type	Ex-Date	Record Date	Payment Date
2025	₱0.0157	Regular	May 15, 2025	May 16, 2025	June 4, 2025
	₱0.0393	Special	May 15, 2025	May 16, 2025	June 4, 2025
2024	₱0.00186	Regular	May 16, 2024	May 17, 2024	June 5, 2024
	₱0.0465	Special	May 16, 2024	May 17, 2024	June 5, 2024

#### **b. Stock Dividends**

The Board of Directors, in its meeting held on August 16, 2024, and the stockholders, in their meeting held on September 27, 2024, approved the declaration of stock dividends equivalent to twenty-five percent (25.00%) of the Parent Company's outstanding capital stock, amounting to ₱119.00 million or 1.19 billion common shares with a par value of ₱0.10 per share, sourced from the Parent Company's authorized and unissued capital stock. Fractional shares resulting from the issuance were settled in cash, based on the closing price on the record date and computed up to two (2) decimal places. The record date for entitlement to the stock dividend was October 23, 2024, and the stock dividends were distributed on November 24, 2024.

#### **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**

- a. Compliance with the Parent Company's Corporate Governance Manual is being monitored regularly by its Compliance Officer. Orientation and workshop meetings are held to operationalize the Manual. Consistent with the Manual, the Board has implemented an internal self-evaluation system to assess the compliance and performance of the BOD and senior management in relation to its provisions.
- b. A continuing and on-going review and evaluation of the Parent Company'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 Parent Company's adopted leading practices on good governance.
- c. There are no deviations from the Parent Company's Manual on Corporate Governance that it is aware of.
- d. The Parent Company continues to review and evaluate its policies and measures being undertaken to continue to adhere to the principles and practices of good corporate governance.

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

The following discussion provides a detailed analysis of the financial performance, business drivers, and strategic direction of COL Financial and its subsidiaries collectively referred to as ("the Group"). It is intended to give stakeholders a clear understanding of the factors influencing the Group's financial results, as well as insights into industry trends and COL's positioning within the market.

This section should be read in conjunction with the audited consolidated financial statements included in this report, along with other relevant disclosures that provide further context on COL's financial condition and operational performance.

## **Industry and Economic Review**

The Philippine stock market had a volatile year in 2025, with the Philippine Stock Exchange Index (“PSEi”) declining 7.29% to close at 6,052.92.

The weak performance reflected a combination of global and domestic headwinds that weighed on investor sentiment. In early April, global markets were shaken by U.S. President Donald Trump’s announcement of sweeping reciprocal tariffs. Although global equities later recovered after the measures were partially rolled back, Philippine equities lagged as many listed companies reported generally underwhelming earnings.

Sector-specific challenges also added pressure on the market. Banks faced concerns over margin compression as interest rates declined, while the government’s anti-corruption campaign raised uncertainty over demand for high-end property developments, hurting sentiment for listed property companies. Consumer companies struggled with weak demand and elevated raw material costs, while telecommunications firms faced rising competition risks following the passage of the Open Access Bill. Power producers were hit by lower spot market prices, and gaming firms faced tighter government regulations.

Investor sentiment was further dampened by corruption investigations involving government infrastructure projects. Economic activity slowed as a result, with gross domestic product (“GDP”) growth softening to around 3.4% in the second half from 5.4% in the first half, driven by weaker government spending and a decline in public infrastructure construction.

Currency movements added another headwind. After appreciating in the first five months of the year, the peso resumed its depreciation in the second half—a development that has historically been unfavorable for equities.

Despite the broader market decline, several sectors delivered strong performances. REITs rallied, supported by falling interest rates and dividend-accretive asset injections from their sponsors. Mining stocks also advanced as prices of gold, silver, copper, and nickel surged. In addition, a number of attractively valued companies saw their share prices rise after declaring higher-than-expected cash dividends.

Gaming stocks were also actively traded during the middle of the year, driven by strong earnings and a favorable industry outlook. However, sentiment reversed after lawmakers began tightening oversight of e-gaming firms, triggering a sharp sell-off in these stocks.

The strength and heightened interest in these pockets of the market helped keep trading activity relatively resilient despite the broader decline. Average daily turnover rose 20.10% year-on-year to ₱7.33 billion.

## **Business Review**

### ***1. Key Performance Indicators***

COL Financial remains focused on maximizing profitability through the strategic allocation of resources, with the overarching goal of enhancing shareholder value. To ensure sustainable growth, it continuously evaluates the effectiveness of its corporate initiatives and key performance indicators (“KPIs”), which serve as critical benchmarks in assessing the success of its financial and operational strategies.

Outlined below are some of the KPIs used to measure the Group's progress:

	2025	2024
Number of Customer Accounts*	569,365	553,098
Customers' Net Equity (in millions)	₱123,178.56	₱117,061.93
Revenues (in millions)	₱1,169.27	₱1,193.75
Return on Average Equity ("ROE")	21.22%	21.51%
Risk Based Capital Adequacy Ratio*	798.62%	695.77%
Liquid Capital** (in millions)	HKD-	HKD3.48

\*Parent Company only

\*\*HK Subsidiary

COL's customer base continued to expand, adding 16,267 new accounts from its Philippine operations. This represents a 2.94% year-on-year increase, bringing the total to 569,365 as of end-2025. Despite a muted PSE environment, growth was driven by continuous enhancements to the client acquisition and onboarding experience, alongside investor education, supported by targeted campaigns on long-term investing, dividend-paying assets, and global funds that strengthened both acquisition and early engagement.

Customers' net equity increased by 5.23% to ₱123.18 billion as of year-end, supported by ₱3.40 billion in net inflows from both new and existing investors, along with dividend payouts from listed companies. This growth highlights the resilience of customer portfolios despite a 7.29% decline in the PSEi, which partially tempered gains from inflows and dividends. Net inflows from existing clients also indicate strong retention and continued wallet share expansion, reinforcing the depth and quality of COL's customer base.

Revenues declined slightly by 2.05% to ₱1.17 billion, as growth in core service and recurring fee-based income was offset by lower interest income amid a softer rate environment. The shifting revenue mix highlights early progress in diversifying income streams and reducing reliance on market-sensitive yields.

Despite the slight decline in revenues, net income increased by 5.88% to ₱514.12 million, supported by disciplined cost management, lower income tax provisions, and the recognition of a ₱47.15 million translation gain from the closure of COLHK. Notwithstanding the improvement in profitability, ROE remained relatively stable at 21.22% in 2025, compared to 21.51% in 2024, as earnings growth was offset by a higher equity base driven by retained earnings.

COL Financial remained fully compliant with regulatory requirements. As of year-end 2025, the Parent Company's RBCA Ratio stood at 798.62%, significantly above the minimum requirement of 110.00%. COLHK has consistently met the requirements of the SFC until its license was revoked on April 7, 2025. At present, COLHK is no longer subject to SFC regulatory obligations.

## 2. Other Financial Soundness Indicators

Overall, the Group's financial ratios reflect improved profitability and a stable financial position for 2025. Margins strengthened during the year, while liquidity and solvency indicators remained at comfortable levels, supported by prudent capital management and disciplined operations.

	2025	2024	Formula
Profitability ratios:			
Return on assets	4.19%	3.93%	Net income/Average assets
Net profit margin	44.02%	40.73%	Net income/Net revenue
Solvency and liquidity ratios:			
Current ratio	1.09	1.14	Current assets/Current liabilities

	2025	2024	Formula
Debt to equity ratio	3.96	4.46	Total liabilities/Ave. stockholders' equity
Quick ratio	1.09	1.13	Liquid assets/Current liabilities

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

#### a. 2025 vs. 2024

Consolidated assets declined slightly by 2.72% to ₱12.11 billion as of end-2025, reflecting stronger deployment of client funds and a deliberate reallocation of the Parent Company's investment portfolio toward higher-yielding instruments. Cash balances declined by 5.38% to ₱9.18 billion but continued to comprise 75.81% of total assets, underscoring the Group's strong liquidity position.

The shift in asset mix was evident in the 16.25% increase in investment securities at amortized cost to ₱1.55 billion and the 42.67% growth in financial assets at fair value through profit or loss ("FVTPL") to ₱144.33 million, as the Parent Company repositioned to optimize returns in a changing interest rate environment.

Meanwhile, trade receivables declined by 12.36% to ₱872.02 million, largely driven by a 17.87% decrease in margin receivables, as demand for leveraged trading weakened amid softer market conditions.

Other receivables decreased by 7.01% to ₱97.09 million, reflecting lower interest accruals, partly offset by higher fund-related settlement activity.

Other current assets increased by 6.63% to ₱27.95 million, primarily due to the lower utilization of prior-year income tax overpayments during the period, as the Parent Company continued to apply available tax losses from prior years to fully offset taxable income for the year, in line with allowable tax provisions.

Property and equipment rose by 50.72% to ₱93.50 million, driven by continued investments in technology infrastructure and related upgrades to support platform capacity, system reliability, and overall user experience. Additions also included leasehold improvements and right-of-use ("ROU") assets arising from lease renewals, reflecting ongoing efforts to enhance operational efficiency and workplace functionality.

On the liabilities side, trade payables declined by 4.80% to ₱9.37 billion, primarily reflecting a 4.59% decrease in customers' undeployed funds to ₱9.34 billion. This movement is consistent with higher utilization of client balances during the year, as investors gradually deployed funds into the market and other investment products despite prevailing market volatility. Lower payables to the clearing house also contributed to the decline, reflecting reduced outstanding settlement obligations at year-end compared to the prior period.

Other current liabilities decreased by 11.52% to ₱148.21 million, mainly due to lower accruals for taxes and operating expenses, including a reduction in performance-based incentives in line with overall business results. This was partially offset by higher fund-related settlement balances, reflecting increased activity in the Parent Company's fund distribution business.

Net deferred income tax assets increased by 119.53% to ₱31.48 million in 2025 from ₱14.34 million in 2024. The increase was primarily driven by the full reversal of a ₱24.74 million deferred tax liability ("DTL") related to the expected gain on the disposal of COLHK, which was recognized in December 2025. In addition, the DTL arising from accumulated translation adjustments amounting to ₱12.27 million was fully reversed following the complete return of the Parent Company's investment in the foreign subsidiary.

This increase was partly offset by a ₱16.41 million decline in deferred tax assets (“DTA”), primarily due to the partial utilization of net operating loss carryover (“NOLCO”) during the year. The utilization was driven by taxable income arising from the ₱91.78 million gain recognized following COLHK’s closure, as well as higher commission income during the year. In addition, DTA related to retirement liabilities declined in line with the reduction in the underlying obligation, reflecting movements in the Parent Company’s employee benefit provisions.

Finally, stockholders’ equity increased by 6.47% to ₱2.51 billion, driven by consolidated net income of ₱514.12 million for the year. This growth was partially offset by cash dividend distributions of ₱327.25 million, reflecting the Parent Company’s continued commitment to shareholder returns while preserving sufficient capital to support ongoing operations and strategic initiatives.

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

Consolidated assets grew modestly by 1.04% year-on-year, reaching ₱12.45 billion as of the end of 2024.

Cash and cash equivalents, including cash in segregated accounts and short-term time deposits, primarily consisting of bank deposits and special time deposits, rose by ₱40.17 million or 0.42%, bringing the total to ₱9.70 billion. This accounted for 77.95% of the Group’s total assets. Meanwhile, investment securities at amortized cost, composed mainly of Treasury bills and bonds, declined by 4.02% to ₱1.34 billion. The shift toward higher cash reserves was a strategic decision to take advantage of more attractive yields from time deposits compared to government and corporate debt securities.

Financial assets at FVTPL rose by 11.11% to ₱101.16 million, primarily driven by the mutual fund subsidiary’s increased investments in money market mutual funds. This shift reflects the Group’s strategy of maintaining liquidity while waiting for the right opportunity to deploy capital into equities. By prioritizing highly liquid, low-risk placements, COL ensures that funds remain readily available while still earning competitive returns. This approach enables the Group to maximize investment flexibility and take advantage of market opportunities as they arise. It also mitigates exposure to short-term market volatility, preserving capital while positioning for future growth.

Total trade receivables increased by 13.07% to ₱995.01 million, primarily driven by a 15.98% rise in receivables from customers to ₱994.93 million. Margin receivables grew by 16.88% to ₱968.40 million, reflecting higher client demand for leveraged trading. These increases were partially offset by the decline in receivables from the clearing house and other brokers, both of which were fully settled by year-end. Receivables from the clearing house decreased as the Parent Company’s customers were in a net buying position during the last two trading days of 2024. Meanwhile, receivables from other brokers were fully collected and returned to COLHK clients in line with its dissolution process.

Other receivables increased by 13.42% to ₱104.42 million, largely driven by a 301.12% surge in mutual fund redemption proceeds to ₱17.55 million. This sharp rise reflects increased client redemptions, likely influenced by market volatility, shifting risk appetites, or liquidity needs. Meanwhile, accrued interest on investments declined by 2.11% to ₱75.70 million, primarily due to lower interest rates and investible funds.

Prepayments increased by 19.36% to ₱10.52 million, primarily driven by a 23.23% rise in prepaid insurance to ₱3.27 million due to higher premiums paid during the year. Other prepayments also grew by 31.83% to ₱6.59 million, reflecting increased fees paid to certain service providers. These increases were partially offset by a 43.43% drop in prepaid taxes to ₱0.66 million.

Property and equipment declined by 13.50% to ₱62.03 million as depreciation and amortization expenses of ₱37.65 million outpaced capital expenditures and additions to ROU assets, which amounted to ₱17.32 million and ₱10.88 million, respectively.

Trade payables decreased slightly by ₱58.64 million or 0.59% to ₱9.84 billion year-on-year. This was largely due to the 1.14% decrease in clients' undeployed funds. Outstanding payables to the clearing house increased to ₱54.21 million as the Parent Company's customers were in a net buying position during the last two trading days of 2024.

Other current liabilities were higher by 33.28% at ₱167.52 million. This was largely due to the 301.12% jump in mutual fund redemption proceeds to ₱17.55 million and the 136.80% increase in unposted customers' deposits to ₱18.08 million. Accrued expenses and management bonuses, which were paid in January 2025, and related taxes due to the BIR likewise increased by a total of 17.64% to ₱117.30 million.

Net deferred income tax positioned as an asset of ₱14.34 million as of end 2024, compared to a liability of ₱10.11 million as of end 2023. This shift was primarily due to the Parent Company's recognition of deferred tax assets amounting to ₱29.02 million on its NOLCO and ₱21.73 million on accrued retirement liability. Based on Management's projections, these DTAs are expected to be fully utilized through the itemized deduction method, which will offset taxable income in future periods. These were partially offset by the recognition of a DTL of ₱24.74 million on the expected gain from the liquidation of the Hong Kong subsidiary.

Stockholders' equity was up 7.76% to ₱2.36 billion due to the booking of ₱485.55 million in net income, partly offset by the payment of ₱309.88 million worth of cash dividends by the Parent Company. In 2024, the Parent Company also declared and paid stock dividends worth ₱119.00 million.

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

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

Consolidated revenues declined by 2.05% to ₱1.17 billion in 2025, primarily due to weaker interest income, which fell by 10.52% to ₱678.55 million. Interest income from customers declined by 5.43% to ₱66.86 million, reflecting lower utilization of margin facilities as clients remained cautious amid softer market conditions. Meanwhile, interest income from placements in special time deposits and fixed income securities decreased by 11.05% to ₱611.69 million, largely due to lower average yields and reduced investible funds during the year.

Despite this, core service revenues showed resilience. Commission revenues increased by 11.57% to ₱426.54 million, supported by a 14.91% rise in total value turnover to ₱171.13 billion, driven primarily by higher participation from self-directed clients. Trail fees also grew by 14.66% to ₱27.80 million, underpinned by a 19.04% expansion in average AUA to ₱6.48 billion. These trends reflect improving client engagement and early gains from the Parent Company's efforts to build more recurring, diversified revenue streams.

Total expenses remained broadly stable, declining by 0.79% year-on-year to ₱570.25 million, as disciplined cost management offset higher activity-related costs. Personnel expenses, which account for the largest share of total costs, declined by 1.88% to ₱277.25 million due to lower performance-based compensation aligned with the Group's revenue base.

Variable and activity-driven expenses increased in line with higher trading volumes. Stock exchange dues and related fees rose by 13.67% to ₱34.38 million, while commission and trail-related expenses increased by 2.17% to ₱34.05 million. Communication expenses also grew by 8.91% to ₱42.73

million, reflecting continued investments in security and network infrastructure to support platform stability and reliability.

These increases were largely offset by reductions in discretionary and non-recurring expenses. Professional fees declined by 51.23% to ₱4.88 million following the completion of activities related to the Hong Kong subsidiary's deregistration. Advertising and marketing expenses decreased by 24.78% to ₱7.77 million as the Parent Company shifted toward more targeted and cost-efficient initiatives. Training, seminar, and meeting costs decreased by 40.09% to ₱2.24 million, reflecting a reduction in program costs compared to the prior year.

On the other hand, power, light, and water expenses increased by 17.91% to ₱8.52 million, primarily driven by higher electricity consumption arising from continuous system testing activities aimed at ensuring platform reliability, as well as increased air-conditioning usage required to maintain optimal operating conditions for servers and critical IT equipment.

Depreciation and amortization increased modestly by 0.41% to ₱40.53 million, reflecting incremental investments in infrastructure and system enhancements, partially offset by the completion of depreciation cycles for certain assets.

Provision for income taxes declined by 4.55% to ₱122.52 million, primarily due to lower final taxes on interest income as yields softened, partially offset by higher minimum income tax provisions and lower deferred tax recoveries.

As a result, consolidated net income rose by 5.88% to ₱514.12 million. Excluding the one-off translation gain from the closure of the Hong Kong subsidiary, earnings would have been lower year-on-year, highlighting continued pressure from declining interest income and reinforcing the importance of ongoing revenue diversification and cost discipline.

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

Consolidated revenues grew by 9.34% to ₱1.19 billion in 2024, supported by broad-based expansion across all major revenue streams. Commission revenues increased by 15.99% to ₱382.31 million, driven by a 23.80% rise in the Parent Company's average daily value turnover to ₱607.86 million, despite relatively flat industry turnover. This translated into improved market positioning, with COL's ranking by value traded rising to fourth place from 11<sup>th</sup> in the prior year.

Interest income grew at a more moderate pace of 7.04% to ₱758.36 million. Interest income from customers increased by 2.38% to ₱70.70 million, reflecting higher margin utilization, while interest income from banks and fixed income instruments rose by 7.55% to ₱687.67 million, supported by a 50-basis point increase in average interest rates. Meanwhile, trail fees increased by 10.33% to ₱24.24 million, driven by continued growth in AUA from the fund distribution business.

Total expenses increased in line with business expansion, reflecting both higher activity levels and continued investments to support growth. Personnel expenses, which comprise the largest share of total costs, rose by 12.30% to ₱282.56 million, driven by strategic hiring, salary adjustments, and higher performance-based incentives to support the Group's operating requirements and talent retention initiatives.

Variable and activity-driven expenses increased alongside higher trading volumes. Commission expenses grew by 25.61% to ₱33.32 million, while stock exchange dues and fees rose by 20.46% to ₱30.24 million, consistent with the 19.80% increase in consolidated value turnover. Professional fees increased by 4.74% to ₱56.66 million, reflecting higher IT-related service contracts, audit fees, and consultancy support as the Parent Company continued to enhance its systems and controls.

Discretionary and capability-building expenses also increased during the year. Advertising and marketing expenses rose by 54.47% as the Parent Company ramped up campaigns, including initiatives tied to foreign counterparties. Training, seminar, and meeting costs increased by 208.18% to ₱3.74 million, reflecting expanded programs to support employee and agent development. Insurance expenses also rose by 19.25% to ₱7.25 million due to higher premiums upon policy renewals.

Depreciation and amortization declined by 14.83% to ₱40.36 million, primarily due to the full depreciation of legacy IT assets, including servers acquired in prior years, partially offset by modest capital expenditures and additions to ROU assets during the period.

Provision for income taxes decreased by 1.90% to ₱128.37 million, mainly due to the recognition of DTA on net operating loss carryover and retirement liabilities. This was partially offset by the recognition of DTL related to the expected gain from the closure of the Hong Kong subsidiary.

Consequently, consolidated net income grew by 14.08% to ₱485.55 million, supported by revenue growth and lower tax provisions.

## **5. Other Matters**

- a. COL is not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group has not defaulted in paying its obligations, which arise mostly from withdrawals made by customers. In addition, obligations of the Parent Company are fully funded in compliance with the SRC Rule 49.2 while COLHK maintains a fund for the exclusive benefit of its customers in compliance with the regulations of the Securities and Futures Commission of Hong Kong.
- b. COL is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- c. COL is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with other persons created during the reporting period.
- d. COL is not aware of any material commitments for capital expenditures.
- e. COL 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 Group.
- f. COL is not aware of any significant elements of income or loss that did not arise from the Group's continuing operations.
- g. COL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

## **Prospects for the Future**

### **1. Near-Term Prospects**

Stockbrokers in the Philippine market are poised for a better year in 2026. While economic growth remains uneven, inflation and interest rates are expected to stay low, supporting both consumer spending and investment activity. This environment also enhances the relative appeal of equities for investors seeking higher returns.

At the same time, the local market remains attractively valued and under-owned by foreign investors, positioning it well to benefit from the ongoing rotation of global funds away from U.S. equities toward emerging markets, driven by concerns over elevated U.S. valuations, a potential AI-driven bubble, and a weaker U.S. dollar.

A stronger equity market should translate into higher trading activity, boosting value turnover and, in turn, brokerage commissions. Demand for investment products is also likely to improve, supporting higher management fees from COL's newly launched funds and increased trail income from its fund distribution business.

## **2. Medium to Long-Term Prospects**

The medium to long-term outlook for the Philippine economy remains constructive, supported by strong underlying fundamentals. Economic activity is expected to benefit from the country's favorable demographic profile, steady household consumption, continued expansion of the IT-BPM sector, particularly in higher-value services, and resilient OFW remittances. While near-term growth may be tempered by external uncertainties and domestic factors, these structural drivers continue to provide a stable foundation for corporate earnings over time.

At the market level, ongoing initiatives by the PSE, including enhancements to listing rules and the introduction of short selling, are expected to support improvements in market depth and liquidity. These developments, together with the still low level of retail investor participation, present opportunities for gradual market expansion and increased investor engagement, which are expected to support the COL's long-term growth trajectory.

## **Item 7. Financial Statements**

Please refer to the attached Consolidated 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**

COL has not changed its accountants for the last three (3) years and has not had any disagreements on accounting and financial disclosures with its current accounts for the last three (3) years.

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

The following table sets out the aggregate fees billed to the Parent Company for each of the last two (2) fiscal years for professional services rendered by SGV:

	<b>Years Ended December 31 (in ₱ million)</b>	
	<b>2025</b>	<b>2024</b>
Audit and Audit-Related Fees in connection with the annual review of the Parent Company's financial statements	₱2.94	₱2.75
Tax Fees	None	None

Appointment of COL's external auditor and its audit fees are upon recommendation of the Audit Committee. All services rendered by SGV have prior approval of the President as recommended by the Audit Committee. Actual work by SGV proceeds thereafter. In 2025, the Audit Committee was chaired by Ms. Betty C. Siy-Yap with Mr. Wellington C. Yu, Mr. Raymond C. Yu, and Mr. Hernan G. Lim as members.

## PART III - CONTROL AND COMPENSATION INFORMATION

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

#### Board of Directors

The Directors of COL as of December 31, 2025 are as follows:

Name	Position
Edward K. Lee	Chairman
Alexander C. Yu	Vice Chairman
Conrado F. Bate	Member
Paulwell Han	Member
Kosuke Mizuno	Member
Hernan G. Lim	Member
Raymond C. Yu	Member
Wellington C. Yu	Member
Arthur G. Gindap	Member (Independent)
Betty C. Siy-Yap	Member (Independent)
Roberto C. Benares	Member (Independent)

The following are the respective ages, periods of service, directorships in other reporting companies and positions held in the last five years of each of the Directors of COL:

#### ***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 3rd 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.

***Conrado F. Bate***

*President and Chief Executive Officer*

Conrado F. Bate, 63, Filipino, holds a Bachelor of Arts Degree in Economics and Bachelor of Science Degree in Marketing Management from De La Salle University. He is currently the President and Chief Executive Officer of COL and also serves as a director of COL Investment Management, Inc. He is also the President of Shareholder's Association of the Philippines since 2022 and has been a member of its Board of Trustees for the past six(6) years. Mr. Bate possesses extensive experience in the Philippine stock brokerage and fund management industry. His previous roles include serving as Vice President of JP Morgan Philippines in 2002, President and CEO of Abacus Securities Corporation from 1995 to 1997, and Vice President of Fund Management Division of Philamlife Insurance Company from 1990 to 1995. He has also played a pivotal role in various leadership positions, having been a member of the Board of Directors of the Philippine Stock Exchange from 2005 to 2006, where he served as Chairman of the Investor Education Committee and Member of the Legislative Committee. Mr. Bate has also contributed his expertise as an independent director of the ATR Kim Eng Asset Management from 2005 to 2010, and he continues to serve in a similar capacity for Corston-Smith Asset Management Sdn. Bhd. since February 2009.

***Wellington C. Yu***

*Director*

Wellington C. Yu, 82, Filipino, finished his degree in BS Chemical Engineering at De La Salle University in 1965 and his MBA and MS Chemical Engineering degrees from the University of Pittsburgh. From 1973 to 1985, he was the Dean of the College of Business and Economics of De La Salle University and of the Graduate School of Business from 1981 to 1984. He was conferred the title Dean Emeritus in the College of Business and Economics in De La Salle University. He was the Senior Vice President of Tropical Rent-A-Car in Hawaii from 1986 to 1990 and President of Suntrips, Inc. of San Jose, California from 1990 to 1997. In 2012, Xavier School San Juan awarded him the title "Exemplary Alumnus".

***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: CTS Global Equity Group, Inc., Cedarside Holdings Corp., Cedarside Industries, Inc., Barrington Carpets, Inc., and Citimex, Inc.

***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., CTS Global Equity 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.

***Paulwell Han***

*Director*

Paulwell Han, 66, Chinese, is a graduate of Business Finance from the San Francisco State University, USA. He is currently the Director and General Manager of different corporations located in Hong Kong, namely: Etta Trading Company Limited, Yee Ting Tong Company Limited, Tecworld Investment Co., Ltd., Silver Jubilee Co., Ltd., and Sunning Restaurant.

***Kosuke Mizuno***  
*Director*

Mr. Kosuke Mizuno, 57, Japanese, is the Head of Asia & Oceania at Daiwa Securities Group Inc., a role in which he leverages over three decades of distinguished experience in the global securities industry. With a career spanning 32 years, Mr. Mizuno has cultivated deep expertise and leadership acumen across key financial hubs, including Japan, Hong Kong, Singapore, and the United States. Throughout his tenure at Daiwa, he has held multiple senior leadership positions, driven business growth and innovation while amassing extensive knowledge in strategic business management and team supervision. A graduate of Keio University, Mr. Mizuno earned a Bachelor of Arts degree in Economics in 1992. Demonstrating a commitment to continuous learning and professional development, he further enhanced his leadership capabilities by completing the prestigious Stanford Executive Program at Stanford Business School in 2023. His unique blend of global perspective, strategic vision, and operational excellence continues to make a significant impact on Daiwa Securities Group and the broader financial industry.

***Arthur G. Gindap***  
*Independent Director*

Arthur G. Gindap, 64, Filipino, currently serves as a Director of Keyland Corporation, Chairman of Benilde Romancon Hospitality Services, Inc., and Director of Anawim (a Mercy Ministry of Bro. Bo Sanchez). He is also a Director of Keyland Ayala Properties, Inc. He previously held the position of Senior Vice President and Business Unit General Manager at Robinsons Hotels & Resorts from 2018 to 2023. Prior to that, Mr. Gindap was the Vice President & Regional General Manager for the Philippines, Thailand, and Laos, as well as the Vice President of Global Operations & Customer Service at Ascott Limited, serving from 2004 to 2018. With over 40 years of experience in the hotel, hospitality, and real estate industries, Mr. Gindap has built an extensive and distinguished career. He holds a degree in Hotel and Restaurant Administration from Sheridan College in Canada.

***Betty C. Siy-Yap***  
*Independent Director*

Betty C. Siy-Yap, 64, Filipino, is the SVP and Chief Finance Officer and Chief Risk Officer of Manila Electric Company. She sits as a member of the board of various corporations such as Clark Electric Distribution Corporation, CIS Bayad Center, Inc., Meralco Industrial Engineering Services Corporation, MERALCO PowerGen Corporation, Global Business Power Corporation, Miescor Infrastructure Development Corporation, and Union Galvasteel Corporation, among others. She is also a trustee of the Immaculate Conception Academy, a member of the Finance and Budget Committee and Chairman of the Audit and Risk Committee of Ateneo de Manila University. She is likewise the President of Lighthouse Overseas Insurance Limited and the Treasurer of First Pacific Leadership Academy. She previously served as a Director of Rockwell Land Corporation, a member of the Market Governance Board of the Philippine Dealing Exchange Corp., Vice Chairman of the Board of Accountancy of the Professional Regulation Commission, and a Partner at SyCip Gorres Velayo & Co. Ms. Siy-Yap holds a Bachelor of Science Degree in Business Administration and Accountancy from the University of the Philippines and a Master's in Business Administration from J.L. Kellogg School of Management at Northwestern University/The Hong Kong University of Science and Technology.

***Roberto C. Benares***  
*Independent Director*

Roberto C. Benares, 73, Filipino, is currently the Vice Chairman of the Board of Directors and Chairman of the Executive Committee of the Bank of Commerce, member of the Board of Directors of Quokka Development Corporation, Quokka Corp., and Pattern Farms Design Inc. He served as the President and CEO of Bank of Commerce from 2013 to 2018 and as Executive Director and later on Managing Director of Maybank ATR Kim Eng Capital Partners, Inc. from 2001 to 2013. Over the years, Mr. Benares held

various positions at Asian Alliance Investment as Managing Director; Insular Investment & Trust Corporation as Executive Vice President; Philamlife as Vice President, and United Coconut Planters Bank as Vice President for Account Management. Mr. Benares holds a degree of BS Mechanical Engineering from De La Salle University and has a Master's Degree in Business Management from the Asian Institute of Management.

### **Executive Officers**

The key members of the management team as of December 31, 2025, aside from those above mentioned, are as follows:

#### ***Catherine L. Ong***

*SVP – Treasurer*

Catherine L. Ong, 74, Filipino, COL's SVP – Treasurer, is also the Chairman of COL Equity Index Unitized Mutual Fund, Inc. and COL Strategic Growth Equity Unitized Mutual Fund, Inc., the SVP – Chief Audit Executive and Director of CTS Global Equity Group, Inc. and the 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 was formerly a director of COL. She has 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.

#### ***Juan G. Barredo***

*FVP – Chief Customer Experience Officer*

Juan “Juanis” G. Barredo, 58, Filipino, Chief Customer Experience Officer for COL, oversees the positive operations of COL's Business Center, its Sales division as well as its Premium and Retail Customer Service divisions. He also spearheads the COL Investor Seminar Series, the flagship investor education program of COL, geared to empower COL customers and the investing public to build their knowledge base through a series of progressive stock market training sessions so that they can confidently invest in the Philippine Stock Market. He has addressed an audience of over 200,000 people nationwide with topics ranging from the basics of stock market investing to introductory and advanced technical analysis seminars. Mr. Barredo holds a Bachelor of Arts degree in Philosophy from De La Salle University in 1990 and is a Certified Securities Representative.

#### ***Nikos J. Bautista***

*FVP – Chief Technology Officer*

Nikos J. Bautista, 57, Filipino, is the Chief Technology Officer of COL. He was also a consultant and a committee member for the Trading System Project of the PSE which was launched successfully mid-2010 and for various projects of the PDEX. He was with the I.T. Department of the PSE as manager, in charge of all the I.T.-related activities of the Exchange from 1993 to 1997. In 1997, he joined Computershare, an Australian-based software development company specializing in trading systems wherein he took charge of all technical aspects of the business. In 2000, he put up a software development company, Finatechs, Inc., where he served as its President and Chief Executive Officer until 2003. Mr. Bautista is a graduate of De La Salle University with a Bachelor of Computer Science Degree with Masteral Courses in Computer Science.

***Lorena E. Velarde***

*FVP – Chief Financial Officer*

Lorena E. Velarde, 55, Filipino, is the Chief Financial Officer of COL and was appointed in such position after having served as COL’s Financial Controller from 2010 to 2020. She is concurrently an Associated Person of CTS Global Equity Group, Inc. and the Treasurer of 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 role 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.

***April Lynn L. Tan***

*FVP – Chief Investor Relations and Corporate Strategy*

April Lynn L. Tan, Filipino, 50, is the Chief Investor Relations and Corporate Strategy of COL. She is also COL’s Chief Equity Strategist. Under this role, she has been consistently voted as one of the top three equity strategists by the Fund Managers’ Association of the Philippines. In 2019 and again in 2024, she was also named the country’s “Best Strategist.” She headed COL’s Research Team in 2003 and has been doing equity research since 1996. She is also a Certified Securities Representative and a Certified Investment Solicitor. Outside of her work with COL, she creates content and hosts the YouTube channel “Intelligent Investing with April Tan” and writes a weekly column named “Intelligent Investing” for the Philippine Daily Inquirer. From 2020 to 2024, she hosted the TV show “Insight with April Lee Tan” for ANC. She is an active member of the CFA Society of the Philippines and was the President of the Society from 2009 to 2016. Under her leadership, CFA Philippines won the “Global CFA Institute Research Challenge” thrice and several Society Excellence Awards including the “Most Outstanding Society” for its size. Ms. Tan holds a Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University. In 2000, she earned the right to use the Chartered Financial Analyst (“CFA”) designation.

***Melvin J. Esteban***

*FVP – Head of Wealth Management*

Mr. Melvin J. Esteban, Filipino, 54, is the first and only Filipino recipient of the Young ASEAN Manager Award (“YAMA”), conferred in Kuala Lumpur, Malaysia. He is also the first and only Filipino to have chaired the ASEAN Insurance Congress, a premier regional forum for insurance and financial leaders. He is a Fellow of the Life Management Institute (“FLMI”) with Distinction and holds multiple international designations, including Certified Financial Planner (“CFP®”), Registered Financial Planner (“RFP”) accredited by the Registered Financial Planning Institute in the USA, and Certified Financial Consultant (“CFC”) awarded with High Distinction by the Institute of Financial Consultants in Canada. With nearly three decades of experience in the financial services industry, Mr. Esteban has demonstrated leadership and expertise in Fund Management, Marketing, Product Development, Strategic Business Development, Profit Center Management, and Workplace Learning and Development. He served as Head of Wealth Management Specialists and Soliciting Official for Citibank N.A. in North America, and as Senior Consultant for Citibank Malaysia. Mr. Esteban holds a Bachelor of Science degree in Mathematics from the University of the Philippines, with minors in operations research, actuarial sciences, C programming, and physics. His academic credentials include postgraduate studies at the College of Financial Planning in Colorado, USA, completion of the Managing Family Corporations for Succession Planning program at the Asian Institute of Management, and a Post-Baccalaureate Diploma in Workplace Learning and Development with Distinction from De La Salle University, Philippines.

***Melissa O. Ng***

*VP – Head of Operations*

Melissa O. Ng, 53, Taiwanese, holds a Bachelor of Science Degree in Applied Economics and a Bachelor of Science Degree in Business Management from De La Salle University. She earned her MBA (Silver

Medalist) from De La Salle University in 2000. She has been with COL since 2007 and has previous banking experience from Security Bank and Union Bank of the Philippines.

***Sharon T. Lim***

*VP – Head of Legal & Compliance*

Sharon T. Lim, 46, Filipino, started with COL as its Compliance and Legal Officer and was appointed as the Head of the Legal and Compliance Department in 2016. She was appointed as Corporate Secretary on November 2018 and also serves as the Corporate Secretary of CTS Global Equity Group, Inc., COL Equity Index Unitized Mutual Fund, Inc., COL Strategic Growth Equity Unitized Mutual Fund, Inc., and COL Investment Management, Inc. She was the Head of COL's Human Resources Department from 2016 up to 2019. Atty. Lim previously worked at Puyat, Jacinto, and Santos Law Offices and Picazo Buyco Tan Fider and Santos Law Offices. She graduated with a degree of Bachelor of Science in Management Engineering from the Ateneo de Manila University, Bachelor of Laws from the University of the Philippines, and Master of Laws (Corporate & Financial Services Law) from the National University of Singapore. She was admitted to the Philippine Bar in 2007, is a licensed Associated Person and Certified Information Privacy Manager.

***Joyce G. Chan***

*VP – Head of Client Services*

Joyce G. Chan, 41, Filipino, graduated with a Bachelor of Arts degree in Communications from Ateneo De Manila University. She started as a Management Associate with the Philam Group of Companies before becoming a Corporate Trainer and Development Officer. She joined COL in 2010 as its Sales Manager and was later on appointed as the Head of Customer Support. She was recently promoted as Head of Client Services of the Corporation, handling the operations of both the Customer Support Department and the Premium Clients Group of COL. She is a Certified Securities Representative, Certified Investment Solicitor, Certified UITF Sales Person, and a Fellow in the Life Management Institute with Honors.

**Term of Office**

Pursuant to the By-Laws of COL, 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 since the date of the last annual meeting of stockholders because of a disagreement with the Parent Company on any matter relating to the Parent Company's operations, policies, or practices.

Subsequent to the reporting period, at the meeting of the Board of Directors held on January 5, 2026, the Board accepted the resignation of Sharon T. Lim as VP – Head of Legal & Compliance, Compliance Officer, Corporate Secretary, and Member of the Nomination Committee, and appointed Stephanie Faye B. Reyes as Compliance Officer, Corporate Secretary, and Member of the Nomination Committee, with both actions effective January 10, 2026.

**Significant Employees**

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

## **Family Relationships**

Mr. Alexander C. Yu & Mr. Raymond C. Yu and Mr. Edward K. Lee & Ms. Catherine L. Ong are siblings. Aside from them, as of December 31, 2025, 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.

## **Involvement in Certain Legal Proceedings**

As of the date of this report, COL 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 Parent Company:

- (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 conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (3) 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
- (4) 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.

COL is not involved in and none of its properties are 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, according to Article III, Section 8 of the Parent Company's Amended By-laws, shall not exceed ten percent (10.00%) of the net income before income tax of the Parent Company during the previous year.

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

	<b>Years Ended December 31</b>	
	<b>(in ₱ million)</b>	
	<b>2025</b>	<b>2024</b>
Per diem to the Board of Directors as a group	₱2.40	₱2.10

The per diem received by each director for the years ended December 31, 2025 and 2024 are broken down as follows:

Director	Per Diem	
	2025	2024
Conrado F. Bate	₱250,000	₱250,000
Paulwell Han	₱250,000	₱250,000
Hernan G. Lim	₱300,000	₱250,000
Raymond C. Yu	₱300,000	₱300,000
Wellington C. Yu	₱400,000	₱300,000
Arthur G. Gindap	₱250,000	₱250,000
Betty C. Siy-Yap	₱300,000	₱300,000
Roberto C. Benares	₱350,000	₱200,000
<b>TOTAL</b>	<b>₱2,400,000</b>	<b>₱2,100,000</b>

The remaining directors (namely, Edward K. Lee, Alexander C. Yu, and Kosuke Mizuno) have waived their right to receive per diems. Aside from the per diems disclosed above, no other compensation arrangements in their capacity as directors were identified for the years presented. The same per diem arrangement is expected to continue for the ensuing year.

#### ***Executive Officers***

Below is a summary of the guaranteed compensation for the five highest-paid executive officers, as well as other executives and officers of the Parent Company as a group:

<b>SUMMARY COMPENSATION TABLE</b>			
<b>Annual Compensation (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 (4) most compensated Executives:</b>			
<i>Conrado F. Bate</i> President & CEO			
<i>Catherine L. Ong</i> SVP/Treasurer			
<i>Juan G. Barredo</i> FVP/Chief Customer Experience Officer			
<i>Lorena E. Velarde</i> FVP/Chief Financial Officer			
<i>April Lynn L. Tan</i> FVP/Chief Investor Relations and Corporate Strategy			
All above-named Executives and officers as a group	₱35.13	₱35.81	₱30.46
<b>b) All other Executives and officers as a group</b>	₱18.46	₱12.23	₱11.49

#### **Warrants and Options**

There are no outstanding warrants or options held by directors or officers. There are no actions to be taken with regard to election, any bonus or profit-sharing, change in pension / retirement plan, granting of or extension of any options, warrants, or rights to purchase any securities.

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

There are no special employment contracts between COL 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

Owners of more than five percent (5.00%) of COL's voting securities as of March 16, 2026 are as follows:

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	2,094,398,560(D)	35.20
			Non-Filipino	356,814,314 (D)	6.00
	<b>Daiwa Securities Group, Inc.<sup>1</sup></b> GranTokyo North Tower, 9-1, Marunouchi 1-chrome, Tokyo, Japan	Daiwa Securities Group, Inc.	Japanese	924,050,000 (P)	15.53
	<b>Lee, Edward K.</b> Mahogany St., Makati	Lee, Edward K.	Filipino	778,125,000 (D)	21.79
	<b>Lee, Lydia C.</b> Mahogany St., Makati			401,864,250 (P)	
	<b>Lee, Edmund C.</b> Mahogany St., Makati			12,500,000 (D)	
	<b>Teo, Eleanore L. or Lee, Edmund C.</b> Mahogany St., Makati			45,028,750 (P)	
	<b>ELLEE &amp; Co., Inc.<sup>2</sup></b> 2701C East Tower, PSE Centre, Exchange Rd, Ortigas Center, Pasig			25,500,000 (P)	
	<b>Yu, Alexander C.</b> Ortega St., San Juan			25,000,000 (P)	
	<b>Yu, Elizabeth N.</b> Ortega St., San Juan	Yu, Alexander C.	Filipino	8,223,750 (P)	13.85
	<b>Yu, Adrian Alexander N.</b> Ortega St., San Juan			662,981,563 (P)	
	<b>Yu, Michelle Angeline N.</b> Ortega St., San Juan			29,258,750 (P)	
	<b>Yu, Tiffany Anne N.</b> Ortega St., San Juan			43,678,750(P)	
<b>Han, Kelvin Jiaming</b> 9E Ground Floor Broom Road Happy Valley, Hong Kong	Han, Kelvin Jiaming	Chinese	50,722,500 (P)	6.30	
			37,500,000 (P)		

*\*No other single individual owns more than 5.00% - 10.00% of the total outstanding shares of COL as of March 16, 2026.*

<sup>1</sup> Mr. Kosuke Mizuno has been named and appointed by Daiwa Securities Group, Inc. ("Daiwa") to exercise Daiwa's voting power.

<sup>2</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 March 16, 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	1,296,241,750	21.79
Common	Alexander C. Yu	Vice-Chairman	Filipino	824,141,563	13.85
Common	Conrado F. Bate	Director/President/CEO	Filipino	248,415,748	4.18
Common	Hernan G. Lim	Director	Filipino	219,077,312	3.68
Common	Raymond C. Yu	Director	Filipino	239,756,750	4.03
Common	Wellington C. Yu	Director	Filipino	125,000	0.00
Common	Kosuke Mizuno	Director	Japanese	1	0.00
Common	Paulwell Han	Director	Chinese	123,948,437	2.08
Common	Arthur G. Gindap	Independent Director	Filipino	150,000	0.00
Common	Roberto C. Beñares	Independent Director	Filipino	1,250	0.00
Common	Betty C. Siy-Yap	Independent Director	Filipino	1,250	0.00
Common	Catherine L. Ong	SVP/Treasurer	Filipino	54,910,000	0.92
Common	Juan G. Barredo	FVP – Chief Customer Experience Officer	Filipino	10,021,875	0.17
Common	Nikos J. Bautista	FVP – Chief Technology Officer	Filipino	14,502,500	0.24
Common	Lorena E. Velarde	FVP – Chief Financial Officer	Filipino	5,625,000	0.09
Common	April Lynn L. Tan	FVP – Chief Investor Relations and Corporate Strategy	Filipino	15,225,000	0.26
Common	Melvin J. Esteban	FVP – Head of Wealth Management	Filipino	0	0.00
Common	Melissa O. Ng	VP – Head of Operations	Taiwanese	3,234,375	0.05
Common	Mark Jasson C. Ilao <sup>3</sup>	VP – Head of Strategic Execution	Filipino	0	0.00
Common	Gabriel Jose E. Mendiola	Head of Software Development	Filipino	54,156,250	0.91
Common	Joyce G. Chan	VP – Head of Client Services	Filipino	7,333,750	0.12
Common	Rea P. Orteza <sup>4</sup>	AVP – Head of Accounting Operations	Filipino	5,750	0.00
Common	Stephanie Faye B. Reyes <sup>5</sup>	Corporate Secretary	Filipino	0	0.00
Common	Leanne Claire M. Bool <sup>6</sup>	Assistant Corporate Secretary	Filipino	0	0.00
<b>Common</b>	<b>Key Officers and Directors (as a group)</b>			3,116,873,561	52.38

<sup>3</sup> Appointed effective January 5, 2026.

<sup>4</sup> Resigned effective April 1, 2026.

<sup>5</sup> Appointed effective January 10, 2026.

<sup>6</sup> Appointed effective January 10, 2026.

As of March 16, 2026, the Parent Company's public float is 32.09%.

### **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.

## **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 35.

#### **Reports on SEC Form 17-C**

Items reported under SEC Form 17-C filed during the last six (6) months of the period covered by this report are as follows:

<b>Items Reported</b>	<b>Date Filed</b>	<b>Announcement Date</b>	<b>Circular No.</b>
1. Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)	July 1, 2025	July 1, 2025	C04743-2025
2. Material Information/Transactions	July 1, 2025	July 1, 2025	C04744-2025
3. Change in Shareholdings of Directors and Principal Officers	July 21, 2025	July 21, 2025	C05254-2025
4. Change in Shareholdings of Directors and Principal Officers	August 6, 2025	August 6, 2025	C05684-2025
5. Material Information/Transactions	August 15, 2025	August 15, 2025	C06078-2025
6. Change in Shareholdings of Directors and Principal Officers	September 3, 2025	September 3, 2025	C06437-2025
7. Change in Shareholdings of Directors and Principal Officers	September 9, 2025	September 9, 2025	C06541-2025
8. Change in Shareholdings of Directors and Principal Officers	September 15, 2025	September 15, 2025	C06624-2025
9. Change in Shareholdings of Directors and Principal Officers	October 1, 2025	October 1, 2025	C06959-2025
10. Material Information/Transactions	November 14, 2025	November 17, 2025	C08109-2025
11. Notice of Annual or Special Stockholders' Meeting	November 14, 2025	November 17, 2025	C08113-2025
12. Amendments to By-Laws	November 14, 2025	November 17, 2025	C08114-2025
13. Change in Shareholdings of Directors and Principal Officers	December 17, 2025	December 17, 2025	C08733-2025


**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 April 8, 2026.

**COL FINANCIAL GROUP, INC.**  
Issuer

By:

  
**Conrado F. Bate**  
President and Chief Executive Officer


  
**Catherine L. Ong**  
SVP, Treasurer

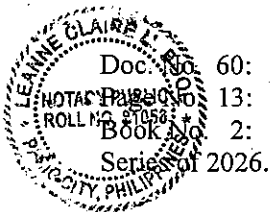
  
**Lorena E. Velarde**  
FVP and Chief Financial Officer

  
**Stephanie Faye B. Reyes**  
AVP, Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 8<sup>th</sup> day of April 2026, at Pasig, affiants exhibiting to me their Passports, as follows:

<u>NAMES</u>	<u>PASSPORT NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Conrado F. Bate	PP # P8211336A	August 3, 2018	DFA Manila
Catherine L. Ong	PP # P7000517A	May 2, 2018	DFA NCR East
Lorena E. Velarde	PP # P7302444A	May 24, 2018	DFA NCR East
Stephanie Faye B. Reyes	PP # P7383390A	May 31, 2018	DFA NCR Central

  
**ATTY. LEANNE CLAIRE M. BOOL**  
Notary Public within and for the City of Pasig  
Expiring on 31 December 2026  
Appointment No. 214 (2025-2026)  
Roll of Attorneys No. 81056  
IBP No. 569125/12.22.25/Bulacan  
PTR No. 3985549/1.6.26/Pasig City  
MCLE Compliance No. VIII-0019616/04.14.28  
2703C East Tower, Tektite Towers, Exchange Road,  
Ortigas Center, Pasig City 1605



**COL FINANCIAL GROUP, INC.**  
**SEC FORM 17-A**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES**

<b>FINANCIAL STATEMENTS</b>	<b>Remarks/Attachments</b>
Statement of Management’s Responsibility for Financial Statements	✓
Independent Auditors Report	✓
Consolidated Statements of Financial Position as of December 31, 2025 and 2024	✓
Consolidated Statements of Income for the Years Ended December 31, 2025, 2024 and 2023	✓
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2025, 2024 and 2023	✓
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2025, 2024 and 2023	✓
Consolidated Statements of Cash Flows for the Years Ended December 31, 2025, 2024 and 2023	✓
Notes to Consolidated Financial Statements	✓
<b>SUPPLEMENTARY SCHEDULES</b>	
Independent Auditors Report on Supplementary Schedules	✓
Independent Auditors Report on Components of Financial Soundness Indicators	✓
Schedule I. Reconciliation of Retained Earnings Available for Dividend Declaration Pursuant to SRC Rule 68, as Amended and SEC Memorandum Circular No. 11	✓
Schedule II. Supplementary Schedules under Annex 68-J Pursuant to SRC Rule 68, as Amended	✓
Schedule III. Map of the Relationships of the Companies within the Group Pursuant to SRC Rule 68, as Amended	✓
Schedule IV. Schedule Showing Financial Soundness Indicators Pursuant to SRC Rule 68, as Amended	✓
Supplementary Schedule of External Auditor Fee-Related Information	✓
Sustainability Report	✓

**From:** eafs@bir.gov.ph  
**Sent:** April 08, 2026 4:21 PM  
**To:** ACCOUNTING@COLFINANCIAL.COM  
**Cc:** ACCOUNTING@COLFINANCIAL.COM  
**Subject:** Your BIR AFS eSubmission uploads were received

Hi COL FINANCIAL GROUP, INC.,

**Valid files**

- EAFS203523208RPTTY122025.pdf
- EAFS203523208TCRTY122025-01.pdf
- EAFS203523208AFSTY122025.pdf
- EAFS203523208ITRTY122025.pdf
- EAFS203523208OTHTY122025.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-HCED85H06JDH97KKPMMVRM1S0CAFLGDC**

Submission Date/Time: **Apr 08, 2026 04:21 PM**

Company TIN: **203-523-208**

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.

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

A	1	9	9	9	1	0	0	6	5
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**COMPANY NAME**

C	O	L		F	I	N	A	N	C	I	A	L		G	R	O	U	P	,		I	N	C	.		A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S																		

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

U	n	i	t		2	4	0	1	-	B		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	
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Department requiring the report

C	F	D	
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Secondary License Type, If Applicable

B	r	o	k	e	r
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COMPANY INFORMATION

Company's Email Address

helpdesk@colfinancial.com
---------------------------

Company's Telephone Number

(02) 8636-5411
----------------

Mobile Number

NA
----

No. of Stockholders

32
----

Annual Meeting (Month / Day)

any date in April
-------------------

Fiscal Year (Month / Day)

12/31
-------

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Conrado F. Bate
---------------------

Email Address

dino.bate@colfinancial.com
----------------------------

Telephone Number/s

(02) 8636-5411
----------------

Mobile Number

NA
----

CONTACT PERSON'S ADDRESS

**Unit 2401-B East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City**

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

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



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR CONSOLIDATED FINANCIAL STATEMENTS**


The Management of COL Financial Group, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as of December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The BOD reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders of the Group.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the BOD and stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
Edward K. Lee  
Chairman of the Board

  
Conrado F. Bate  
President and Chief Executive Officer

  
Lorena E. Velarde  
First Vice President and Chief Financial Officer

Signed this 19<sup>th</sup> day of March 2026.

***Statement of Management's Responsibility  
for Consolidated Financial Statements***

SUBSCRIBED AND SWORN to before me this 19<sup>th</sup> day of March 2026, at Pasig, affiants exhibited to me their respective competent evidences of identity, as follows:

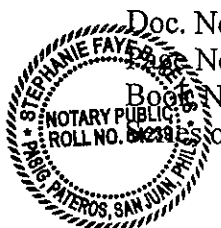
<u>Name</u>	<u>Document No.</u>	<u>Date/Place Issued</u>
Edward K. Lee	PP # P5099380B	March 11, 2020/ DFA NCR East
Conrado F. Bate	PP # P8211336A	Aug. 3, 2018/ DFA Manila
Lorena E. Velarde	PP # P7302444A	May 24, 2018/ DFA NCR East

NOTARY PUBLIC



**ATTY. STEPHANIE FAYE B. REYES**  
For the Cities of Pasig, San Juan  
and the Municipality of Pateros  
Expiring on 31 December 2026  
Appointment No. 82 (2025-2026) Pasig City  
Roll No. 64239/IBP LRN 13768/RSM  
PTR No. 3985548/1.6.26/Pasig City  
MCLE Compliance No. VIII-0011510/04.14.28  
2703C East Tower Tektite Towers (formerly PSE  
Centre), Exchange Road, Ortigas Center, Pasig City 1605

Doc. No. 440;  
Book No. 89;  
Book No. 6;  
Page No. 1 of 2026.



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
COL Financial Group, Inc.  
Unit 2401-B East Tower, Tektite Towers  
Exchange Road, Ortigas Center, Pasig City

### Opinion

We have audited the consolidated financial statements of COL Financial Group, Inc. (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for Opinion

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

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### *Information Technology Environment Supporting the Stockbrokerage Business*

The Parent Company is highly dependent on the reliability and continuity of its information technology (IT) environment to support the automated data processing of its stockbrokerage business. This IT environment is key to the Parent Company's revenue generation activity and is relied upon in many aspects of its financial reporting process. We, therefore, considered the testing of the controls over IT processes of the Parent Company to address the IT process risks as a key audit matter.

#### *Audit response*

We performed procedures to obtain an understanding of the Parent Company's IT environment, which covers the IT applications and supporting infrastructure, IT processes and IT personnel. We obtained an understanding and performed testing of the IT controls over program changes to the IT applications, user access management to the IT applications and databases, and management of IT operations. To the extent applicable, we performed testing of the design and operation of the IT controls of the applications supporting the trading-related revenue process and the financial reporting process. We evaluated and considered the results of the testing of controls in the design and extent of our substantive audit procedures.

#### **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 and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

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



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

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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

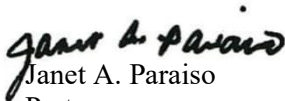
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is Janet A. Paraiso.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso

Partner

CPA Certificate No. 92305

Tax Identification No. 193-975-241

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 92305-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765004, January 2, 2026, Makati City

March 19, 2026



**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31					
	2025			2024		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents (Note 4)	₱9,182,173,190	₱-	₱-	₱9,703,915,783	₱-	₱-
Cash in a segregated account (Notes 4 and 5)	-			840,431		
Financial assets at fair value through profit or loss (Note 6)	144,326,929	1,156,253		101,161,494	1,114,744	
Investment securities at amortized cost (Note 8)	100,095,522			435,119,474		
Trade receivables (Notes 7 and 20)	872,015,252	6,040,817,838		995,011,027	8,325,786,210	
Other receivables (Notes 7 and 20)	97,093,430			104,418,133		
Prepayments	10,340,122			10,515,685		
Other current assets (Note 12)	27,953,913			26,215,330		
<b>Total Current Assets</b>	<b>10,433,998,358</b>			<b>11,377,197,357</b>		
<b>Noncurrent Assets</b>						
Investment securities at amortized cost (Note 8)	1,453,470,029			901,277,555		
Property and equipment (Note 9)	93,496,435			62,032,150		
Investment property (Note 10)	10,505,840			11,381,327		
Intangibles (Note 11)	16,913,698			7,950,356		
Deferred income tax assets (Note 19)	31,783,277			14,429,020		
Other noncurrent assets (Note 12)	71,284,593			75,616,197		
<b>Total Noncurrent Assets</b>	<b>1,677,453,872</b>			<b>1,072,686,605</b>		
<b>TOTAL ASSETS</b>	<b>₱12,111,452,230</b>	<b>₱-</b>	<b>₱-</b>	<b>₱12,449,883,962</b>	<b>₱-</b>	<b>₱-</b>
Securities in box, in Philippine Depository and Trust Corporation	₱-	₱-	₱114,677,615,152	₱-	₱-	₱108,272,543,819

(Forward)



	December 31					
	2025			2024		
	Money Balance	Security Valuation Long	Short	Money Balance	Security Valuation Long	Short
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade payables (Notes 13 and 20)	₱9,367,231,467	₱108,635,641,061	₱-	₱9,839,640,484	₱99,945,642,865	₱-
Lease liabilities - current portion (Note 21)	19,299,229			15,230,525		
Income tax payable	3,238			3,671		
Other current liabilities (Note 14)	148,210,059			167,515,053		
<b>Total Current Liabilities</b>	<b>9,534,743,993</b>			<b>10,022,389,733</b>		
<b>Noncurrent Liabilities</b>						
Lease liabilities - net of current portion (Note 21)	24,241,646			11,709,072		
Retirement obligation (Notes 18 and 20)	37,247,516			53,637,605		
Deferred income tax liabilities (Note 19)	307,290			90,841		
<b>Total Noncurrent Liabilities</b>	<b>61,796,452</b>			<b>65,437,518</b>		
<b>Total Liabilities</b>	<b>9,596,540,445</b>			<b>10,087,827,251</b>		
<b>Equity</b>						
Capital stock (Note 15)	595,000,000			595,000,000		
Capital paid-in excess of par value	53,219,024			53,219,024		
Accumulated translation adjustment	-			36,811,363		
Loss on remeasurement of retirement obligation (Note 18)	(32,768,353)			(35,567,381)		
Other equity reserves	(1,019,697)			(1,019,697)		
Retained earnings (Note 15)						
Appropriated	655,442,264			630,242,397		
Unappropriated	1,232,920,380			1,070,617,712		
<b>Equity Attributable to the Equity Holders of the Parent Company</b>	<b>2,502,793,618</b>			<b>2,349,303,418</b>		
<b>Non-controlling Interest</b> (Note 15)	<b>12,118,167</b>			<b>12,753,293</b>		
<b>Total Equity</b>	<b>2,514,911,785</b>			<b>2,362,056,711</b>		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱12,111,452,230</b>	<b>₱114,677,615,152</b>	<b>₱114,677,615,152</b>	<b>₱12,449,883,962</b>	<b>₱108,272,543,819</b>	<b>₱108,272,543,819</b>

See accompanying Notes to Consolidated Financial Statements.



**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

	<b>Years Ended December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>REVENUES</b> (Note 16)			
Commissions (Note 20)	<b>₱426,538,041</b>	₱382,311,654	₱329,599,703
Others:			
Interest income (Notes 4, 5, 6, 7, 8 and 20)	<b>678,547,438</b>	758,361,943	708,469,374
Trail fees	<b>27,797,652</b>	24,243,170	21,973,385
Trading gains - net (Note 6)	<b>3,844,474</b>	476,421	5,835,402
Others (Note 6)	<b>32,541,457</b>	28,360,361	25,943,044
	<b>1,169,269,062</b>	1,193,753,549	1,091,820,908
<b>COST OF SERVICES</b>			
Personnel costs – operations (Notes 17, 18 and 20)	<b>96,465,869</b>	103,422,174	88,843,959
Commission expense and professional fees	<b>80,311,393</b>	79,977,342	70,873,120
Communications	<b>42,727,822</b>	39,231,995	39,664,534
Stock exchange dues and fees (Note 16)	<b>34,376,908</b>	30,241,469	25,104,227
Depreciation and amortization (Notes 9, 10, 11 and 21)	<b>21,985,636</b>	20,930,775	28,134,215
Central depository fees	<b>10,876,228</b>	10,517,556	9,713,091
Repairs and maintenance	<b>5,466,077</b>	5,777,693	5,067,430
Periodicals and other subscriptions	<b>5,220,511</b>	5,745,259	5,975,949
Research	<b>5,176,530</b>	4,966,709	4,294,197
Others	<b>4,327,042</b>	2,907,596	2,658,617
	<b>306,934,016</b>	303,718,568	280,329,339
<b>GROSS PROFIT</b>	<b>862,335,046</b>	890,034,981	811,491,569
<b>OPERATING EXPENSES</b>			
Personnel costs (Notes 17, 18 and 20)	<b>180,786,881</b>	179,136,528	162,777,532
Depreciation and amortization (Notes 9, 10, 11 and 21)	<b>18,542,877</b>	19,430,782	19,254,631
Power, light and water	<b>8,520,100</b>	7,225,764	7,468,023
Advertising and marketing	<b>7,766,146</b>	10,325,261	6,684,206
Insurance	<b>7,393,595</b>	7,246,935	6,077,002
Security and messengerial services	<b>5,867,917</b>	5,414,545	4,655,789
Representation and entertainment	<b>5,746,338</b>	4,233,658	3,374,626
Taxes and licenses	<b>4,882,253</b>	5,436,872	4,927,070
Professional fees (Note 20)	<b>4,881,059</b>	10,008,155	9,753,541
Directors' fees (Note 20)	<b>2,410,000</b>	2,120,000	2,250,000
Office supplies	<b>2,392,205</b>	1,847,260	1,558,732
Trainings, seminars and meetings	<b>2,240,405</b>	3,739,392	1,213,376
Repairs and maintenance	<b>2,105,482</b>	2,570,536	2,169,300
Condominium dues	<b>1,999,963</b>	2,677,015	2,681,352
Membership fees and dues	<b>1,114,730</b>	1,531,779	1,868,349
Rentals (Note 21)	<b>434,889</b>	2,168,058	1,363,292
Provision for (recovery from) credit losses (Note 7)	<b>(55,462)</b>	(116,675)	157,379
Others	<b>6,284,878</b>	6,092,016	6,842,322
	<b>263,314,256</b>	271,087,881	245,076,522

(Forward)



	<b>Years Ended December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>OTHER INCOME (LOSSES)</b>			
Translation gain from the closure of a foreign subsidiary (Note 2)	<b>₱47,152,486</b>	<b>₱-</b>	<b>₱-</b>
Loss on sale of investment securities at amortized cost (Note 8)	<b>(5,542,612)</b>	<b>-</b>	<b>-</b>
Interest expense (Notes 18 and 21)	<b>(3,979,753)</b>	<b>(4,456,023)</b>	<b>(6,118,419)</b>
Foreign exchange losses – net	<b>(85,301)</b>	<b>(322,044)</b>	<b>(3,820,284)</b>
Gain (loss) on disposal of property and equipment (Note 9)	<b>72,762</b>	<b>(248,335)</b>	<b>6,231</b>
	<b>37,617,582</b>	<b>(5,026,402)</b>	<b>(9,932,472)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>636,638,372</b>	<b>613,920,698</b>	<b>556,482,575</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)</b>			
Current			
Final income tax	<b>122,314,118</b>	<b>137,386,097</b>	<b>127,835,907</b>
Regular corporate income tax	<b>6,737,505</b>	<b>4,244,081</b>	<b>2,657,283</b>
Deferred	<b>(6,530,660)</b>	<b>(13,264,081)</b>	<b>363,545</b>
	<b>122,520,963</b>	<b>128,366,097</b>	<b>130,856,735</b>
<b>NET INCOME</b>	<b>₱514,117,409</b>	<b>₱485,554,601</b>	<b>₱425,625,840</b>
Attributable to:			
Equity holders of the Parent Company	<b>₱514,752,535</b>	<b>₱486,252,830</b>	<b>₱426,579,361</b>
Non-controlling interest (Note 15)	<b>(635,126)</b>	<b>(698,229)</b>	<b>(953,521)</b>
	<b>₱514,117,409</b>	<b>₱485,554,601</b>	<b>₱425,625,840</b>
<b>Earnings Per Share (Note 25)</b>			
Basic and diluted	<b>₱0.09</b>	<b>₱0.08</b>	<b>₱0.07</b>

*See accompanying Notes to Consolidated Financial Statements.*



**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
<b>NET INCOME</b>	<b>₱514,117,409</b>	₱485,554,601	₱425,625,840
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>			
<i>Item that will not be reclassified to consolidated statements of income:</i>			
Gain (loss) on remeasurement of retirement obligation - net of tax (Note 18)	2,799,028	(67,676)	(12,096,237)
<i>Item that may be reclassified subsequently to consolidated statements of income:</i>			
Translation adjustments - net of tax	10,341,123	2,004,183	(303,424)
	<b>13,140,151</b>	1,936,507	(12,399,661)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱527,257,560</b>	₱487,491,108	₱413,226,179
Attributable to:			
Equity holders of the Parent Company	₱527,892,686	₱488,189,337	₱414,179,700
Non-controlling interest	(635,126)	(698,229)	(953,521)
	<b>₱527,257,560</b>	₱487,491,108	₱413,226,179

*See accompanying Notes to Consolidated Financial Statements.*



## COL FINANCIAL GROUP, INC. AND SUBSIDIARIES

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

	Equity Attributable to the Equity Holders of the Parent Company									
	Capital Stock (Note 15)	Capital In Excess of Par Value	Accumulated Translation Adjustment	Loss on Remeasurement of Retirement Obligation (Note 18)	Other Equity Reserves (Note 15)	Retained Earnings		Non-controlling Interest (Note 15)	Total Equity	
						Appropriated (Note 15)	Unappropriated			
<b>Balances at January 1, 2025</b>	<b>₱595,000,000</b>	<b>₱53,219,024</b>	<b>₱36,811,363</b>	<b>(₱35,567,381)</b>	<b>(₱1,019,697)</b>	<b>₱630,242,397</b>	<b>₱1,070,617,712</b>	<b>₱2,349,303,418</b>	<b>₱12,753,293</b>	<b>₱2,362,056,711</b>
Total comprehensive income (loss)	–	–	10,341,123	2,799,028	–	–	514,752,535	527,892,686	(635,126)	527,257,560
Recognition to profit or loss of translation adjustment of a foreign subsidiary (Note 2)	–	–	(47,152,486)	–	–	–	–	(47,152,486)	–	(47,152,486)
Declaration of cash dividends (Note 15)	–	–	–	–	–	–	(327,250,000)	(327,250,000)	–	(327,250,000)
Appropriation of retained earnings (Note 15)	–	–	–	–	–	50,466,630	(50,466,630)	–	–	–
Reversal of appropriated retained earnings (Note 15)	–	–	–	–	–	(25,266,763)	25,266,763	–	–	–
<b>Balances at December 31, 2025</b>	<b>₱595,000,000</b>	<b>₱53,219,024</b>	<b>₱–</b>	<b>(₱32,768,353)</b>	<b>(₱1,019,697)</b>	<b>₱655,442,264</b>	<b>₱1,232,920,380</b>	<b>₱2,502,793,618</b>	<b>₱12,118,167</b>	<b>₱2,514,911,785</b>
Balances at January 1, 2024	₱476,000,000	₱53,219,024	₱34,807,180	(₱35,499,705)	₱–	₱585,919,747	₱1,057,563,532	₱2,172,009,778	₱19,991,825	₱2,192,001,603
Acquisition of shares in a subsidiary from non-controlling interest (Note 15)	–	–	–	–	(1,019,697)	–	–	(1,019,697)	(6,540,303)	(7,560,000)
Total comprehensive income (loss)	–	–	2,004,183	(67,676)	–	–	486,252,830	488,189,337	(698,229)	487,491,108
Appropriation of retained earnings (Note 15)	–	–	–	–	–	44,322,650	(44,322,650)	–	–	–
Declaration of cash dividends (Note 15)	–	–	–	–	–	–	(309,876,000)	(309,876,000)	–	(309,876,000)
Declaration of stock dividends (Note 15)	119,000,000	–	–	–	–	–	(119,000,000)	–	–	–
<b>Balances at December 31, 2024</b>	<b>₱595,000,000</b>	<b>₱53,219,024</b>	<b>₱36,811,363</b>	<b>(₱35,567,381)</b>	<b>(₱1,019,697)</b>	<b>₱630,242,397</b>	<b>₱1,070,617,712</b>	<b>₱2,349,303,418</b>	<b>₱12,753,293</b>	<b>₱2,362,056,711</b>
Balances at January 1, 2023	₱476,000,000	₱53,219,024	₱35,110,604	(₱23,403,468)	₱–	₱585,722,237	₱831,101,681	₱1,957,750,078	₱16,445,346	₱1,974,195,424
Non-controlling interest of subsidiary (Note 15)	–	–	–	–	–	–	–	–	4,500,000	4,500,000
Total comprehensive income (loss)	–	–	(303,424)	(12,096,237)	–	–	426,579,361	414,179,700	(953,521)	413,226,179
Appropriation of retained earnings (Note 15)	–	–	–	–	–	27,332,658	(27,332,658)	–	–	–
Reversal of appropriated retained earnings (Note 15)	–	–	–	–	–	(27,135,148)	27,135,148	–	–	–
Declaration of cash dividend (Note 15)	–	–	–	–	–	–	(199,920,000)	(199,920,000)	–	(199,920,000)
<b>Balances at December 31, 2023</b>	<b>₱476,000,000</b>	<b>₱53,219,024</b>	<b>₱34,807,180</b>	<b>(₱35,499,705)</b>	<b>₱–</b>	<b>₱585,919,747</b>	<b>₱1,057,563,532</b>	<b>₱2,172,009,778</b>	<b>₱19,991,825</b>	<b>₱2,192,001,603</b>

See accompanying Notes to Consolidated Financial Statements



**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	₱636,638,372	₱613,920,698	₱556,482,575
Adjustments for:			
Interest income (Notes 16 and 20)	(678,547,438)	(758,361,943)	(708,469,374)
Translation gain from the closure of a foreign subsidiary (Note 2)	(47,152,486)	–	–
Depreciation and amortization (Notes 9, 10, 11 and 21)	40,528,513	40,361,557	47,388,846
Loss on sale of investment securities at amortized cost (Note 8)	5,542,612	–	–
Interest expense (Notes 18 and 21)	5,439,944	5,765,176	7,008,789
Amortization of premium (discount) on investment securities at amortized cost (Note 8)	3,454,633	(744,417)	(73,765)
Loss (gain) on disposal of property and equipment (Note 9)	(72,762)	248,335	(6,231)
Dividend income (Notes 6 and 16)	(3,873)	(6,056)	(96,335)
Operating loss before working capital changes	(34,172,485)	(98,816,650)	(97,765,495)
Decrease (increase) in:			
Cash in a segregated account	840,431	24,762,669	71,213,374
Financial assets at fair value through profit or loss	(43,165,435)	(10,113,084)	(6,201,129)
Trade receivables	126,087,727	(110,765,600)	310,329,516
Other receivables	113,045,093	123,401,430	126,178,081
Prepayments	179,740	(1,699,770)	(1,193,284)
Other assets	(11,713,715)	(6,917,004)	(1,507,854)
Increase (decrease) in:			
Trade payables	(472,409,016)	(59,970,083)	(989,243,153)
Retirement obligation	(15,929,947)	(15,990,869)	(15,514,277)
Other current liabilities	(19,341,232)	41,239,685	19,625,815
Net cash used in operations	(356,578,839)	(114,869,276)	(584,078,406)
Interest received	568,553,348	622,605,524	555,660,691
Income taxes paid	(122,314,118)	(137,399,526)	(136,013,453)
Dividends received	3,873	6,056	96,335
Net cash provided by (used in) operating activities	89,664,264	370,342,778	(164,334,833)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to investment securities at amortized cost	(1,152,734,492)	(635,664,676)	(591,723,490)
Proceeds from sale of investment securities at amortized cost (Note 3)	494,501,768	–	–
Proceeds from maturities of investment securities at amortized cost	432,066,957	692,318,282	200,200,000
Acquisitions of property and equipment (Note 9)	(29,166,305)	(17,320,926)	(10,289,179)
Acquisitions of software and licenses (Note 11)	(3,428,587)	(1,924,552)	(143,035)
Proceeds from disposal of property and equipment (Note 9)	72,849	2,232	6,250
Decrease (increase) in short-term time deposits (Note 4)	–	200,000,000	(200,000,000)
Net cash provided by (used in) investing activities	(258,687,810)	237,410,360	(601,949,454)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends declared and paid (Note 15)	(327,250,000)	(309,876,000)	(199,920,000)
Payments of lease liabilities (Note 21)	(25,469,047)	(25,381,428)	(26,751,409)
Acquisition of shares in a subsidiary from non-controlling shareholder (Note 15)	–	(7,560,000)	–
Proceeds from issuance of shares to the non-controlling interest (Note 15)	–	–	4,500,000
Net cash used in financing activities	(352,719,047)	(342,817,428)	(222,171,409)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(521,742,593)</b>	<b>264,935,710</b>	<b>(988,455,696)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>9,703,915,783</b>	<b>9,438,980,073</b>	<b>10,427,435,769</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>₱9,182,173,190</b>	<b>₱9,703,915,783</b>	<b>₱9,438,980,073</b>

See accompanying Notes to Consolidated Financial Statements.



# COL FINANCIAL GROUP, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate Information

COL Financial Group, Inc. (the Parent Company or COL Financial), a public company listed in the Philippine Stock Exchange (PSE), was registered with the Philippine Securities and Exchange Commission (SEC) on August 16, 1999. Its principal office is located at Unit 2401-B East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, Philippines. The Parent Company became a clearing member of the Securities Clearing Corporation of the Philippines (SCCP) and started operating its own seat as a Trading Participant in the PSE on February 16, 2009.

COL Financial and its subsidiaries, collectively referred hereinto as the “Group”, are primarily engaged in offering stock brokerage and fund distribution services through innovative internet technology. The Group is also engaged in providing financial advice, in the gathering and distribution of financial and investment information and statistics and in acting as financial, commercial or business representative.

The accompanying consolidated financial statements of the Group as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were authorized for issue in accordance with a resolution by the Board of Directors (BOD) on March 19, 2026.

### 2. Basis of Preparation, Basis of Consolidation and Summary of Material Accounting Policies

#### Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) which have been measured at fair value. The Group’s consolidated financial statements are presented in Philippine peso (PHP), which is the presentation currency under PFRS. Based on the economic substance of the underlying relevant circumstances, the functional currency of the entities in the Group has been determined to be Philippine peso, except for COL Securities (HK) Limited (COLHK) which functional currency has been determined to be HK dollar (HK\$).

All values are rounded to the nearest peso, except when otherwise indicated.

#### Basis of Consolidation

The consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as at December 31, 2025 and 2024 and for each of the three years ended December 31, 2025, after eliminating significant intercompany balances and transactions. The following are the wholly-owned and majority-owned foreign and domestic subsidiaries (collectively referred hereinto as the “Subsidiaries”) of COL Financial:

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Effective Percentage of Ownership		Functional Currency
		2025	2024	
COLHK	Hong Kong	100.00%	100.00%	HK\$
COL Investment Management, Inc. (CIMI)	Philippines	80.00%	80.00%	PHP
COL Equity Index Unitized Mutual Fund, Inc. (CEIUMF)	Philippines	100.00%	100.00%	PHP
COL Strategic Growth Equity Unitized Mutual Fund, Inc. (CSGEUMF)	Philippines	100.00%	100.00%	PHP



On May 30, 2024, the operations of COLHK were terminated, as approved by the BOD of the Parent Company. On March 3, 2025, the Hong Kong Companies Registry approved the capital reduction of COLHK, lowering its capital stock to HK\$5,000,000. Subsequently, on April 7, 2025, the Securities and Futures Commission (SFC) revoked COLHK's license to conduct regulated activities. On November 26, 2025, the Companies Registry acknowledged the receipt of COLHK's application for deregistration following the Inland Revenue Department's issuance of a notice of no objection to deregister. By the end of December 2025, return of investment totaling ₱216,809,068 was transferred to the Parent Company. As of March 19, 2026, the Parent Company is waiting for the formal deregistration notice from the HongKong Companies Registry.

In July 2024, the Parent Company acquired an additional 9,000,000 shares of CIMI at ₱0.84 per share, increasing its ownership from 70.00% to 80.00%.

CEIUMF and CSGEUMF started offering its Units of Participation on October 4, 2022 and October 6, 2023, respectively. The assets and liabilities held by CEIUMF and CSGEUMF in relation to the investment of the unitholders as at December 31, 2025 and 2024 are presented in Note 27.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the Parent Company's returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

#### Non-Controlling Interest

Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income, and within equity in the consolidated statements of financial position, separately from equity attributable to the Parent Company.

#### Changes in Accounting Policies and Disclosures

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

Unless otherwise indicated, adoption of these new standards did not have a significant impact on the consolidated financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

#### Standards and Interpretations Issued but not yet Effective

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

##### *Effective beginning on or after January 1, 2026*

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*



*Effective beginning on or after January 1, 2027*

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation
- PFRS 19, *Subsidiaries without Public Accountability*
  - Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

*Deferred effectivity*

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

#### Summary of Material Accounting Policies

##### Foreign Currency Translation

Transactions in foreign currencies are initially recorded in the prevailing functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the closing functional currency rate of exchange at the reporting period. All differences are taken to the consolidated statement of income.

On consolidation, the assets and liabilities of the consolidated foreign subsidiary are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statement of income is translated at the average exchange rates for the year. The exchange differences arising on translation for consolidation are recognized in equity (under 'Accumulated translation adjustment'). Upon disposal of the foreign subsidiary, the component of OCI relating to the foreign subsidiary is recognized in the consolidated statement of income.

##### Current versus Non-current Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Net deferred tax assets (liabilities) are classified as non-current.

#### Cash and Cash Equivalents

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

#### Cash in a Segregated Account

Cash in a segregated account represents clients' monies maintained by COLHK with a licensed bank arising from its normal course of business.

The asset is recognized to the extent that COLHK bears the risks and rewards related to the clients' monies deposited in the bank. Similarly, the accompanying liability is recognized to the extent that COLHK has the obligation to deliver cash to its customers upon withdrawal and is liable for any loss or misappropriation of clients' monies.

#### Financial Instruments - Initial Recognition and Subsequent Measurement

##### *Date of recognition*

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

##### *Financial instruments at FVTPL*

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

##### *Initial recognition and classification of financial instruments*

Financial assets are measured at FVTPL unless these are measured at fair value through other comprehensive income (FVOCI) or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Group may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.



The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (SPPI test).

*Investment securities at FVOCI*

Investment securities at FVOCI include debt and equity securities. After initial measurement, investment securities at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of investment securities at FVOCI are excluded, net of tax as applicable, from the reported earnings and are included in the consolidated statement of comprehensive income as 'Change in net unrealized loss on investment securities at FVOCI'.

Debt securities at FVOCI are those that meet both of the following conditions: (i) the asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. The effective yield component of debt securities at FVOCI, as well as the impact of restatement on foreign currency-denominated debt securities at FVOCI, is reported in the consolidated statement of income. Interest earned on holding debt securities at FVOCI are reported as 'Interest income' using the effective interest rate (EIR) method. When the debt securities at FVOCI are disposed of, the cumulative gain or loss previously recognized in the consolidated statement of comprehensive income is recognized as 'Trading and securities gain (loss) - net' in the consolidated statement of income. The expected credit losses (ECL) arising from impairment of such investments are recognized in OCI with a corresponding charge to 'Provision for credit losses' in the consolidated statement of income.

Equity securities designated at FVOCI are those that the Group made an irrevocable election to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the consolidated statement of income as 'Dividends' when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gains or losses previously recognized in the consolidated statement of comprehensive income is reclassified to 'Retained earnings' or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

The Group had no investment securities at FVOCI as at December 31, 2025 and 2024.

*Financial assets at amortized cost*

Financial assets at amortized cost are debt financial assets that meet both of the following conditions: (i) these are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. This accounting policy mainly relates to the consolidated statement of financial position captions 'Cash and cash equivalents', 'Cash in a segregated account', 'Trade receivables', 'Other receivables', 'Investment securities at amortized cost' and deposit and refundable contributions to Clearing and Trade Guarantee Fund (CTGF) and refundable deposits under 'Other noncurrent assets', which arise primarily from service revenues and other types of receivables.



After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the EIR method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest income' in the consolidated statement of income. Gains and losses are recognized in consolidated statement of income when these investments are derecognized or impaired, as well as through the amortization process. The ECL are recognized in the consolidated statement of income under 'Provision for credit losses'. The effects of revaluation on foreign currency-denominated investments are recognized in the consolidated statement of income.

#### *Reclassification of financial assets*

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

#### Fair Value Measurement

The Group measures financial instruments, such as financial assets at FVTPL, at fair value at each end of the reporting period. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 24.

Fair value is the estimated 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each end of the reporting period.

The fair value of equity financial instruments that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business of the reporting period.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include comparison to similar investments for which market observable prices exist and discounted cash flow analysis or other valuation models.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Trade Receivables and Payables

Trade receivables from customers, which include margin accounts, and payable to clearing house and other brokers arise from securities purchased (in a regular way transaction) that have been contracted for but not yet delivered and settled at the end of the reporting period. Payable to customers and receivable from clearing house and other brokers arise from securities sold (in a regular way transaction) that have been contracted for but not yet delivered and settled at the end of the reporting period. Refer to the accounting policy for 'Financial assets' and 'Financial liabilities' for recognition and measurement. The related security valuation shows all positions as of clearance date.

#### Derecognition of Financial Instruments

##### *Financial assets*

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 rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the 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 Group has transferred its rights to receive cash flows from the 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 Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

##### *Financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.



Where 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 exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

#### Impairment of Financial Assets

The Group recognizes an ECL for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two (2) stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group calculates ECL either on an individual or a collective basis. The Group performs collective impairment by grouping exposures into smaller homogeneous portfolios based on a combination of borrower and account characteristics. Accounts with similar risk attributes (i.e. facility, security, credit rating, months-on-books, utilization and collateral type, etc.) are pooled together for calculation provisions based on the ECL models.

The Group assesses on a forward-looking basis the ECL associated with its debt instrument asset carried at amortized cost and the exposure arising from unutilized margin trading facility.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix that estimates provision rates per days past due bucket based on the SEC requirements, which considers the collateral securities with market value adjusted by certain factor, as required in the Group's risk-based capital calculation and incorporates forward-looking information. A broad range of forward-looking factors are considered as economic inputs, such as growth of the gross domestic product, inflation rates, unemployment rates, interest rates and Philippine Stock Exchange Composite Index (PSEi) statistical indicators.

For cash and cash equivalents and cash in a segregated account, the Group applies the low credit risk simplification.

Generally, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Investment securities at amortized cost are considered in default upon occurrence of a credit event such as but not limited to bankruptcy of counterparty, restructuring, failure to pay on an agreed settlement date, or request for moratorium.



#### Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

#### Property and Equipment

Property and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any accumulated impairment losses, if any.

Such cost includes the cost of replacing part of such property and equipment, if the recognition criteria are met.

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

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

<u>Category</u>	<u>Number of Years</u>
Online trading equipment and facilities	3-10
Furniture, fixtures and equipment	3-10
Transportation equipment	5
Leasehold improvements	5 or term of lease, whichever is shorter

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognized. The asset's residual values, if any, useful lives and methods are reviewed and adjusted if appropriate, at each end of the reporting period.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized,



initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

#### Investment Property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation (for depreciable investment properties) and impairment in value.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year in which the costs are incurred.

Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties based on appraisal reports but not to exceed 50 years for buildings and condominium units

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

#### Intangibles

##### *Exchange trading rights*

Exchange trading rights are carried at cost less any allowance for impairment losses and are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading rights are 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 Group. The assessment of indefinite life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Parent Company does not intend to sell its exchange trading right in the near future while COLHK's exchange trading right is a nontransferable right.

##### *Software costs*

Costs related to software purchased by the Group for use in operations are amortized on a straight-line basis over the estimated life of three (3) to ten (10) years.



### Impairment of Non-Financial Assets

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

Intangibles with indefinite useful lives are tested for impairment annually at end of the reporting period either individually or at the cash generating unit level, as appropriate. Intangibles with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. A previously recognized impairment loss is reversed by a credit to current operations to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

### Leases

#### *Group as a lessee*

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets. The right-of-use assets for all leases were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### *Leases of low-value assets*

The Group applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on leases of low-value assets are recognized as expense on a straight-line basis over the lease term.



### Provisions

Provisions are recognized when the Group 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. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a 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.

Where the Group expects some or all of a provision to be reimbursed, 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 the consolidated statement of income, net of any reimbursement.

### Capital Stock and Capital Paid-in Excess of Par Value

The Parent Company's capital stock is stated at par value and classified as equity. Incremental costs directly attributable to the issue of new capital stock are shown in equity as a deduction, net of any related tax benefit, from the proceeds.

Where the Group purchases the Parent Company's capital stock (treasury shares), the consideration paid, including any directly attributable incremental costs (net of applicable taxes) is deducted from equity attributable to the Parent Company's stockholders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity.

Amount of contribution in excess of par value is accounted for as a capital in excess of par value. Capital in excess of par value also arises from additional capital contribution from the stockholders.

### Retained Earnings

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

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

Unappropriated retained earnings represent the accumulated profits and gains realized out of the normal and continuous operations of the Group after deducting therefrom distributions to stockholders and transfers to capital stocks or other accounts, and which are:

- Not appropriated by its BOD for corporate expansion projects or programs;
- Not covered by a restriction for dividend declaration under a loan agreement;
- Not required under special circumstances obtaining in the Group such as when there is a need for a special reserve for probable contingencies.



Appropriated retained earnings represent that portion which has been restricted and, therefore, not available for dividend declaration.

#### Revenue Recognition

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

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

#### *Commissions*

Commissions are recognized as income upon confirmation of trade deals. These are computed for every trade transaction based on a flat rate or a percentage of the amount of trading transaction, whichever is higher.

#### *Trail fees*

Trail fees are recognized as income as earned. These pertain to the revenue earned by the Parent Company from the distribution of mutual funds of various fund houses to its customers and are computed daily as a percentage of the total assets under administration for each fund.

#### Revenues outside the scope of PFRS 15

##### *Interest*

For all financial instruments measured at amortized cost, interest income is recorded using EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument, including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'.

Under PFRS 9, when a financial asset becomes credit-impaired, the Group calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

##### *Trading gains - net*

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

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

##### *Dividend*

Dividend income is recognized when the right to receive payment is established, which is the date of declaration.



*Other income*

Revenue is recognized in the consolidated statement of income as they are earned.

Costs and Expenses

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

Retirement Costs

*Defined benefit plan*

The Parent Company has a noncontributory defined benefit retirement plan.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service cost, past service costs and gains or losses on non-routine settlements are recognized as 'Retirement costs' under 'Personnel costs'. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as 'Interest expense' in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods. Remeasurements recognized in OCI are retained in OCI which are presented as 'Gain (loss) on remeasurement of retirement obligation' under equity.



Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

#### *Defined contribution plan*

The retirement plan of COLHK is a defined contribution retirement plan. Under a defined contribution retirement plan, the entity's legal and constructive obligation is limited to the amount that it agrees to contribute to the fund. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity to a post-employment benefit plan, together with investment returns arising from the contributions. Consequently, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be sufficient to meet expected benefits) fall on the employee.

The standard requires an entity to recognize short-term employee benefits when an employee has rendered service in exchange of those benefits.

#### Earnings per Share (EPS)

Basic EPS is computed by dividing earnings applicable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year.

Diluted EPS is computed by dividing net income by the weighted average number of common shares 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.

Outstanding share options granted under the Parent Company's share options plan (SOP) will have a dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option. Where the effect of the exercise of all outstanding options has anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Potential ordinary shares are weighted for the period they are outstanding. Potential ordinary shares that are converted into ordinary shares during the period are included in the calculation of diluted EPS from the beginning of the period to the date of conversion; from the date of conversion, the resulting ordinary shares are included in both basic and diluted EPS.



## Taxes

### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The income tax rates and income tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

### *Deferred income tax*

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

Deferred income tax assets and liabilities are recognized for all taxable temporary differences. With respect to investments in foreign subsidiaries, deferred income tax liabilities are recognized except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences including net loss carry-over to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences can be utilized. Deferred income tax, however, is not recognized on temporary differences that arise 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 income nor the taxable income or loss.

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

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

Deferred income tax relating to items recognized directly in equity is also recognized in equity. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

### Contingencies

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



### Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 26.

### Events After the End of the Reporting Period

Post year-end events that provide additional information about the Group's position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed when material.

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## 3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates

The following are the critical judgments and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

### Judgments

#### *Offsetting of financial assets and liabilities*

The Group considers its compliance with the offsetting criteria as a significant judgment in presenting financial assets and liabilities in its consolidated statement of financial condition. In making such assessment, the Group determines at each financial asset and liability the existence of an enforceable legal right to offset and if there is an intention to settle on a net basis and to realize the assets and settle the liabilities simultaneously.

#### *Evaluation of business model in managing financial instruments*

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals, while maintaining a strategic portfolio of financial assets for investment consistent with its risk appetite

In determining the classification of a financial instrument under PFRS 9, the Group developed business models which reflect how it manages its portfolio of financial instruments. The Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Group.

PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers the circumstances surrounding the sales and evaluates whether the reasons for the disposals, such as changes in market conditions, credit considerations, or liquidity needs, support the conclusion that the sales do not alter the Group's objective for the portfolio



In 2025, the Group sold investment securities classified as investment securities at amortized cost with face value amounting to ₱500,000,000, which resulted in a loss of ₱5,542,612 (Note 8). The Parent Company has assessed that these sales, while significant, are not considered as frequent. There were no sales from financial assets at amortized cost category in 2024 and 2023. The remaining investment securities in the portfolio are continued to be measured at amortized cost.

#### Estimates and Assumptions

##### *Impairment of the intangibles*

Intangibles include exchange trading rights which are carried at cost less any allowance for impairment loss. Exchange trading rights are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The exchange trading rights are 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 Group.

The key assumptions used to determine the recoverable amount of the Group's exchange trading rights are further explained in Note 11. The Parent Company does not intend to sell its exchange trading right in the near future. As at December 31, 2025 and 2024, the carrying values of intangibles are disclosed in Note 11.

##### *Estimating recoverability of deferred income tax assets*

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. The Group reviews the carrying amounts of deferred income tax assets at each end of the reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In the case of the Parent Company, management has to assess annually, for income tax purposes, the method of deduction that it should use in order to determine the impact of the temporary differences and the applicable effective tax rate. The deferred income tax assets as at December 31, 2025 and 2024 are disclosed in Note 19.

##### *Determining Retirement Obligation*

The costs of defined retirement obligation as well as the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligation are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each end of the reporting period.

In determining the appropriate discount rate, Management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Further details about the assumptions used are provided in Note 18.



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#### 4. Cash and Cash Equivalents

##### *Cash and Cash Equivalents*

This account consists of:

	2025	2024
Cash on hand and in banks	<b>₱299,972,509</b>	₱252,666,475
Cash equivalents	<b>8,882,200,681</b>	9,451,249,308
	<b>₱9,182,173,190</b>	₱9,703,915,783

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are composed of short-term cash investments with varying periods of up to three (3) months depending on the Group's immediate cash requirements, and earn interest ranging from 3.25% to 6.38% per annum in 2025, from 2.75% to 6.50% per annum in 2024 and from 3.00% to 6.38% per annum in 2023. The Parent Company has United States dollar (US\$)-denominated cash in banks amounting to US\$1,084 and US\$1,129 as at December 31, 2025 and 2024, respectively, while COLHK has US\$-denominated cash in banks amounting to nil and US\$501 as at December 31, 2025 and 2024, respectively.

In compliance with Securities Regulation Code (SRC) Rule 49.2 covering customer protection and custody of securities, the Parent Company maintains special reserve accounts for its customers amounting to ₱9,092,631,492 and ₱9,575,721,717 as at December 31, 2025 and 2024, respectively. The special reserve accounts consist of cash in banks and short-term cash investments which are recorded as 'Cash and cash equivalents. The Parent Company's reserve requirement is determined based on the SEC's prescribed computations. As at December 31, 2025 and 2024, the Parent Company's reserve accounts are adequate to cover its reserve requirements.

Interest income of the Group from cash and cash equivalents and cash in segregated account amounted to ₱527,801,661, ₱609,427,385 and ₱591,823,401 in 2025, 2024 and 2023, respectively (Note 16).

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#### 5. Cash in a Segregated Account

As of December 31, 2024, Cash in a segregated account of COLHK amounted to ₱840,431. COLHK receives and holds money deposited by clients in the conduct of the regulated activities of its ordinary business. These client monies are maintained with a licensed bank. The Group has classified the client monies under current assets in the consolidated statements of financial position and recognized a corresponding payable to customers on grounds that it is liable for any loss or misappropriation of client monies (Note 13). The Group is not allowed to use the client monies to settle its own obligations. As at December 31, 2025, COLHK no longer maintained cash in its segregated account, as it had ceased its trading operations and its regulatory license was revoked by the Hong Kong SFC on April 7, 2025. Refer to Note 2 for COLHK's status of operations.

Interest income from cash in segregated account is included under 'Interest income - banks' (Notes 4 and 16).



## 6. Financial Assets at FVTPL

This account consists of:

	2025	2024
Government bonds	₱75,528,061	₱74,311,389
Mutual funds	68,332,119	26,401,984
Listed equity securities	466,749	448,121
	<b>₱144,326,929</b>	<b>₱101,161,494</b>

The peso-denominated government debt securities pertain to investments in Treasury bills which bear nominal annual interest rate of 6.22% per annum in 2024, and from 3.15% to 6.23% per annum in 2023. Interest income earned from these investments amounted to nil, ₱346,298 and ₱113,686 in 2025, 2024 and 2023, respectively (Note 16).

The Group also invested in peso-denominated government and corporate bonds which bear nominal interest rates ranging from 4.63% to 9.25% per annum in 2025 and 2024 and from 2.84% to 9.25% per annum in 2023. Interest income earned from the investments amounted to ₱4,210,938, ₱4,214,965, and ₱4,712,109 in 2025, 2024 and 2023, respectively (Note 16).

The dividend income under 'Other revenues' represents dividends received from investments in shares of stocks of companies listed in the PSE amounting to ₱3,873, ₱6,056 and ₱96,335 in 2025, 2024 and 2023, respectively (Note 16).

The Group's net trading gains follow:

	2025	2024	2023
Trading gains from sale	₱60,573	₱651,224	₱1,790,374
Unrealized trading gains (losses)	3,783,901	(174,803)	4,045,028
	<b>₱3,844,474</b>	<b>₱476,421</b>	<b>₱5,835,402</b>

## 7. Trade Receivables and Other Receivables

### Trade Receivables

This account consists of receivables from:

	2025	2024
Customers (Note 20)	₱834,223,543	₱994,927,871
Clearing house	37,151,871	-
Mutual fund managers	2,683,829	2,182,609
	<b>874,059,243</b>	<b>997,110,480</b>
Less allowance for credit losses on trade receivables from customers	<b>2,043,991</b>	<b>2,099,453</b>
	<b>₱872,015,252</b>	<b>₱995,011,027</b>



The Group's trade receivables from customers and their security valuation follow:

	2025		2024	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Fully secured accounts:				
More than 250%	<b>₱556,063,697</b>	<b>₱5,499,579,126</b>	₱758,230,269	₱7,847,314,028
Between 200% and 250%	<b>109,547,892</b>	<b>248,179,727</b>	154,795,147	337,660,152
Between 150% and 200%	<b>130,536,063</b>	<b>256,192,662</b>	66,117,514	124,775,695
Between 100% to 150%	<b>2,725,310</b>	<b>2,734,100</b>	4,156,394	4,511,992
Less than 100%	<b>35,340,812</b>	<b>34,132,223</b>	11,609,627	11,524,343
Unsecured accounts (Note 20)	<b>9,769</b>	-	18,920	-
	<b>834,223,543</b>	<b>₱6,040,817,838</b>	994,927,871	<b>₱8,325,786,210</b>
Less allowance for credit losses on trade receivables from customers	<b>2,043,991</b>		2,099,453	
	<b>₱832,179,552</b>		<b>₱992,828,418</b>	

As at December 31, 2025 and 2024, the Parent Company offered a credit line facility amounting to ₱6,089,874,950 and ₱5,729,433,950, respectively, to its customers who qualified for margin accounts.

Trade receivables from margin customers have no specific credit terms but customers are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls below this level, customers may either deposit additional collateral or sell stock to cover the deficiency in their account balance. Meanwhile, receivables from postpaid customers are required to be settled on two (2) trading days' term for the Parent Company. The receivable balances become demandable upon failure of the customer to duly comply with these requirements. As at December 31, 2025 and 2024, trade receivables from customers amounting to ₱798,872,962 and ₱983,299,324, respectively, are fully covered by collateral.

Interest income from customers who availed of the margin facility amounted to ₱66,860,292, ₱70,695,899 and ₱69,049,168 in 2025, 2024 and 2023, respectively (Note 16).

Trade receivables from clearing house as at December 31, 2025 were fully collected in January 2026.

Receivables from mutual fund managers represent compensation for selling mutual funds to its customers. The fee is calculated daily and collected monthly.

### **Other Receivables**

This account consists of:

	2025	2024
Accrued interest on investments	<b>₱63,376,624</b>	₱75,696,652
Mutual fund redemption proceeds (Note 14)	<b>22,127,791</b>	17,545,601
Employee salary loan and advances (Note 20)	<b>2,562,484</b>	2,368,703
Others	<b>9,026,531</b>	8,807,177
	<b>₱97,093,430</b>	<b>₱104,418,133</b>



**Allowance for Credit Losses**

Movements in the allowance for credit losses follow:

	2025	2024
Balances at beginning of year	₱2,099,453	₱2,216,128
Recovery from credit losses	(55,462)	(116,675)
Balances at end of year	<b>₱2,043,991</b>	₱2,099,453

**8. Investment Securities at Amortized Cost**

This account consists of:

	2025	2024
Current government debt securities	₱100,095,522	₱435,119,474
Noncurrent corporate and government debt securities	1,453,470,029	901,277,555
	<b>₱1,553,565,551</b>	₱1,336,397,029

The peso-denominated government debt securities bear a nominal interest rate of 4.62% to 6.62% per annum in 2025 and 2.63% to 6.63% per annum in 2024 and 2.63% to 6.38% per annum in 2023, with an EIR of 5.18% to 6.38% in 2025 and 3.27% to 6.38% in 2024 and 2023. Amortization of premium from these investments amounted to ₱3,454,633 in 2025 while amortization of discount amounted to ₱744,417 and ₱73,765 in 2024 and 2023, respectively.

The Group's investments in government securities are considered of low credit risk since these are rated by an international credit rating company as Baa2, which is considered as 'Investment Grade.'

Interest income earned from these investments amounted to ₱79,674,547, ₱73,677,233 and ₱42,770,847 in 2025, 2024 and 2023, respectively (Note 16).



## 9. Property and Equipment

The composition of and movements in this account follow:

	2025						Total
	Online Trading Equipment and Facilities	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Construction in Progress	Right-of-use Assets – Office Premises	
<b>Cost</b>							
At beginning of year	₱206,244,135	₱36,393,970	₱7,932,715	₱75,090,484	₱–	₱67,124,103	₱392,785,407
Additions	14,701,634	2,321,490	1,691,072	7,619,677	2,832,432	39,902,275	69,068,580
Reclassification	–	22,668	–	2,769,764	(2,792,432)	–	–
Disposals	(1,092,549)	(824,882)	–	–	–	(30,498,375)	(32,415,806)
At end of year	219,853,220	37,913,246	9,623,787	85,479,925	40,000	76,528,003	429,438,181
<b>Accumulated depreciation and amortization</b>							
At beginning of year	180,870,790	34,417,830	1,475,960	70,702,028	–	43,286,649	330,753,257
Depreciation and amortization (Note 21)	8,805,186	1,275,194	1,727,465	3,337,670	–	22,458,693	37,604,208
Disposals	(1,092,500)	(824,844)	–	–	–	(30,498,375)	(32,415,719)
At end of year	188,583,476	34,868,180	3,203,425	74,039,698	–	35,246,967	335,941,746
<b>Net book value</b>	<b>₱31,269,744</b>	<b>₱3,045,066</b>	<b>₱6,420,362</b>	<b>₱11,440,227</b>	<b>₱40,000</b>	<b>₱41,281,036</b>	<b>₱93,496,435</b>
	2024						
	Online Trading Equipment and Facilities	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Construction in Progress	Right-of-use Assets – Office Premises	Total
<b>Cost</b>							
At beginning of year	₱207,510,276	₱39,521,892	₱3,696,429	₱72,125,877	₱66,000	₱76,486,996	₱399,407,470
Additions	7,344,735	1,823,376	4,236,286	3,916,529	–	10,882,413	28,203,339
Reclassification	–	–	–	66,000	(66,000)	–	–
Disposals	(9,038,743)	(5,177,681)	–	(1,068,907)	–	(20,245,306)	(35,530,637)
Translation adjustments	427,867	226,383	–	50,985	–	–	705,235
At end of year	206,244,135	36,393,970	7,932,715	75,090,484	–	67,124,103	392,785,407
<b>Accumulated depreciation and amortization</b>							
At beginning of year	182,543,969	37,533,400	61,905	66,765,245	–	40,788,961	327,693,480
Depreciation and amortization (Note 21)	6,937,692	1,596,094	1,414,055	4,954,705	–	22,742,994	37,645,540
Disposals	(9,038,738)	(4,922,818)	–	(1,068,907)	–	(20,245,306)	(35,275,769)
Translation adjustments	427,867	211,154	–	50,985	–	–	690,006
At end of year	180,870,790	34,417,830	1,475,960	70,702,028	–	43,286,649	330,753,257
<b>Net book value</b>	<b>₱25,373,345</b>	<b>₱1,976,140</b>	<b>₱6,456,755</b>	<b>₱4,388,456</b>	<b>₱–</b>	<b>₱23,837,454</b>	<b>₱62,032,150</b>



As of December 31, 2025 and 2024, the cost of the Group's fully depreciated property and equipment still in use amounted to ₱275,229,120 and ₱261,994,641, respectively. Disposal of property and equipment resulted in gains amounting to ₱72,762 and ₱6,231 in 2025 and 2023, respectively, and a loss amounting to ₱248,335 in 2024.

The depreciation and amortization are classified as follows:

	2025	2024	2023
Cost of services	<b>₱21,118,902</b>	₱19,809,367	₱26,763,483
Operating expenses	<b>16,485,306</b>	17,836,173	18,178,930
	<b>₱37,604,208</b>	₱37,645,540	₱44,942,413

## 10. Investment Property

This account pertains to an office space held by the Parent Company for capital appreciation. Movements in the account follow:

	2025	2024
<b>Cost</b>		
At beginning and end of year	<b>₱17,509,736</b>	₱17,509,736
<b>Accumulated depreciation</b>		
At beginning of year	<b>6,128,409</b>	5,252,922
Depreciation	<b>875,487</b>	875,487
At end of year	<b>7,003,896</b>	6,128,409
<b>Net book value</b>	<b>₱10,505,840</b>	₱11,381,327

As at December 31, 2025 and 2024, the fair value of investment property amounted to ₱38,413,490.

The depreciation of investment property recorded in 'Depreciation and amortization' in the consolidated statements of income amounted to ₱875,487 in 2025, 2024 and 2023.

### Collaterals

As at December 31, 2025 and 2024, the Group's investment property is not pledged as collateral.

## 11. Intangibles

### Stock Exchange Trading Rights

#### *Philippine Operations*

As at December 31, 2025 and 2024, the fair value of the exchange trading right amounted to ₱7,700,000, representing the last transacted price of the exchange trading right (as provided by the PSE). As at December 31, 2025 and 2024, the carrying value of the exchange trading right amounted to ₱5,000,000.



*Hong Kong Operations*

On April 7, 2025, the HK's SFC approved COLHK's application to revoke its license. The Group has fully impaired the exchange trading right of COLHK amounting to HKD2,860,000 in 2017.

Software Costs and Licenses

Movements in the software costs and licenses account follow:

	2025	2024
<b>Cost</b>		
At beginning of year	P51,211,221	P49,286,669
Additions	3,428,587	1,924,552
Reclassification	7,583,573	–
At end of year	<b>62,223,381</b>	51,211,221
<b>Accumulated amortization</b>		
At beginning of year	48,260,865	46,420,335
Amortization	2,048,818	1,840,530
At end of year	<b>50,309,683</b>	48,260,865
<b>Net book value</b>	<b>P11,913,698</b>	P2,950,356

The amortization of software costs and licenses recorded in 'Depreciation and amortization' in the consolidated statements of income were classified as follows:

	2025	2024	2023
Cost of services	P866,734	P1,121,408	P1,370,732
Operating expenses	1,182,084	719,122	200,214
	<b>P2,048,818</b>	P1,840,530	P1,570,946

As of December 31, 2025 and 2024, the costs of the Group's fully amortized software still in use amounted to P43,727,916 and P37,086,667, respectively.

**12. Other Assets**

Other Current Assets

This account consists of:

	2025	2024
Income tax overpayment	P27,234,887	P25,398,959
Deferred input VAT	719,026	816,371
	<b>P27,953,913</b>	P26,215,330

Income tax overpayment pertains to the Group's creditable withholding taxes (CWT) and excess income tax payments in prior years.



Other Noncurrent Assets

This account consists of:

	2025	2024
Deposit and refundable contributions to CTGF	<b>₱60,503,789</b>	₱57,688,271
Intangible assets under development	<b>767,786</b>	7,849,571
Refundable deposits:		
Rental and utility deposits	<b>5,851,136</b>	5,590,962
Other refundable deposits	<b>3,417,221</b>	3,887,611
	<b>70,539,932</b>	75,016,415
Deferred input VAT	<b>744,661</b>	599,782
	<b>₱71,284,593</b>	₱75,616,197

*Deposit and refundable contributions to CTGF*

The Parent Company, as a clearing member, is required to pay monthly contributions to the CTGF maintained by the SCCP equivalent to 1/500 of 1.00% of the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

These are refundable upon cessation of the Clearing Member's business and/or termination of its membership with SCCP, provided that all liabilities owing to SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

*Refundable deposits*

Other refundable deposits include deposits to internet service providers.

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**13. Trade Payables**

This account consists of:

	2025	2024
Customers (Note 20)	<b>₱9,336,323,425</b>	₱9,785,431,339
Clearing house	<b>30,905,565</b>	54,206,442
Others	<b>2,477</b>	2,703
	<b>₱9,367,231,467</b>	₱9,839,640,484

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

	2025		2024	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Payable to customers:				
With money balances	<b>₱9,336,323,425</b>	<b>₱101,616,856,135</b>	₱9,785,431,339	₱97,495,145,660
No money balances	-	<b>7,018,784,926</b>	-	2,450,497,205
	<b>₱9,336,323,425</b>	<b>₱108,635,641,061</b>	₱9,785,431,339	₱99,945,642,865



Generally, trade payables to customers are noninterest-bearing and have no specific credit terms.

COLHK's payable to customers pertains to the trust and segregated bank balances received and held for its clients during the conduct of regulated activities. As the operations of COLHK were terminated (Note 2), the funds have been returned to its customers as at December 31, 2025 (Note 7).

Trade payables to clearing house as at December 31, 2025 and 2024 were fully paid subsequently in January 2026 and 2025, respectively. These payables are noninterest-bearing and are due for settlement within two (2) trading days, in accordance with the settlement convention of the Philippine clearing house.

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#### 14. Other Current Liabilities

This account consists of:

	2025	2024
Accrued expenses	₱42,781,017	₱42,456,073
Due to BIR	29,245,069	37,793,908
Accrued management bonus	27,509,721	37,048,669
Mutual fund redemption proceeds (Note 7)	22,174,087	17,545,600
Unposted customer deposits	11,235,991	18,076,186
Trading fees	1,464,397	1,287,638
Others	13,799,777	13,306,979
	<b>₱148,210,059</b>	<b>₱167,515,053</b>

Accrued expenses and accrued management bonus pertain to accruals of operating expenses that were incurred but not yet paid and accruals made for the employees' performance bonus.

Due to BIR consists of stock transaction, withholding and output taxes payable to the Philippine BIR.

Unposted customer deposits refer to funds received from customers, including initial deposits, additional funding, and remittances from external sources, that are either unverified or received after the back-office processing cut-off. Once confirmed, these funds are credited to the customers' trading accounts on the next business day following the end of the reporting period.

Trading fees pertain to transaction costs and clearing fees on the purchase and sale of stocks that are payable to the regulatory bodies.

'Others' consist mostly of withdrawal proceeds in the form of checks issued and released to the customers of the Parent Company which are outstanding beyond six (6) months.



## 15. Equity

### Capital Stock

The details and movements of the Parent Company's capital stock follow:

	2025		2024	
	Shares	Amount	Shares	Amount
<b>Common stock - ₱0.10 per share</b>				
Authorized	10,000,000,000	₱1,000,000,000	10,000,000,000	₱1,000,000,000
<b>Issued and outstanding</b>				
Balance at beginning of period	5,949,999,998	₱595,000,000	4,760,000,000	₱476,000,000
Distribution of stock dividends	–	–	1,189,999,998	119,000,000
Balance at end of period	5,949,999,998	₱595,000,000	5,949,999,998	₱595,000,000

All issued and outstanding shares of the Parent Company are listed with the PSE (Note 1). As of December 31, 2025 and 2024, there were 32 holders of the listed shares of the Parent Company, with its share price closing at ₱1.42 and ₱1.65 per share, respectively.

### Retained Earnings

#### *Appropriated Retained Earnings*

In compliance with SRC Rule 49.1 B, *Reserve Fund*, the Parent Company annually sets aside 10.00% of its audited net income to appropriated retained earnings. The minimum appropriation rate varies based on the broker dealer's unimpaired paid-up capital. If the Parent Company's paid-up capital becomes impaired, an equivalent amount must be transferred from appropriated retained earnings to the capital account, which shall not be available for dividend payments. In 2025 and 2024, the BOD approved the additional appropriation of ₱50,466,630 and ₱44,322,650, respectively.

On November 15, 2022, the BOD approved the appropriation of ₱100,000,000 from the Parent Company's unrestricted retained earnings as of December 31, 2021 to support its IT development plan and expansion project, which will run until December 2027. On December 22, 2025 and December 27, 2023, the BOD approved the reversal of the utilized portion of appropriated retained earnings amounting to ₱25,266,763 and ₱27,135,148, respectively. As of December 31, 2025 and 2024, the remaining appropriated retained earnings for the IT development plan and expansion projects amounted to ₱47,598,089 and ₱72,864,852, respectively.

#### *Dividends*

Details of the Parent Company's dividend distributions from 2023 to 2025 follow:

Type of Dividend	Dividend Rate	Date of Declaration	Date of Record	Date of Payment	Amount
<b>2025</b>					
Regular cash dividend	₱0.0157	April 25, 2025	May 16, 2025	June 4, 2025	₱93,415,000
Special cash dividend	0.0393	April 25, 2025	May 16, 2025	June 4, 2025	233,835,000
					<b>₱327,250,000</b>
<b>2024</b>					
Stock dividend	25.00%	August 16, 2024	October 23, 2024	November 14, 2024	₱119,000,000
Regular cash dividend	₱0.0186	April 26, 2024	May 17, 2024	June 5, 2024	88,536,000
Special cash dividend	0.0465	April 26, 2024	May 17, 2024	June 5, 2024	221,340,000
					<b>₱428,876,000</b>
<b>2023</b>					
Regular cash dividend	₱0.0114	April 28, 2023	May 16, 2023	June 2, 2023	₱54,264,000
Special cash dividend	0.0306	April 28, 2023	May 16, 2023	June 2, 2023	145,656,000
					<b>₱199,920,000</b>



As of December 31, 2025 and 2024, the consolidated retained earnings include the retained earnings of the Subsidiaries amounting to ₱15,362,750 and ₱55,995,019, respectively, which are not available for dividend declaration until such amounts are declared to the Parent Company.

### **Non-Controlling Interest**

The Parent Company established CIMI in 2019, initially holding a 70.00% equity stake, with a non-controlling interest of 30.00%. In July 2024, the Parent Company acquired an additional 10.00% interest in CIMI for ₱7,560,000, increasing its stake to 80.00% and reducing the non-controlling interest to 20.00% as at December 31, 2024 and December 31, 2025.

The difference between the purchase price of ₱7,560,000 and the net asset value of the acquired 10.00% share was recognized under the “Other equity reserves” account within the equity attributable to the equity holders of the Parent Company in the consolidated statements of financial position.

The summarized financial information of CIMI is provided below. This information is based on amounts before inter-company eliminations.

#### *Summarized statements of financial position as of December 31, 2025 and 2024*

	2025	2024
Cash and cash equivalents (current)	<b>₱846,034</b>	₱46,801,098
Financial assets at FVTPL	<b>55,698,135</b>	14,527,035
Other receivables (current)	<b>757,758</b>	806,056
Other assets (current)	<b>3,452,748</b>	2,212,277
Property and equipment (non-current)	<b>915,955</b>	1,238,010
Other assets (non-current)	<b>302,609</b>	333,005
Trade payables (current)	<b>(519,196)</b>	(509,219)
Accrued expenses (current)	<b>(136,402)</b>	(244,241)
Other liabilities (current)	<b>(471,452)</b>	(419,619)
Lease liability (current)	<b>(255,358)</b>	(722,580)
Lease liability (non-current)	-	(255,358)
<b>Total equity</b>	<b>₱60,590,831</b>	<b>₱63,766,464</b>
Attributable to:		
Equity holders of the Parent Company	<b>₱48,472,664</b>	₱51,013,171
Non-controlling interest	<b>12,118,167</b>	12,753,293

#### *Summarized statements of income for the years ended December 31, 2025, 2024 and 2023*

	2025	2024	2023
Management fees	<b>₱8,725,908</b>	₱6,598,715	₱2,181,465
Trading gains - net	<b>1,898,423</b>	66,594	800,134
Interest income	<b>918,906</b>	3,524,550	2,641,654
Operating expenses	<b>(14,500,183)</b>	(12,192,269)	(8,115,753)
Loss before income tax	<b>(2,956,946)</b>	(2,002,410)	(2,492,500)
Provision for income tax	<b>218,686</b>	870,543	685,902
<b>Net loss</b>	<b>(₱3,175,632)</b>	<b>(₱2,872,953)</b>	<b>(₱3,178,402)</b>
Attributable to:			
Equity holders of the Parent Company	<b>(₱2,540,506)</b>	(₱2,174,724)	(₱2,224,881)
Non-controlling interest	<b>(635,126)</b>	(698,229)	(953,521)
	<b>(₱3,175,632)</b>	<b>(₱2,872,953)</b>	<b>(₱3,178,402)</b>



*Summarized cash flow information for the years ended December 31, 2025, 2024 and 2023*

	2025	2024	2023
Operating activities	<b>(P44,565,248)</b>	(P8,372,833)	P7,121,865
Investing activities	<b>(625,977)</b>	(89,287)	(160,665)
Financing activities	<b>(763,839)</b>	(728,000)	14,274,343
Net increase (decrease) in cash and cash equivalents	<b>(P45,955,064)</b>	(P9,190,120)	P21,235,543

## 16. Revenues

Breakdown of the Group's revenues are as follows:

	2025	2024	2023
Revenue from contracts with customers			
Commissions	<b>P426,538,041</b>	P382,311,654	P329,599,703
Trail fees	<b>27,797,652</b>	24,243,170	21,973,385
Others	<b>32,537,584</b>	28,354,305	25,846,709
	<b>486,873,277</b>	434,909,129	377,419,797
Other revenues			
Interest income	<b>678,547,438</b>	758,361,943	708,469,374
Trading gains - net	<b>3,844,474</b>	476,421	5,835,402
Others	<b>3,873</b>	6,056	96,335
	<b>682,395,785</b>	758,844,420	714,401,111
	<b>P1,169,269,062</b>	P1,193,753,549	P1,091,820,908

'Others' presented in the consolidated statements of income consists of:

	2025	2024	2023
Trading charges billed to customer	<b>P22,550,120</b>	P19,588,530	P15,891,413
Management fee	<b>8,725,908</b>	6,598,715	2,181,465
Dividend income	<b>3,873</b>	6,056	96,335
Corporate action processing fees	–	–	5,982,267
Miscellaneous	<b>1,261,556</b>	2,167,060	1,791,564
	<b>P32,541,457</b>	P28,360,361	P25,943,044

Trading charges billed to customers pertains to the regular transaction fees that are normally charged to customers upon execution and completion of trade orders. Since the Parent Company is primarily responsible to its counterparties for the settlement of trading fees charged to its customers, it has concluded that it is acting as a principal and accordingly presents the fees collected from its customers as revenue under 'Others' and treat the subsequent remittance as expense recognized as part of 'Stock exchange dues and fees.'



Stock exchange dues and fees consist of:

	2025	2024	2023
Stock trading costs charged to customers	<b>₱22,550,120</b>	₱19,588,530	₱15,891,413
Membership fees and dues	<b>11,264,528</b>	10,056,046	7,784,786
Dealer trades and other transaction costs	<b>229,852</b>	159,473	753,805
Miscellaneous	<b>332,408</b>	437,420	674,223
	<b>₱34,376,908</b>	₱30,241,469	₱25,104,227

Set out below is the disaggregation of the Group's revenue from contracts with customers:

2025				
	Commissions	Trail fees	Other income	Total
Primary geographical markets				
Philippines	<b>₱426,538,041</b>	<b>₱27,797,652</b>	<b>₱32,527,065</b>	<b>₱486,862,758</b>
Hong Kong	–	–	<b>10,519</b>	<b>10,519</b>
	<b>₱426,538,041</b>	<b>₱27,797,652</b>	<b>₱32,537,584</b>	<b>₱486,873,277</b>
2024				
	Commissions	Trail fees	Other income	Total
Primary geographical markets				
Philippines	₱382,141,383	₱24,243,170	₱27,319,209	₱433,703,762
Hong Kong	170,271	–	1,035,096	1,205,367
	₱382,311,654	₱24,243,170	₱28,354,305	₱434,909,129
2023				
	Commissions	Trail fees	Other income	Total
Primary geographical markets				
Philippines	₱327,095,466	₱21,973,385	₱24,950,677	₱374,019,528
Hong Kong	2,504,237	–	896,032	3,400,269
	₱329,599,703	₱21,973,385	₱25,846,709	₱377,419,797

Interest income earned consists of income from:

	2025	2024	2023
Banks (Notes 4 and 5)	<b>₱527,801,661</b>	₱609,427,385	₱591,823,401
Investment securities at amortized cost (Note 8)	<b>79,674,547</b>	73,677,233	42,770,847
Customers (Note 7)	<b>66,860,292</b>	70,695,899	69,049,168
Financial assets at FVTPL (Note 6)	<b>4,210,938</b>	4,561,263	4,825,795
Others	–	163	163
	<b>₱678,547,438</b>	₱758,361,943	₱708,469,374



## 17. Personnel Costs

This account consists of:

	2025	2024	2023
Salaries and wages	<b>₱233,516,494</b>	₱246,190,522	₱219,757,946
Retirement costs (Note 18)	<b>12,254,717</b>	10,637,600	9,011,597
Other benefits (Note 18)	<b>31,481,539</b>	25,730,580	22,851,948
	<b>₱277,252,750</b>	₱282,558,702	₱251,621,491

Other benefits include monetized leave credits of employees and other regulatory benefits.

The above accounts are classified as follows:

	2025	2024	2023
Cost of services	<b>₱96,465,869</b>	₱103,422,174	₱88,843,959
Operating expenses	<b>180,786,881</b>	179,136,528	162,777,532
	<b>₱277,252,750</b>	₱282,558,702	₱251,621,491

## 18. Employee Benefits

### Retirement Benefits

The Parent Company has a funded, non-contributory 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 employees. The defined benefit obligation is determined using the projected unit credit method. There was no plan termination, curtailment or settlement in 2025, 2024 and 2023. The Parent Company's retirement fund is being held in trust by a trustee bank.

Under the existing regulatory framework, RA 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of the Parent Company's net retirement costs recognized in the consolidated statements of income and the amounts recognized in the consolidated statements of financial position:

Retirement costs consist of:

	2025	2024	2023
Current service cost (Note 17)	<b>₱12,254,717</b>	₱10,637,600	₱9,011,597
Net interest expense	<b>3,271,894</b>	3,317,630	3,932,708
	<b>₱15,526,611</b>	₱13,955,230	₱12,944,305

Current service cost is shown under 'Personnel costs' in operating expenses while net interest expense is shown under 'Interest expense' in the consolidated statements of income.



Movements in the net retirement obligation recognized in the consolidated statements of financial position follow:

	2025	2024
Retirement obligation at beginning of year	<b>₱53,637,605</b>	₱54,387,374
Contributions	<b>(28,184,662)</b>	(26,628,469)
Retirement costs	<b>15,526,611</b>	13,955,230
Net actuarial (gains) losses	<b>(3,732,038)</b>	11,923,470
Retirement obligation at end of year	<b>₱37,247,516</b>	₱53,637,605

Retirement obligation is the net of the present value of defined benefit obligation and fair value of plan assets computed as follows:

	2025	2024
Present value of defined benefit obligation	<b>₱163,083,889</b>	₱152,516,120
Fair value of plan assets	<b>(125,836,373)</b>	(98,878,515)
	<b>₱37,247,516</b>	₱53,637,605

Changes in the present value of defined benefit obligation are as follows:

	2025	2024
Opening present value of defined benefit obligation	<b>₱152,516,120</b>	₱125,371,864
Current service cost	<b>12,254,717</b>	10,637,600
Interest cost	<b>9,303,483</b>	7,647,684
Benefits paid	<b>(5,194,935)</b>	(2,338,254)
Remeasurement (gains) losses on:		
Experience adjustments	<b>(1,564,555)</b>	11,197,226
Financial assumptions	<b>(4,230,941)</b>	—
Closing present value of defined benefit obligation	<b>₱163,083,889</b>	₱152,516,120

Changes in the fair value of plan assets follow:

	2025	2024
Balances at beginning of year	<b>₱98,878,515</b>	₱70,984,490
Contributions	<b>28,184,662</b>	26,628,469
Expected interest income	<b>6,031,589</b>	4,330,054
Benefits paid	<b>(5,194,935)</b>	(2,338,254)
Remeasurement loss on plan assets	<b>(2,063,458)</b>	(726,244)
Balances at end of year	<b>₱125,836,373</b>	₱98,878,515

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

	2025	2024
Fixed income	<b>99.38%</b>	99.41%
Cash in bank	<b>0.01%</b>	0.02%
Others	<b>0.66%</b>	0.63%
	<b>100.05%</b>	100.06%
Accrued trust fees payable	<b>(0.05%)</b>	(0.06%)
	<b>100.00%</b>	100.00%



Fixed income investments include investment in unit investment trust funds (UITF) which comprise of bond instruments, government securities and other debt instruments.

The principal assumptions used in determining retirement obligation for the Parent Company's plan are shown below:

	2025	2024
Discount rate	6.40%	6.10%
Future salary increases	5.00%	5.00%
Mortality rates		
Male	0.08%-0.74%	0.08%-0.74%
Female	0.07%-0.61%	0.07%-0.61%

The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2025 and 2024 assuming all other assumptions were held constant.

	Increase (decrease) in significant assumptions	Increase (decrease) in defined benefit obligation	
		2025	2024
Discount rates	+0.50%	(P6,609,425)	(P6,502,519)
	-0.50%	7,169,988	7,063,500
Future salary increases	+0.50%	6,730,794	6,630,783
	-0.50%	(6,257,899)	(6,158,954)
Mortality rate	+1 year	(1,139,632)	(862,176)
	-1 year	1,229,146	928,796

The Parent Company does not perform any asset-liability matching strategy. The overall investment policy and strategy of the retirement plan is based on the client suitability assessment, as provided by its trustee bank, in accordance with the requirements of the Bangko Sentral ng Pilipinas. It does not, however, ensure that there will be sufficient assets to pay the retirement benefits as they fall due while attempting to mitigate the various risks of the plan.

The Parent Company assesses the funding requirements of the retirement plan annually. Once it deems that the retirement plan needs additional funds, it engages the services of an actuarial expert to quantify the required amount of funds to be contributed. The Parent Company contributed P28,184,662 and P26,628,469 to the retirement plan in 2025 and 2024, respectively.

The Parent Company is currently assessing the contribution to be made in 2026.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Zero (0) to five (5) years	P101,077,326	P82,293,474
Six (6) to ten (10) years	76,216,778	62,272,026
Eleven (11) to fifteen (15) years	99,044,937	98,868,786
Beyond fifteen (15) years	643,901,982	600,706,490
	<b>P920,241,023</b>	<b>P844,140,776</b>



The weighted average duration of the defined benefit obligation is 14 years in 2025, 2024 and 2023.

COLHK makes monthly contributions to a fund under the mandatory provident fund schemes ordinance enacted by the HK Government. The plan is a defined contribution retirement plan. Under the plan, COLHK should contribute five percent (5.00%) of the monthly relevant income of all its qualified employees. The contribution recognized as 'Other benefits' under 'Personnel costs' amounted to ₱176,217 and ₱302,743 in 2024 and 2023, respectively. Refer to Note 2 for COLHK's status of operations.

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## 19. Income Taxes

Income taxes include the corporate income tax, as discussed below, and final taxes paid at the rate of 20.00% for interest income on Peso cash deposits and short-term placements and 15.00% for interest income on foreign currency cash deposits and short-term placements. These income taxes, as well as the deferred tax benefits and provisions, are presented as 'Provision for income tax' in the consolidated statements of income.

Provision for (benefit from) income tax consists of:

	2025	2024	2023
Current:			
Final	<b>₱122,314,118</b>	₱137,386,097	₱127,835,907
MCIT	<b>6,737,505</b>	4,244,081	2,657,283
Deferred	<b>(6,530,660)</b>	(13,264,081)	363,545
	<b>₱122,520,963</b>	₱128,366,097	₱130,856,735

In 2025, 2024 and 2023 the Parent Company availed of the itemized deduction method in calculating the allowed deductions for income tax purposes.

On March 26, 2021, Republic Act (RA) No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000 (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20.00%.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% (from July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a net operating loss carryover (NOLCO). The MCIT and NOLCO may be applied against the Parent Company's and its domestic subsidiaries' income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020 and 2021, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulations (RR) No. 25-2020.



As of December 31, 2025, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income with details as follows:

Year Incurred	Amount	Used	Expired	Balance	Expiry Year
2025	₱5,821,739	₱-	₱-	₱5,821,739	2028
2024	59,811,593	3,135,277	-	56,676,316	2027
2023	69,481,210	62,516,754	-	6,964,456	2026
2022	6,716,634	-	6,716,634	-	2025
2021	7,761,742	-	-	7,761,742	2026
2020	8,235,603	-	8,235,603	-	2025
	<b>₱157,828,521</b>	<b>₱65,652,031</b>	<b>₱14,952,237</b>	<b>₱77,224,253</b>	

Expired NOLCO pertains to unused losses of the Subsidiaries from prior years, which were not utilized due to insufficient taxable income.

Details of the Group's MCIT are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2025	₱6,737,505	₱-	₱6,737,505	2028
2024	4,244,081	-	4,244,081	2027
2023	2,657,283	-	2,657,283	2026
	<b>₱13,638,869</b>	<b>₱-</b>	<b>₱13,638,869</b>	

A reconciliation of provision for income tax computed at the statutory income tax rates to net provision for income tax shown in the consolidated statements of income follows:

	2025	2024	2023
Income tax at statutory income tax rate	<b>₱159,159,592</b>	₱153,840,173	₱139,120,644
Additions to (reductions in) income tax resulting from:			
Interest income subjected to final tax	<b>(30,561,723)</b>	(34,525,764)	(32,014,375)
Change in unrecognized DTA	<b>(16,501,478)</b>	7,196,260	21,518,803
Effect of gain on closure of foreign subsidiary, net of effect of translation adjustment	<b>10,426,527</b>	-	-
Effect of lower income tax rate in HK	<b>110,046</b>	1,739,303	1,724,174
Non-deductible expense	<b>336,878</b>	242,886	286,692
Effect of lower income tax rate for domestic subsidiaries	<b>147,847</b>	276,349	256,708
Tax-exempt income	<b>(596,726)</b>	(403,110)	(35,911)
<b>Provision for income tax</b>	<b>₱122,520,963</b>	<b>₱128,366,097</b>	<b>₱130,856,735</b>



### **Deferred Income Taxes**

The components of the Group's net deferred income tax assets (liabilities) follow:

	2025	2024
Deferred income tax assets		
Retirement obligation	<b>₱18,698,473</b>	₱21,728,836
NOLCO	<b>12,610,554</b>	29,023,563
Lease liabilities	<b>10,872,451</b>	6,686,003
	<b>42,181,478</b>	57,438,402
Deferred income tax liabilities		
Right-of-use assets	<b>(10,309,007)</b>	(5,914,356)
Unrealized trading gains	<b>(392,360)</b>	(95,256)
Unrealized gain from expected closure of COLHK	-	(24,742,393)
Accumulated translation adjustment	-	(12,270,454)
Others	<b>(4,124)</b>	(77,764)
	<b>(10,705,491)</b>	(43,100,223)
	<b>₱31,475,987</b>	₱14,338,179

Realization of the future tax benefits related to the net deferred income tax assets is dependent on many factors, including the Group's ability to generate taxable income within the carry-over period (see Note 3).

#### *Unrecognized deferred tax assets*

The Group did not recognize deferred tax assets on the following temporary differences since Management believes that it is not probable that the related benefits will be realized in the future:

	2025	2024
NOLCO	<b>₱20,960,296</b>	₱35,912,533
MCIT	<b>13,638,869</b>	6,901,364
Allowance for credit losses	<b>2,043,991</b>	2,099,453
Unrealized trading losses	-	472,965
	<b>₱36,643,156</b>	₱45,386,315

*In addition to the above, as of December 31, 2025 and 2024, the unused tax losses pertaining to COLHK amounted to ₱340.3 million and ₱339.1 million, respectively. Refer to Note 2 for COLHK's status of operations.*



## 20. Related Party Disclosures

- a. The summary of significant transactions and account balances with related parties are as follows:

Category	Commission income	Interest income	Professional fees	Directors' fees	Capital expenditures	Condominium dues	Rental Payments	Other Expenses	Trade receivables	Trade payables
<i>Key management personnel</i>										
2025	₱931,609	₱2,169,343	₱-	₱-	₱-	₱-	₱-	₱-	₱46,777,812	₱2,407,639
2024	1,271,430	1,483,210	-	-	-	-	-	-	45,540,892	1,147,950
2023	986,846	1,009,250	-	-	-	-	-	-	35,850,008	3,686,255
<i>Companies with common officers, directors and stockholders</i>										
2025	-	-	-	-	325,527	441,000	3,477,600	-	-	-
2024	517,755	4,298,086	440,542	-	239,712	441,000	3,477,600	16,071	85,944,886	-
2023	3,409,024	4,046,752	3,280,428	-	-	441,000	3,326,400	57,951	54,817,047	131,581
<i>Directors</i>										
2025	303,517	1,048,551	-	2,410,000	-	-	-	-	4,367,409	12,150,868
2024	488,142	2,186,367	-	2,120,000	-	-	-	-	25,262,326	5,599,912
2023	1,253,111	3,098,022	-	2,250,000	-	-	-	-	54,317,388	41,437,991

Trade receivables from and payables to related parties are due to be settled in two (2) trading days in the Philippines, except for trade receivables under margin accounts. Trade receivables from related parties under margin accounts are interest-bearing, not guaranteed but secured by shares of stocks (except for trade receivables amounting to ₱9,769 and ₱18,920, which were unsecured as of December 31, 2025 and 2024, respectively (Note 7). The trade receivables from related parties are not impaired.

- b. As of December 31, 2025 and 2024, the Group also has unsecured noninterest-bearing employee salary loans and advances amounting to ₱2,562,484 and ₱2,368,703, respectively, with remaining terms ranging from six (6) months to one (1) year, which are included under 'Other receivables' (Note 7).



c. Compensation of key management personnel of the Group follows:

	2025	2024	2023
Short-term employee benefits	<b>₱91,824,804</b>	₱105,602,538	₱91,807,062
Retirement costs (Note 18)	<b>3,624,615</b>	3,176,111	3,010,097
Other benefits	–	704,867	1,023,357
	<b>₱95,449,419</b>	₱109,483,516	₱95,840,516

Short-term employee benefits include management bonus.

Related party transactions are settled in cash.

## 21. Leases

The Group leases its office premises under separate operating lease agreements expiring on various dates and whose lease terms are negotiated every one (1) to three (3) years.

The Group applied a single recognition and measurement approach for all leases. Set-out below are the carrying amount of lease liabilities and the movements during the period:

	2025	2024
At beginning of year	<b>₱26,939,597</b>	₱39,146,553
Additions	<b>39,902,275</b>	10,882,413
Accretion of interest	<b>2,168,050</b>	2,292,059
Payments	<b>(25,469,047)</b>	(25,381,428)
At end of year	<b>₱43,540,875</b>	₱26,939,597
Current	<b>₱19,299,229</b>	₱15,230,525
Non-current	<b>24,241,646</b>	11,709,072
	<b>₱43,540,875</b>	₱26,939,597

The following are the amounts recognized in the consolidated statements of income:

	2025	2024
<b>Cost of Services</b>		
Depreciation expense of right-of-use assets included in property and equipment (Note 9)	<b>₱13,314,485</b>	₱10,175,797
Interest expense on lease liabilities	<b>1,460,191</b>	1,309,153
	<b>14,774,676</b>	11,484,950
<b>Operating Expenses</b>		
Depreciation expense of right-of-use assets included in property and equipment (Note 9)	<b>9,144,208</b>	12,567,197
Interest expense on lease liabilities	<b>707,859</b>	982,906
	<b>9,852,067</b>	13,550,103
	<b>₱24,626,743</b>	₱25,035,053



The Group also has lease contracts on low-value assets. The Group applies the recognition exemption for these leases. Rental costs charged to operations pertaining to leases of low-value assets amounted to ₱434,889, ₱2,168,058 and ₱1,363,292 in 2025, 2024 and 2023, respectively.

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
Within one (1) year	<b>₱21,498,044</b>	₱16,502,889
More than one (1) year to two (2) years	<b>15,044,695</b>	6,030,207
More than two (2) years to three (3) years	<b>10,622,141</b>	3,611,790
More than three (3) years to four (4) years	–	3,175,200
	<b>₱47,164,880</b>	₱29,320,086

## 22. Capital Management

The primary objective of the Group's capital management is to ensure that the Group maintains healthy capital ratios in order to support its business, pay existing obligations and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended December 31, 2025, 2024 and 2023.

The Amended Implementing Rules and Regulations of the SRC effective March 6, 2004 include, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows: (a) to allow a net capital of ₱2,500,000 or 2.50% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities, (b) to allow the SEC to set a different net capital requirement for those authorized to use the Risk-Based Capital Adequacy (RBCA) model, and (c) to require unimpaired paid-up capital of ₱100,000,000 for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; ₱10,000,000 plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2,500,000 for broker dealers dealing only in proprietary shares and not holding securities.

The SEC approved Memorandum Circular No. 16 dated November 11, 2004 which provides the guidelines on the adoption in the Philippines of the RBCA Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following risks: (a) position or market risk, (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and (c) operational risk.

The Parent Company being a registered broker dealer in securities is subject to the stringent rules of the SEC and other regulatory agencies with respect to the maintenance of specific levels of RBCA ratios. RBCA is a ratio that compares the broker dealer's total measured risk to its liquid capital. As a rule, the Parent Company must maintain an RBCA ratio of at least one hundred ten percent (110.00%) and a net liquid capital (NLC) of at least ₱5,000,000 or five percent (5.00%) of its aggregate indebtedness, whichever is higher. Also, the Aggregated Indebtedness (AI) of every broker dealer should not exceed two thousand percent (2,000.00%) of its NLC. In the event that the minimum RBCA ratio of one hundred ten percent (110.00%) or the minimum NLC is breached, the Parent Company shall immediately cease doing business as a broker dealer and shall notify the PSE and SEC. As at December 31, 2025 and 2024, the Parent Company is compliant with the foregoing requirements.



The Parent Company's capital pertains to equity per books adjusted for deferred tax assets and assets not readily convertible into cash.

The RBCA ratio of the Parent Company as at December 31, 2025 and 2024 are as follows:

	2025	2024
Equity eligible for net liquid capital	<b>₱2,467,141,729</b>	₱2,218,801,053
Less: Ineligible Assets	<b>435,173,180</b>	526,396,798
<b>NLC</b>	<b>₱2,031,968,549</b>	₱1,692,404,255
Position risk	<b>₱47,034,289</b>	₱34,261,435
Operational risk	<b>180,673,740</b>	194,611,489
Large exposure risk	<b>26,727,729</b>	14,367,447
<b>Total Risk Capital Requirement (TRCR)</b>	<b>₱254,435,758</b>	₱243,240,371
<b>AI</b>	<b>₱9,554,045,923</b>	₱10,049,661,554
5.00% of AI	<b>₱477,702,296</b>	₱502,483,078
<b>Required NLC</b>	<b>₱477,702,296</b>	₱502,483,078
<b>Net Risk-Based Capital Excess</b>	<b>₱1,554,266,253</b>	₱1,189,921,177
Ratio of AI to NLC	<b>470.19%</b>	593.81%
<b>RBCA ratio (NLC/TRCR)</b>	<b>798.62%</b>	695.77%

The following are the definition of terms used in the above computation:

1. Ineligible assets

These pertain to fixed assets and assets which cannot be readily converted into cash.

2. Operational risk requirement

The amount required to cover a level of operational risk which is the exposure associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate or failed internal processes, people and systems which include, among others, risks of fraud, operational or settlement failure and shortage of liquid resources, or from external events.

3. Position risk requirement

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

4. AI

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



On May 28, 2009, the SEC approved the PSE's Rules Governing Trading Rights and Trading Participants, which supersede the Membership Rules of the PSE. Section 8(c) of Article III of the said rules requires trading participants to have a minimum unimpaired paid-up capital, as defined by the SEC, of ₱20,000,000 effective December 31, 2009, and ₱30,000,000 effective December 31, 2011 and onwards. In 2025 and 2024, the Parent Company is compliant with this capital requirement.

The Parent Company's regulated operations have complied with all externally-imposed capital requirements as at December 31, 2025 and 2024.

COLHK monitors capital using liquid capital as provided for under HK's Securities and Futures Ordinance (Cap. 571) and Securities and Futures (Financial Resources) Rules (Cap. 571N). COLHK's policy is to keep liquid capital at the higher of the floor requirement of HK\$3,000,000 and computed variable required capital. As at December 31, 2024, COLHK is compliant with the said requirement. As of April 7, 2025, COLHK ceased monitoring its liquid capital following the revocation of its license by the SFC (Note 2).

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### 23. Financial Risk Management Objectives and Policies

The main purpose of the Group's financial instruments is to fund its operations. The Group's principal financial instruments consist of cash and cash equivalents, cash in a segregated account, financial assets at FVTPL, investment securities at amortized cost, trade receivables, other receivables, deposit and refundable contributions to CTGF, refundable deposits under other noncurrent assets, trade payables and other current liabilities, which arise from operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, equity price risk and foreign currency risk.

The BOD reviews and agrees on the policies for managing each of these risks which are summarized below:

#### Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the stock brokerage business as potential losses may arise due to the failure of its customers and counterparties to fulfill their trading obligations on settlement dates or the possibility that the value of collateral held to secure obligations becoming inadequate due to adverse market conditions.

The business model of the Group minimizes its exposure to credit risk. The Group's customers, except those granted with a credit line facility by the Parent Company, are required to deposit funds to their accounts and their purchases are limited to their cash deposit. In order to manage the potential credit risk associated with the Parent Company's margin lending activities, the Group has established policies and procedures in evaluating and approving applications for margin financing as well as the review of credit performance and limits. In addition, the Parent Company requires its margin customers a Two Peso (₱2) security cover for every One Peso (₱1) exposure. The security cover can either be in cash or a combination of cash and marginable stock identified by the Parent Company using a set of criteria.



The Group utilizes an internal credit rating system based on its assessment of the quality of its financial assets. The Group classifies its financial assets into the following credit grades:

- *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. This applies to highly rated financial obligors, strong corporate counterparties and personal borrowers with whom the Group has excellent repayment experience.
- *Standard grade* – This pertains to counterparties with no history of default. This applies to financial assets that are performing as expected.

*Financial assets at amortized cost*

The Group's financial assets at amortized cost, are classified as high grade and are in stage 1 of the ECL model, due to its high probability of collection (i.e. the counterparty has the evident ability to satisfy its obligation).

Cash and cash equivalents and cash in a segregated account are considered high grade and are in stage 1 of the ECL model. These are deposited with reputable banks duly approved by the BOD and have low probability of insolvency. These are considered to be low credit risk investments.

Trade receivables from margin customers have no specific credit terms but customers are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls down this level, customers may either deposit additional collateral or sell stock to cover any shortfall. Meanwhile, receivables from postpaid customers are required to be settled on two (2) trading days' term for the Parent Company. The receivable balances become demandable upon failure of the customer to duly comply with these requirements. As at December 31, 2025 and 2024, ₱834,213,774 and ₱994,908,951 of the total receivables from customers is secured by collateral comprising of equity securities of listed companies with a total market value of ₱6,040,817,838 and ₱8,325,786,210, respectively (Note 7).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses, while also considering the regulatory requirements under SRC Rule 52.1. The provision matrix is based on the Group's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The aging analyses of the Group's trade receivables as at December 31, 2025 and 2024 are summarized in the following table (gross of allowance for credit losses):

	Days after trade date				Total
	T+0 to T+1	T+2 to T+12	T+13 to T+30	T+31 to T+365	
<b>2025</b>					
Expected loss rate	0.00%	2.00%	0.00%	0.00%	0.24%
Trade receivables	₱17,700,895	₱101,711,123	₱129,532,479	₱585,279,046	₱834,223,543
Expected credit loss	–	2,034,222	–	9,769	2,043,991



	Days after trade date				Total
	T+0 to T+2	T+3 to T+13	T+14 to T+30	T+31 to T+365	
2024					
Expected loss rate	0.00%	2.00%	0.00%	0.00%	0.21%
Trade receivables	₱55,105,917	₱104,026,697	₱200,844,528	₱634,950,729	₱994,927,871
Expected credit loss	–	2,080,533	–	18,920	2,099,453

Past due accounts pertain to margin accounts of the Parent Company. A margin account has no due date and becomes demandable only when the equity percentage of the customers falls below 33.33%. The loss rate for trade receivables is considered minimal.

Transactions through the stock exchange are covered by the guarantee fund contributed by member brokers and maintained by the clearing house.

Investment securities at amortized cost are classified as high grade. The Group's investments in government securities are considered of low credit risk since these are rated as Baa2 by an international credit rating company. This credit rating is still considered as 'Investment Grade.'

Refundable deposits under other noncurrent assets are classified as high grade and are in stage 1 of the ECL model since the amount shall be kept intact by the lessor throughout the term of the contract and shall be returned after the term.

*Financial assets at FVTPL*

Companies that are consistently profitable, have strong fundamentals and pays out dividends. As at December 31, 2025 and 2024, the Group's financial assets at FVTPL are classified as high grade since these are with listed companies of good reputation.

*Deposit and refundable contributions to CTGF*

Deposit and refundable contributions to CTGF pertain to contributions made by the Parent Company to a guarantee fund as required by the SCCP and are classified as high grade. The Parent Company does not expect significant exposure on the balance as the amount shall be kept intact by the SCCP as a requirement to conduct stock brokerage business and shall be returned after the Parent Company ceases to operate its business.

*Other receivables*

These receivables from counterparties with no history of default and are not past due as at the end of the reporting period are classified as standard grade.

*Collateral and other credit enhancement*

Margin customers are required to maintain the value of their collateral within a specific level. Once the value of the collateral falls down this level, customers may either deposit additional collateral or sell stock to cover their shortfall.

Collateral comes in the form of financial assets. This pertains to securities listed and traded in the PSE and lodged with the Philippine Depository and Trust Corporation under the account of the Parent Company. The market value of the securities is closely monitored to ensure compliance with the required levels of collaterals.

The Group's exposure to credit risk arising from default of the counterparty has a maximum exposure equal to the carrying amount of the particular instrument plus any irrevocable loan commitment or credit facility.



There are no significant concentrations of credit risk within the Group.

*Maximum exposure to credit risk and collateral and other credit enhancements*

Except for receivable from customers, the carrying values of the Group's financial assets as reflected in the consolidated statements of financial condition as of December 31, 2025 and 2024 represent the financial asset's maximum exposure to credit risk as there are no collateral held or other credit enhancements related to these financial assets.

2025				
	Gross Carrying Amount	Fair Value of Collateral*	Maximum Exposure to Credit Risk	Financial effect of collateral and other credit enhancements
Receivable from customers				
Unsecured	₱9,769	₱-	₱9,769	₱9,769
Partially secured	35,340,812	34,132,223	1,208,589	34,132,223
Fully secured	798,872,962	6,006,685,615	-	798,872,962
	<b>₱834,223,543</b>	<b>₱6,040,817,838</b>	<b>₱1,218,358</b>	<b>₱833,014,954</b>
2024				
	Gross Carrying Amount	Fair Value of Collateral*	Maximum Exposure to Credit Risk	Financial effect of collateral and other credit enhancements
Receivable from customers				
Unsecured	₱18,920	₱-	₱18,920	₱18,920
Partially secured	11,609,627	11,524,343	85,284	11,524,343
Fully secured	983,299,324	8,314,261,867	-	983,299,324
	<b>₱994,927,871</b>	<b>₱8,325,786,210</b>	<b>₱104,204</b>	<b>₱994,842,587</b>

Liquidity Risk

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

The Group manages its liquidity profile to meet the following objectives: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

As at December 31, 2025 and 2024, all of the Group's financial liabilities, which consist of trade payables and other current liabilities (except statutory payables), are contractually payable on demand and up to a 60-day term.

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

Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes. The Group's market risk originates from its holdings of equity instruments and foreign currency-denominated financial instruments.



*Equity price risk*

Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets at FVTPL which pertain to investments in shares of stock of companies listed in the PSE and in mutual fund shares. The Group's policy is to maintain the risk within an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

Since the carrying amount of financial assets subject to equity price risk is immaterial relative to the consolidated financial statements, Management believes that disclosure of equity price risk sensitivity analysis for 2025 and 2024 is not significant.

*Foreign currency risk*

The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for a financial institution engaged in the type of business in which the Group is engaged.

The Group's exposure to foreign currency exchange risk arises from its US\$-denominated cash in banks amounting to US\$1,084 and US\$1,630 as at December 31, 2025 and 2024, respectively (Note 4).

Since the amount of US\$-denominated cash in bank subject to foreign currency risk is immaterial relative to the consolidated financial statements, Management believes that disclosure of foreign currency risk analysis for 2025 and 2024 is not significant.

Offsetting of Financial Assets and Liabilities

The table below presents information about rights to offset related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar agreements.

2025							
Financial Instruments Recognized at End of Reporting Period by Type	Gross Carrying Amounts (Before Offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Statements of Financial Position	Effect of Remaining Rights of Set-Off (Including Rights to Set Off Financial Collateral) that do not Meet PAS 32 Offsetting Criteria			Net Exposure
				Financial Instruments	Fair Value of Financial Collateral		
					[d]	[e]	
	[a]	[b]	[c] = [a-b]				
<b>Financial Assets</b>							
Receivable from customers	₱834,223,543	₱-	₱834,223,543	₱-	₱833,005,185		₱1,218,358
Receivable from clearing house	37,151,871	-	37,151,871	30,905,565	-		6,246,306
	<b>₱871,375,414</b>	<b>₱-</b>	<b>₱871,375,414</b>	<b>₱30,905,565</b>	<b>₱833,005,185</b>		<b>₱7,464,664</b>
<b>Financial Liabilities</b>							
Payable to customers	₱9,336,323,425	₱-	₱9,336,323,425	₱-	₱-		₱9,336,323,425
Due to clearing house	30,905,565	-	30,905,565	30,905,565	-		-
	<b>₱9,367,228,990</b>	<b>₱-</b>	<b>₱9,367,228,990</b>	<b>₱30,905,565</b>	<b>₱-</b>		<b>₱9,336,323,425</b>



2024						
Financial Instruments Recognized at End of Reporting Period by Type	Gross Carrying Amounts (Before Offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Consolidated Statements of Financial Position	Effect of Remaining Rights of Set-Off (Including Rights to Set Off Financial Collateral) that do not Meet PAS 32 Offsetting Criteria		
				Financial Instruments	Fair Value of Financial Collateral	
					Net Exposure	
[a]	[b]	[c] = [a-b]	[d]	[e]	[f] = [c-d-e]	
<b>Financial Assets</b>						
Receivable from customers	₱994,927,871	₱-	₱994,927,871	₱1,444,248	₱993,379,419	₱104,204
	₱994,927,871	₱-	₱994,927,871	₱1,444,248	₱993,379,419	₱104,204
<b>Financial Liabilities</b>						
Payable to customers	₱9,785,431,339	₱-	₱9,785,431,339	₱1,444,248	₱-	₱9,783,987,091
Due to clearing house	54,206,442	-	54,206,442	-	-	54,206,442
	₱9,839,637,781	₱-	₱9,839,637,781	₱1,444,248	₱-	₱9,838,193,533

## 24. Fair Value Measurement

The following table shows the carrying value and fair value of the Group's refundable deposits, investment securities at amortized cost and investment property, whose carrying value does not approximate its fair value as at December 31, 2025 and 2024:

	Carrying Values		Fair Values	
	2025	2024	2025	2024
<i>Financial assets</i>				
Investment securities at amortized cost	<b>₱1,553,565,551</b>	₱1,336,397,029	<b>₱1,566,408,954</b>	₱1,173,054,124
Refundable deposits	<b>9,268,357</b>	9,478,573	<b>8,073,041</b>	8,256,145
<i>Non-financial assets</i>				
Investment property	<b>10,505,840</b>	11,381,327	<b>38,413,490</b>	38,413,490

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

### *Financial assets at FVTPL*

The Group's financial assets at FVTPL are carried at their fair values as at December 31, 2025 and 2024. Fair value of financial assets at FVTPL is based on the closing quoted prices of stock investments published by the PSE. Fair value of mutual funds is based on net asset values computed and published by the mutual fund providers. Fair value of debt securities is based on the quoted market price in an active market as at December 31, 2025 and 2024.

### *Refundable deposits*

The fair value of the refundable deposits is based on the present value of the future cash flows discounted using credit adjusted risk-free rates for a similar type of instrument using 2.80% as at December 31, 2025 and 2024. There are no changes in the valuation techniques in 2025 and 2024.

### *Investment securities at amortized cost*

The fair value of the investment is based on the quoted market price in an active market as at December 31, 2025 and 2024.



*Investment property*

The fair value of the investment property has been based on highest and best use of property being appraised. 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.

Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy as follows:

	2025			
	Carrying Value	Level 1	Level 2	Level 3
<i>Asset measured at fair value:</i>				
Financial assets at FVTPL	P144,326,929	P75,994,810	P68,332,119	P-
Deposit and refundable contributions to CTGF	60,503,789	-	-	60,503,789
<i>Asset for which fair values are disclosed:</i>				
Financial assets				
Refundable deposits	9,268,357	-	-	8,073,041
Investment securities at amortized cost	1,553,565,551	1,161,926,897	404,482,057	-
Non-financial assets – Investment property	10,505,840	-	-	38,413,490
	2024			
	Carrying Value	Level 1	Level 2	Level 3
<i>Asset measured at fair value:</i>				
Financial assets at FVTPL	P101,161,494	P74,759,510	P26,401,984	P-
Deposit and refundable contributions to CTGF	57,688,271	-	-	57,688,271
<i>Asset for which fair values are disclosed:</i>				
Financial assets				
Refundable deposits	9,478,573	-	-	8,256,145
Investment securities at amortized cost	1,336,397,029	603,468,714	569,585,410	-
Non-financial assets – Investment property	11,381,327	-	-	38,413,490

During the years ended December 31, 2025 and 2024, there were no transfers among levels one (1), two (2) and three (3) of fair value measurements.

## 25. EPS Computation

In 2025, 2024 and 2023, the Parent Company has no outstanding potentially dilutive securities, hence, basic earnings per share are equal to diluted earnings per share.

As a result of the stock dividends declared by the Parent Company on August 16, 2024 to stockholders of record as of October 23, 2024 and distributed on November 14, 2024 (Note 15), the weighted average number of outstanding common shares have been adjusted retrospectively for all periods presented as required under PFRS.



The basic and diluted earnings per share were computed as follows:

	2025	2024	2023
Net income attributable to the equity holders of the Parent Company	<b>₱514,752,535</b>	₱486,252,830	₱426,579,361
Divided by:			
Weighted average number of shares for basic earnings per share	<b>5,949,999,998</b>	5,949,999,998	4,760,000,000
Adjustment related to stock dividend	–	–	1,189,999,998
Weighted average number of shares, after adjustment for stock dividends	<b>5,949,999,998</b>	5,949,999,998	5,949,999,998
Basic and diluted EPS	<b>₱0.09</b>	₱0.08	₱0.07

## 26. Segment Information

### Business Segments

The Group's business segments follow:

- Stockbrokerage services pertaining to the Group's stockbrokerage companies, mainly the Parent Company and COLHK (see Note 2); and
- Others pertaining to the Group's subsidiaries other than COLHK. This includes CIMI which is an asset management firm and CEIUMF and CSGEUMF which are unitized funds.

The following table presents certain information regarding the Group's business segments:

	2025			
	Stockbrokerage services	Others	Elimination	Total
Revenue from external customers:				
Commissions	₱426,538,041	₱–	₱–	₱426,538,041
Interest	672,814,293	5,733,145	–	678,547,438
Trail fees	33,458,509	–	(5,660,857)	27,797,652
Others	23,808,774	12,577,157	–	36,385,931
Segment revenue	1,156,619,617	18,310,302	(5,660,857)	1,169,269,062
Cost of services	(306,905,926)	(5,688,947)	5,660,857	(306,934,016)
Operating expenses	(236,191,156)	(8,580,223)	–	(244,771,379)
Depreciation and amortization	(17,570,815)	(972,062)	–	(18,542,877)
Other income (losses)	37,658,842	(41,260)	–	37,617,582
Income before income tax	633,610,562	3,027,810	–	636,638,372
Provision for income tax	(121,122,982)	(1,397,981)	–	(122,520,963)
Net income	<b>₱512,487,580</b>	<b>₱1,629,829</b>	–	<b>₱514,117,409</b>
Segment assets	₱12,141,083,152	₱177,710,480	(₱207,341,402)	₱12,111,452,230
Segment liabilities	9,596,329,928	1,756,898	(1,546,381)	9,596,540,445
Capital expenditures:				
Fixed assets	28,540,328	625,977	–	29,166,305
Cash flows arising from:				
Operating activities	131,250,615	(41,586,351)	–	89,664,264
Investing activities	(258,061,833)	(625,977)	–	(258,687,810)
Financing activities	(351,955,208)	(763,839)	–	(352,719,047)



2024				
	Stockbrokerage services	Others	Elimination	Total
<b>Revenue from external customers:</b>				
Commissions	P382,311,716	P-	(P62)	P382,311,654
Interest	749,282,851	9,079,092	-	758,361,943
Trail fees	28,562,109	-	(4,318,939)	24,243,170
Others	22,175,781	6,660,969	32	28,836,782
Segment revenue	1,182,332,457	15,740,061	(4,318,969)	1,193,753,549
Cost of services	(303,702,996)	(4,334,541)	4,318,969	(303,718,568)
Operating expenses	(244,598,649)	(7,058,450)	-	(251,657,099)
Depreciation and amortization	(18,043,771)	(1,387,011)	-	(19,430,782)
Other losses	(4,942,333)	(84,069)	-	(5,026,402)
Income before income tax	611,044,708	2,875,990	-	613,920,698
Provision for income tax	(126,891,180)	(1,474,917)	-	(128,366,097)
<b>Net income</b>	<b>P484,153,528</b>	<b>P1,401,073</b>	<b>P-</b>	<b>P485,554,601</b>
Segment assets	P12,785,061,650	P176,722,412	(P511,900,100)	P12,449,883,962
Segment liabilities	10,287,209,563	2,398,658	(201,780,970)	10,087,827,251
Capital expenditures:				
Fixed assets	17,231,640	89,286	-	17,320,926
Cash flows arising from:				
Operating activities	378,715,611	(8,372,833)	-	370,342,778
Investing activities	237,499,646	(89,286)	-	237,410,360
Financing activities	(342,089,428)	(728,000)	-	(342,817,428)
2023				
	Stockbrokerage services	Others	Elimination	Total
<b>Revenue from external customers:</b>				
Commissions	P329,612,059	P-	(P12,356)	P329,599,703
Interest	700,351,485	8,117,889	-	708,469,374
Trail fees	23,484,733	-	(1,511,348)	21,973,385
Others	25,480,717	6,285,393	12,336	31,778,446
Segment revenue	1,078,928,994	14,403,282	(1,511,368)	1,091,820,908
Cost of services	(280,328,459)	(1,512,248)	1,511,368	(280,329,339)
Operating expenses	(219,790,857)	(6,031,034)	-	(225,821,891)
Depreciation and amortization	(17,705,264)	(1,549,367)	-	(19,254,631)
Other losses	(9,863,055)	(69,417)	-	(9,932,472)
Income (loss) before income tax	551,241,359	5,241,216	-	556,482,575
Provision for income tax	(128,478,210)	(2,378,525)	-	(130,856,735)
<b>Net income (loss)</b>	<b>P422,763,149</b>	<b>P2,862,691</b>	<b>P-</b>	<b>P425,625,840</b>
Segment assets	P12,586,109,414	P175,989,284	(P440,276,633)	P12,321,822,065
Segment liabilities	10,271,381,941	3,066,605	(144,628,084)	10,129,820,462
Capital expenditures:				
Fixed assets	10,289,179	-	-	10,289,179
Cash flows arising from:				
Operating activities	(162,632,736)	(1,702,097)	-	(164,334,833)
Investing activities	(601,788,789)	(160,665)	-	(601,949,454)
Financing activities	(236,445,752)	14,274,343	-	(222,171,409)

### Geographical Information

For management purposes, the Group is organized into business units based on its geographical location and has two (2) reportable segments as follows:

- Philippine segment, which pertains to the Group's Philippine operations.
- Hong Kong segment, which pertains to the Group's HK operations.



The following tables present certain information regarding the Group's geographical segments:

	2025			
	Philippines	Hong Kong	Elimination	Total
Revenue from external customers:				
Commissions	₱426,538,041	₱-	₱-	₱426,538,041
Interest	678,547,438	-	-	678,547,438
Trail fees	33,458,509	-	(5,660,857)	27,797,652
Others	36,375,412	10,519	-	36,385,931
Segment revenue	1,174,919,400	10,519	(5,660,857)	1,169,269,062
Cost of services	(312,594,873)	-	5,660,857	(306,934,016)
Operating expenses	(243,466,068)	(1,305,311)	-	(244,771,379)
Depreciation and amortization	(18,542,877)	-	-	(18,542,877)
Other income	37,617,446	136	-	37,617,582
Income (loss) before income tax	637,933,028	(1,294,656)	-	636,638,372
(Provision for) benefit from income tax	(122,520,963)	-	-	(122,520,963)
Net income (loss)	₱515,412,065	(₱1,294,656)	-	₱514,117,409
Segment assets	₱12,282,287,293	₱36,506,339	(₱207,341,402)	₱12,111,452,230
Segment liabilities	9,597,061,577	1,025,249	(1,546,381)	9,596,540,445
Capital expenditures:				
Fixed assets	29,166,305	-	-	29,166,305
Cash flows arising from:				
Operating activities	(110,956,656)	200,620,920	-	89,664,264
Investing activities	(258,687,810)	-	-	(258,687,810)
Financing activities	(126,139,262)	(226,579,785)	-	(352,719,047)
	2024			
	Philippines	Hong Kong	Elimination	Total
Revenue from external customers:				
Commissions	₱382,141,445	₱170,271	(₱62)	₱382,311,654
Interest	758,343,507	18,436	-	758,361,943
Trail fees	28,562,109	-	(4,318,939)	24,243,170
Others	27,801,654	1,035,096	32	28,836,782
Segment revenue	1,196,848,715	1,223,803	(4,318,969)	1,193,753,549
Cost of services	(295,758,945)	(12,278,592)	4,318,969	(303,718,568)
Operating expenses	(242,686,974)	(8,970,125)	-	(251,657,099)
Depreciation and amortization	(19,430,782)	-	-	(19,430,782)
Other losses	(4,407,089)	(619,313)	-	(5,026,402)
Income (loss) before income tax	634,564,925	(20,644,227)	-	613,920,698
Provision for income tax	(128,497,547)	131,450	-	(128,366,097)
Net income (loss)	₱506,067,378	(₱20,512,777)	₱-	₱485,554,601
Segment assets	₱12,739,789,132	₱221,994,930	(₱511,900,100)	₱12,449,883,962
Segment liabilities	10,289,421,511	186,710	(201,780,970)	10,087,827,251
Capital expenditures:				
Fixed assets	17,320,926	-	-	17,320,926
Cash flows arising from:				
Operating activities	433,288,918	(62,946,140)	-	370,342,778
Investing activities	237,410,360	-	-	237,410,360
Financing activities	(342,817,428)	-	-	(342,817,428)
	2023			
	Philippines	Hong Kong	Elimination	Total
Revenue from external customers:				
Commissions	₱327,107,822	₱2,504,237	(₱12,356)	₱329,599,703
Interest	708,450,456	18,918	-	708,469,374
Trail fees	23,484,733	-	(1,511,348)	21,973,385
Others	30,870,078	896,032	12,336	31,778,446
Segment revenue	1,089,913,089	3,419,187	(1,511,368)	1,091,820,908
Cost of services	(268,424,839)	(13,415,868)	1,511,368	(280,329,339)
Operating expenses	(217,252,675)	(8,569,216)	-	(225,821,891)
Depreciation and amortization	(17,612,572)	(1,642,059)	-	(19,254,631)
Other losses	(9,677,073)	(255,399)	-	(9,932,472)
Income (loss) before income tax	576,945,930	(20,463,355)	-	556,482,575
Provision for income tax	(130,856,735)	-	-	(130,856,735)
Net income (loss)	₱446,089,195	(₱20,463,355)	₱-	₱425,625,840
Segment assets	₱12,489,530,559	₱272,568,139	(₱440,276,633)	₱12,321,822,065
Segment liabilities	10,235,286,642	39,161,904	(144,628,084)	10,129,820,462
Capital expenditures:				
Fixed assets	10,289,179	-	-	10,289,179
Cash flows arising from:				
Operating activities	(28,451,001)	(135,883,832)	-	(164,334,833)
Investing activities	(601,949,454)	-	-	(601,949,454)
Financing activities	(220,468,452)	(1,702,957)	-	(222,171,409)



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## 27. Mutual Fund Operations

The following assets and liabilities held by the mutual fund subsidiaries in relation to the investment of the unitholders are not included in the accompanying statements of financial position as these are not assets of the mutual fund subsidiaries:

### *CEIUMF*

	2025	2024
Cash and cash equivalents	<b>₱2,767,085</b>	₱10,686,411
Financial assets at FVTPL	<b>259,007,266</b>	223,690,902
Other assets	<b>115,600</b>	5,093,228
Due to investors	<b>(17,143)</b>	(10,524,901)
Other liabilities	<b>(449,542)</b>	(516,343)
Net assets attributable to unitholders	<b>₱261,423,266</b>	₱228,429,297

### *CSGEUMF*

	2025	2024
Cash and cash equivalents	<b>₱4,006,460</b>	₱9,482,321
Financial assets at FVTPL	<b>351,968,596</b>	373,483,638
Other assets	<b>303,784</b>	216,109
Due to investors	<b>(266,657)</b>	(443,645)
Due to broker	-	(2,589,484)
Other liabilities	<b>(875,602)</b>	(868,079)
Net assets attributable to unitholders	<b>₱355,136,581</b>	₱379,280,860

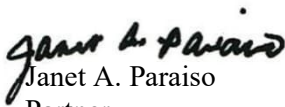


## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
COL Financial Group, Inc.  
Unit 2401-B East Tower, Tektite Towers  
Exchange Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of COL Financial Group, Inc. and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 19, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso  
Partner

CPA Certificate No. 92305

Tax Identification No. 193-975-241

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 92305-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765004, January 2, 2026, Makati City

March 19, 2026



## **INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
COL Financial Group, Inc.  
Unit 2401-B East Tower, Tektite Towers  
Exchange Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of COL Financial Group, Inc. and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 and have issued our report thereon dated March 19, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso

Partner

CPA Certificate No. 92305

Tax Identification No. 193-975-241

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 92305-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765004, January 2, 2026, Makati City

March 19, 2026



**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**INDEX TO THE SUPPLEMENTARY SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**SUPPLEMENTARY SCHEDULES**

- I. Reconciliation of retained earnings available for dividend declaration
- II. Supplementary schedules under Annex 68-J
- III. Map of the relationships of the companies within the group

**SCHEDULE I**  
**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE**  
**FOR DIVIDEND DECLARATION**  
**PURSUANT TO REVISED SRC RULE 68 AND**  
**SEC MEMORANDUM CIRCULAR NO.11**  
**DECEMBER 31, 2025**

<b><u>Unappropriated Retained Earnings of the Parent Company, beginning of the reporting period</u></b>		<b><u>₱942,719,449</u></b>
<b><u>Add: Items that are directly credited to Unappropriated Retained Earnings</u></b>		
<b><u>Reversal of Retained Earnings Appropriations</u></b>	<b><u>₱25,266,763</u></b>	<b><u>25,266,763</u></b>
<b><u>Less: Items that are directly debited to Unappropriated Retained Earnings</u></b>		
<b><u>Dividend declarations during the reporting period</u></b>	<b><u>(327,250,000)</u></b>	<b><u>(327,250,000)</u></b>
<b><u>Unappropriated Retained Earnings of the Parent Company, as adjusted, beginning of the year</u></b>		<b><u>640,736,212</u></b>
<b><u>Net income during the period closed to retained earnings (Parent)</u></b>		<b><u>557,679,239</u></b>
<b><u>Add: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</u></b>		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	<b><u>(29,231)</u></b>	<b><u>(29,231)</u></b>
<b><u>Net Income Actual/Realized</u></b>		<b><u>557,650,008</u></b>
<b><u>Add (Less): Other items that should be excluded from the determination of the amount of available for dividends distribution</u></b>		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	<b>18,510,361</b>	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g. set up of right of use asset retirement obligation	<b>198,712</b>	
Appropriations of retained earnings based on 10.00% of 2025 audited net income to be approved subsequently in 2026**	<b><u>(55,767,924)</u></b>	
Subtotal	<b><u>(37,058,851)</u></b>	<b><u>(37,058,851)</u></b>
<b><u>Unappropriated Retained Earnings of the Parent Company, as adjusted, end of the year*</u></b>		<b><u>₱1,161,327,369</u></b>

\* As of December 31, 2025, the amount of consolidated retained earnings shown in the accompanying consolidated financial statements includes the net accumulated deficit of the subsidiaries amounting to ₱8,380,006. The retained earnings shown in the above table represents the retained earnings of COL Financial Group, Inc. in the parent company financial statements.

\*\* Appropriation of retained earnings is in compliance with SRC Rule 49.1 B Reserve Fund requiring the Parent Company to annually appropriate ten percent (10.00%) of its audited net income.

**SCHEDULE II**  
**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J**  
**PURSUANT TO REVISED SRC RULE 68**  
**DECEMBER 31, 2025**

**Schedule A. Financial Assets**

*Financial Assets at FVTPL*

Financial assets at FVTPL are carried at their fair values. Fair value of financial assets at FVTPL is based on closing quoted prices of stock investments published by the PSE and mutual funds are based on the published net asset value per share of the investment company where the investment was bought.

The Group did not present the schedule of financial assets since the aggregate cost or market value of financial assets at FVTPL as of the end of the reporting period did not constitute five percent (5.00%) or more of the total current assets.

**Schedule B. Amounts of Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)**

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
Various employees	₱2,368,703	₱2,996,685	₱2,802,904	₱–	₱–	₱–	₱2,562,484

**Schedule C. Amounts of Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements**

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Schedule D. Long Term Debt**

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption 'Current position of long term debt' in related statement of financial position	Amount shown under caption 'Long-Term Debt' in related statement of financial position
None	N/A	N/A	N/A

**Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)**

Name of related party	Balance at beginning of period	Balance at end of period
None	N/A	N/A

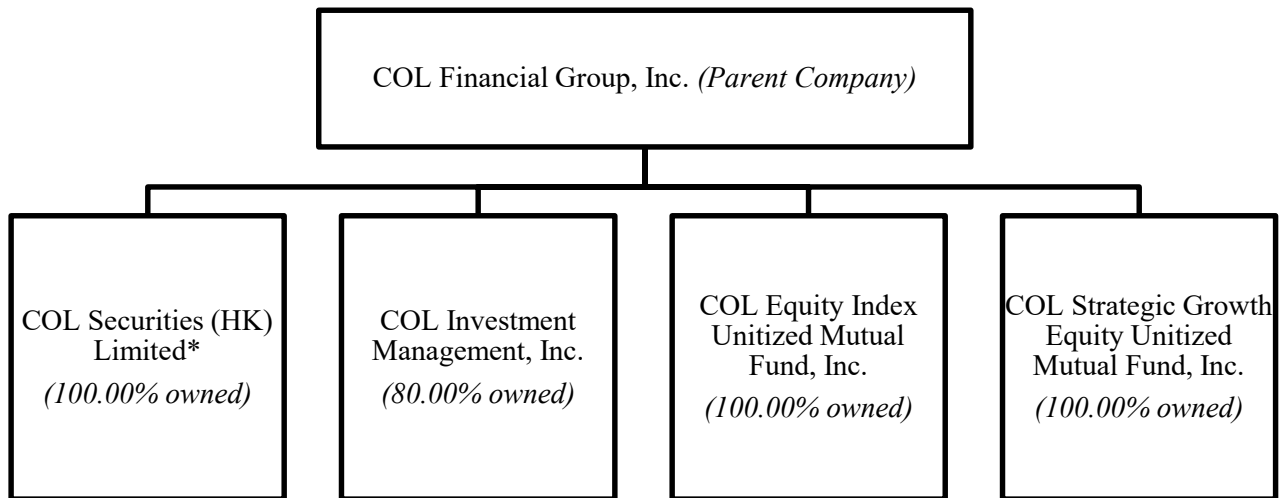
**Schedule F. Guarantees of Securities of Other Issuers**

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
None	N/A	N/A	N/A	N/A

**Schedule G. Capital Stock (Figures in Thousands)**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers	Others
Common shares	10,000,000	5,950,000	-	-	3,117,032	2,832,968

**SCHEDULE III**  
**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**MAP OF THE RELATIONSHIPS OF THE COMPANIES**  
**WITHIN THE GROUP**  
**PURSUANT TO REVISED SRC RULE 68**  
**DECEMBER 31, 2025**



*\*On May 30, 2024, the BOD of the Parent Company approved the termination of COLHK operations. Subsequently in 2025, the Securities and Futures Commission (SFC) revoked COLHK's license to conduct regulated activities and the Inland Revenue Department (IRD), issued a notice of no objection to deregister. As of March 19, 2026, COLHK is awaiting for the formal deregistration notice from the HongKong Companies Registry.*

**SCHEDULE IV**  
**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS**  
**PURSUANT TO REVISED SRC RULE 68**  
**DECEMBER 31, 2025**

Below are the financial ratios that are relevant to the Group as of and for the years ended December 31, 2025 and 2024:

Ratio	Formula	Current Year	Prior Year	
Current ratio	Total current assets divided by Total current liabilities	<b>1.09:1</b>	1.14:1	
	Total current assets			₱10,433,998,358
	Divide by Total current liabilities			9,534,743,993
	<u>Current ratio</u>			<u>1.09</u>
Debt-to-equity ratio	Total liabilities divided by Average equity	<b>3.96:1</b>	4.46:1	
	Total liabilities			₱9,596,540,445
	Divide by Average equity			2,426,048,518
	<u>Debt-to-equity ratio</u>			<u>3.96</u>
Quick ratio	Total liquid assets divided by Total current liabilities	<b>1.09:1</b>	1.13:1	
	Total liquid assets			₱10,395,704,323
	Divide by Total current liabilities			9,534,743,993
	<u>Current ratio</u>			<u>1.09</u>
Asset-to-equity ratio	Total assets divided by Average equity	<b>4.99:1</b>	5.51:1	
	Total assets			₱12,111,452,230
	Divide by Average equity			2,426,048,518
	<u>Asset-to-equity ratio</u>			<u>4.99</u>
Return on assets	Net income divided by Average assets	<b>4.19%</b>	3.93%	
	Net income			₱514,752,535
	Divide by Average assets			12,280,668,096
	<u>Return on assets</u>			<u>4.19%</u>
	Average assets is computed as follows:			
	Beg. total assets			₱12,449,883,962
	Ending total assets			12,111,452,230
	<u>Total</u>			<u>24,561,336,192</u>
	Divide by			2
	<u>Average assets</u>			<u>₱12,280,668,096</u>

Ratio	Formula	Current Year	Prior Year																										
Return on average stockholder's equity	<p>Net income divided by Average stockholder's equity</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Net income</td> <td style="text-align: right;">₱514,752,535</td> </tr> <tr> <td>Divide by Average stockholder's equity*</td> <td style="text-align: right;">2,426,048,518</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Return on average stockholder's equity</td> <td style="text-align: right;">21.22%</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> </table> <p>Average stockholder's equity is computed as follows:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Beg. total stockholder's equity*</td> <td style="text-align: right;">₱2,349,303,418</td> </tr> <tr> <td>Ending total stockholder's equity*</td> <td style="text-align: right;">2,502,793,618</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">4,852,097,036</td> </tr> <tr> <td>Divide by</td> <td style="text-align: right;">2</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Average total stockholder's equity*</td> <td style="text-align: right;">₱2,426,048,518</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> </table> <p><i>*Attributable to the equity holders of the Parent Company</i></p>	Net income	₱514,752,535	Divide by Average stockholder's equity*	2,426,048,518	<hr/>		Return on average stockholder's equity	21.22%	<hr/>		Beg. total stockholder's equity*	₱2,349,303,418	Ending total stockholder's equity*	2,502,793,618	<hr/>		Total	4,852,097,036	Divide by	2	<hr/>		Average total stockholder's equity*	₱2,426,048,518	<hr/>		<b>21.22%</b>	21.51%
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Net profit margin	<p>Net income divided by Total revenues</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Net income</td> <td style="text-align: right;">₱514,752,535</td> </tr> <tr> <td>Total revenues</td> <td style="text-align: right;">1,169,269,062</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Net profit (loss) margin</td> <td style="text-align: right;">44.02%</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> </table>	Net income	₱514,752,535	Total revenues	1,169,269,062	<hr/>		Net profit (loss) margin	44.02%	<hr/>		<b>44.02%</b>	40.73%																
Net income	₱514,752,535																												
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<hr/>																													

**COL FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION**  
**For the Years Ended December 31, 2025 and 2024**

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	2025	2024
<b>Total Audit Fees (Section 2.1a)</b>	<b>₱3,272,000</b>	<b>₱3,220,000</b>
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees (Section 2.1b)</b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱3,272,000</b>	<b>₱3,220,000</b>

**Audit and Non-audit fees of other related entities (Section 2.1c)**

	2025	2024
Audit Fees	₱-	₱-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱-</b>	<b>₱-</b>

# **SUSTAINABILITY REPORT**

**COL Financial Group, Inc.**

**Year 2025**

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## A. CONTEXTUAL INFORMATION

### 1. Company Details

<b><i>Name of Organization</i></b>	<b><i>COL Financial Group, Inc. (“COL”, the “Corporation”)</i></b>
<b><i>Location of Headquarters</i></b>	<b><i>Pasig City, Metro Manila, Philippines</i></b>
<b><i>Location of Operations</i></b>	<b><i>Pasig City, Metro Manila, Philippines</i></b>
<b><i>Report Boundary: Legal entities included in this report</i></b>	<b><i>COL Financial Group, Inc. (parent company only)</i></b>
<b><i>Business Model, including Primary Activities, Brands, Products, and Services</i></b>	<b><i>Broker/ Dealer of Securities</i></b>
<b><i>Reporting Period</i></b>	<b><i>Calendar year ending 31 December 2025</i></b>
<b><i>Highest Ranking Person responsible for this Report</i></b>	<b><i>Stephanie Faye B. Reyes / Corporate Secretary</i></b>

### 2. Materiality Process

To create this report, the Corporation’s management identified key areas that are materially relevant for COL 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 (e.g., directors, officers, employees, agents, and consultants), clients, service providers, regulators, investors, 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 COL (parent company only):

Disclosure	Amount (in ₱)
<i>Direct economic value generated (revenue)</i>	1,156,609,098
<i>Direct economic value distributed:</i>	
<i>a. Operating costs</i>	252,456,659
<i>b. Employee wages and benefits</i>	270,187,574
<i>c. Payments to suppliers, other operating costs</i>	243,758,105
<i>d. Dividends given to stockholders</i>	327,250,000
<i>e. Taxes given to government*</i>	148,377,981
<i>f. Investments to community (e.g. donations, CSR)**</i>	2,681,132

\*COL also remitted to the government sales transactions tax collected from its customers amounting to ₱270,733,538.

\*\*Investments to community for 2025 consist primarily of financial literacy campaigns.

#### (1) Impact

COL is widely recognized as the leading online stockbroker in the Philippines, serving over half a million clients. COL aims to be the most trusted wealth-building partner of every Filipino that provides practical and ethical financial products through value-driven and innovative solutions to help them achieve their financial goals.

Since launching the country's first non-bank online trading platform in 2005, COL has been at the forefront of democratizing stock market access. At a time when investing was largely limited to a select few, COL broke barriers by leveraging technology and education to empower everyday Filipinos to take control of their financial future.

To build investor confidence and promote financial literacy, COL invested in free seminars, research tools, and educational resources, supporting self-directed investors with the knowledge they needed to make informed investment decisions.

In 2010, COL launched a dedicated advisory team to serve high-net-worth individuals and institutional clients. By 2014, COL expanded into the fund distribution space, offering access to a broad range of local and global investment products.

In 2019, COL Investment Management Inc., COL's asset management arm, was established to provide professionally managed solutions tailored to the Filipino investor. In 2022 and 2023, CIMI launched two in-house mutual funds, namely: COL Equity Index Unitized Mutual Fund, Inc. and COL Strategic Growth Equity Unitized Mutual Fund, Inc.

Today, COL continues to be the most trusted online stockbroker in the Philippines, with a consistent focus on technology innovation, investor empowerment, and financial education. As the financial industry transforms, COL is evolving into a full-scale investment platform, enabling Filipinos to build, grow, track, and protect their wealth across multiple asset classes, while staying true to its founding mission of financial inclusion and empowerment.

The economic performance of COL affects the following stakeholders: its own personnel (consisting of its directors, officers, full-time employees, agents, and consultants), the Corporation's more than 500,000 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, COL is committed to maximizing its profitability through the efficient use of its capital resources with the ultimate objective of increasing shareholder value. Consequently, COL 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:

- Number of Customer Accounts;
- Customers' Net Equity;
- Revenues;
- Return on Average Equity;
- Risk Based Capital Adequacy Ratio; and
- Liquid Capital.

## **(2) Identified Risks**

The Philippine market continued to suffer from heightened volatility in 2024, with the Philippine Stock Exchange index ("PSEi") ending the year up by only 1.20%.

Market performance was weak in the first half of the year amid concerns over rising inflation, both domestically and in the United States. However, local stocks rallied strongly in the third quarter due to growing confidence that the Federal Reserve System would start cutting rates in September. The market rally in the third quarter was further supported by declining domestic inflation and the unexpected announcement of the Bangko Sentral ng Pilipinas ("BSP") of a fourth-quarter reduction in banks' reserve requirement ratio.

Unfortunately, the market's strong performance in the third quarter was not sustained for the rest of the year. Sentiment for Philippine stocks were negatively affected by the release of weaker than expected third quarter Gross Domestic Product growth and corporate earnings results.

Trump's victory in the U.S. presidential election exacerbated market volatility. Bond rates surged while the U.S. dollar strengthened due to concerns that his plans to increase tariffs, reduce taxes, and implement stricter immigration enforcement would lead to higher inflation, higher government deficits and debts, pressuring interest rates to remain elevated.

Although the Philippines is not very vulnerable to higher tariffs being a domestically driven economy, higher U.S. rates and the stronger dollar would hurt BSP's ability to cut rates. The resulting weakness of the peso also made Philippine stocks less attractive to foreign investors who are vulnerable to foreign exchange risks. Consequently, the PSEi gave back all its gains in the third quarter to close the year having hardly changed compared to the previous year.

Average daily value turnover in the PSE remained very thin at ₱6.10 billion. Foreign investors also remained net sellers despite momentarily turning into net buyers during the third quarter, with total net selling amounting to ₱25.25 billion in 2024.

### **(3) Identified Opportunities**

Volatile market conditions lead to heightened interest among Filipinos to invest outside of traditional fixed income instruments. To address this, COL launched an online account opening portal that would allow Filipinos to open their accounts remotely. The Corporation also leveraged its use of social media and assigned personnel devoted to managing its various social media accounts and address any customer concerns raised through these platforms. These avenues provide COL with a wider reach, allowing it to address the needs of more clients more effectively.

COL also remains active in educating and encouraging Filipinos to save and invest through its market forums and investor education seminars. It continues to improve its processes, moving most of it online to allow for greater convenience of its customers.

These opportunities affect the Corporation's personnel, clients, shareholders and the capital markets in general.

## **2. Climate-Related Risks and Opportunities**

Although environmental concerns rank lower in the Corporation's materiality assessment, the Corporation is cognizant of the integral role of environmental issues in its business and operations. To show its commitment to mitigating climate change, COL has been taking concrete actions to raise environmental awareness the past few years by conducting different activities for its personnel. These include the following activities: tree planting, ocean clean-up, and hosting of environment-related talks and partnering with organizations such as the Haribon Foundation for the Conservation of Natural Resources, Inc. (Haribon Foundation), which advocates for biodiversity conservation through building constituencies, empowering communities, and applying multi-disciplinary approaches.<sup>1</sup>

## **3. Procurement Practices**

### ***a. Proportion of Spending on Local Suppliers***

While COL 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 from overseas.

### **(1) Impact**

The Corporation's procurement practices affect its personnel, suppliers, and service providers.

Being an online broker/dealer in securities, the Corporation relies on its suppliers only for its internal requirements. Most items sourced from suppliers involve office equipment,

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<sup>1</sup> <https://haribon.org.ph/about-us/>

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. In terms of services, the most critical would involve the Corporation's internet or web connection. 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 Admin 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.

*(This space is intentionally left blank.)*

#### 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>	100%

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, as part of its training and development program, COL 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 by 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 incorporated in its Office Manual and Code of Business Conduct and Ethics. 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 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 GJ
<i>Energy consumption (gasoline)</i>	0 GJ
<i>Energy consumption (LPG)</i>	0 GJ
<i>Energy consumption (diesel)</i>	0 GJ
<i>Energy consumption (electricity)</i>	563,743.13 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 GJ
<i>Energy reduction (gasoline)</i>	0 GJ
<i>Energy reduction (LPG)</i>	0 GJ
<i>Energy reduction (diesel)</i>	0 GJ
<i>Energy reduction (electricity)</i>	0 kWh

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**

<b>Disclosure</b>	<b>Quantity</b>
<i>Water withdrawal</i>	-
<i>Water consumption</i>	146 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 who visit its investor centers.

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**

<b>Disclosure</b>	<b>Quantity</b>
<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.

The Corporation has been a consistent corporate partner of the Haribon Foundation. As an affiliate of the Haribon Foundation, the Corporation is able to support its mission of advocating for biodiversity through building constituencies, empowering communities, and applying multi-disciplinary approaches.

On an operational level, the Corporation conducts most of its processes online and 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 ongoing 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, including its primary office, investor centers, data centers, and units in the Philippine Stock Exchange Tower in Bonifacio High Street, Taguig, 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>-</i>
<i>Energy indirect (Scope 2) GHG Emissions</i>	<i>-</i>

<i>Emissions of ozone-depleting substances (ODS)</i>	-
--	---

**(2) Air Pollutants**

<b>Disclosure</b>	<b>Quantity</b>
<i>NOx</i>	-
<i>SOx</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)**

As previously shown, 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 business travel and/or courier services. However, there is 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**

<b>Disclosure</b>	<b>Quantity</b>
<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, as previously mentioned, 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.

*(This space is intentionally left blank.)*

**D. SOCIAL**

**1. Employee Management**

*a. Employee Hiring and Benefits*

**(1) Employee Data**

<b>Disclosure</b>	<b>Quantity</b>
<i>Total number of employees</i>	169
<i>a. Number of female employees</i>	117
<i>b. Number of male employees</i>	52
<i>Attrition rate</i>	0.09%
<i>Ratio of lowest paid employee against minimum wage</i>	-

The attrition rate was computed by deducting the number of resigned employees against the number of newly hired employees and dividing the difference by the average between the total number of employees for 2024 and 2025.

All COL full-time employees are paid above the minimum wage.

**(2) Employee Benefits**

<b>List of Benefits</b>	<b>Y/N</b>	<b>% Female Employee Availment</b>	<b>% Male Employee Availment</b>
<i>SSS</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>PhilHealth</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Pag-IBIG</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Parental leaves</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Vacation leaves</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Sick leaves</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Medical benefits (aside from PhilHealth)</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Housing assistance (aside from Pag-IBIG)</i>	<i>N</i>	<i>-</i>	<i>-</i>
<i>Retirement fund (aside from SSS)</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Further education support</i>	<i>Y</i>		
<i>Company stock options</i>	<i>N</i>	<i>-</i>	<i>-</i>
<i>Telecommuting</i>	<i>N</i>	<i>-</i>	<i>-</i>
<i>Flexible-working Hours</i>	<i>Y</i>	<i>100.0%</i>	<i>100.0%</i>
<i>Emergency Salary Loan</i>	<i>Y</i>	<i>12.82%</i>	<i>5.77%</i>

*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 number of leaves would depend on the employee's rank and tenure.

*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.

*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, even after the COVID-19 mobility restrictions were lifted, the Corporation continued to adopt a hybrid work set-up wherein employees 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**

Among the missions of COL is to provide a conducive and rewarding work environment for its employees. The Corporation values the contribution of each and every employee of COL 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.

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, which may be increased to up to 30 annual leave credits, depending on tenure;
- 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. Personal Investment Plan;
- xii. Service Awards;
- xiii. Retirement and separation pay; and
- xiv. Employee referral program.

#### **(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 advocacy of a “richer life” for all Filipinos to its personnel. COL believes that it is important that its employees share in its advocacy to understand the direction and the overall focus of the Corporation.

To address engagement and foster a spirit of community within COL, the Corporation hosts various employee related events including teambuilding, a year-end party, town halls, monthly socials, and quarterly wellness webinars 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. The Corporation has exerted efforts to measure its employee net promoter score, to allow COL to keep track of the employee’s happiness and engagement and address any issues that arise.

#### **(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 COL 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.

*(This space is intentionally left blank.)*

**b. Employee Training and Development**

<b>Disclosure</b>	<b>Quantity</b>
<i>Total training hours provided to employees</i>	-
<i>a. Female employees</i>	-
<i>b. Male employees</i>	-
<i>Average training hours provided to employees</i>	-
<i>a. Female employees</i>	-
<i>b. Male employees</i>	-

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:

<b>Training</b>	<b>In-house / External Trainer</b>	<b>Department Concerned</b>
<b>January</b>		
<i>Usapang Investments (Q&amp;A Session for Beginners)</i>	<i>In-house</i>	<i>All Departments</i>
<i>In My Investor Era: A Simple Guide for Beginner Investors</i>	<i>In-house</i>	<i>All Departments</i>
<i>COL Market Outlook 2025: The Comeback Year: Positioning for Market Recovery</i>	<i>In-house</i>	<i>All Departments</i>
<i>The Easiest Way to Invest Through COL Strategic Growth Fund</i>	<i>In-house</i>	<i>All Departments</i>
<i>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</i>	<i>In-house</i>	<i>All Departments</i>
<i>Ready, Set, Invest: How to Start Your Investing Journey</i>	<i>In-house</i>	<i>All Departments</i>
<b>February</b>		
<i>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</i>	<i>In-house</i>	<i>All Departments</i>
<i>Paano mag-invest sa stock market?</i>	<i>In-house</i>	<i>All Departments</i>
<i>Targeted Financial Transactions (TFS) Course</i>	<i>External</i>	<i>Legal and Compliance</i>
<i>FUND-amentally Yours: Choosing the Right Fund for Your Goals</i>	<i>In-house</i>	<i>All Departments</i>
<i>AMLC Registration and Reporting Guidelines (ARRG) Course</i>	<i>External</i>	<i>Legal and Compliance</i>
<i>Money in Motion: Earning Passive Income with Dividends</i>	<i>In-house</i>	<i>All Departments</i>
<i>How to Find Your Investment Match: FREE Live Seminar in Ortigas</i>	<i>In-house</i>	<i>All Departments</i>
<i>COL Cebu Live Workshop: Platform Navigation for New Investors</i>	<i>In-house</i>	<i>All Departments</i>

<b>Training</b>	<b>In-house / External Trainer</b>	<b>Department Concerned</b>
<b>COL Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>March</b>		
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Usapang Investments (Q&amp;A Session for Beginners)</b>	<i>In-house</i>	<i>All Departments</i>
<b>AML/CTF Fundamentals</b>	<i>External</i>	<i>Legal and Compliance</i>
<b>COL Davao Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Brewing Wealth: The Essential Guide for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>How to Pick the Right Stocks: New Investor's Guide to Smart Investing</b>	<i>In-house</i>	<i>All Departments</i>
<b>2025 Strategic Planning</b>	<i>External</i>	<i>Officers</i>
<b>Investing Made Easy with CSG</b>	<i>In-house</i>	<i>All Departments</i>
<b>REIT Training Session</b>	<i>External</i>	<i>Sales and Client Services</i>
<b>REIT Training Session</b>	<i>External</i>	<i>Sales and Client Services</i>
<b>April</b>		
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Usapang Investments (Q&amp;A Session for Beginners)</b>	<i>In-house</i>	<i>All Departments</i>
<b>Dividend Investing 101: The Smart Way to Earn Passive Income</b>	<i>In-house</i>	<i>All Departments</i>
<b>Creating Your Passive Income Portfolio: Dividend Investing Basics</b>	<i>In-house</i>	<i>All Departments</i>
<b>Investing Made Easy with CSG</b>	<i>In-house</i>	<i>All Departments</i>
<b>May</b>		
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>InvesTalks: Q&amp;A for Starters</b>	<i>In-house</i>	<i>All Departments</i>
<b>Easy Investing with CSG (COL Strategic Growth Fund)</b>	<i>In-house</i>	<i>All Departments</i>
<b>Extra Kita: Dividend Investing 101</b>	<i>In-house</i>	<i>All Departments</i>
<b>June</b>		
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>

<b>Training</b>	<b>In-house / External Trainer</b>	<b>Department Concerned</b>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>Usapang Investments (Q&amp;A Session for Beginners)</b>	<i>In-house</i>	<i>All Departments</i>
<b>Certification Course for Compliance Officers</b>	<i>External</i>	<i>Legal and Compliance</i>
<b>Certification Course for Compliance Officers</b>	<i>External</i>	<i>Legal and Compliance</i>
<b>Cash Out on Dividends: How to Earn Extra Income from Your Investments</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Ortigas Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Zoho Training</b>	<i>In-house</i>	<i>Sales and Client Services</i>
<b>Fundamental vs Technical: Investing Basics for Beginners</b>	<i>In-house</i>	<i>All Departments</i>
<b>FUND-day Friday: Fund Investing for Your Goals</b>	<i>In-house</i>	<i>All Departments</i>
<b>July</b>		
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>InvesTalks: Q&amp;A for Starters</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Ortigas Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>AML/CFT Compliance Series: The Importance of Institutional Risk Assessment and Beneficial Ownership Verification in Mitigating Money Laundering/Terrorism Financing (ML/TF) Risks</b>	<i>External</i>	<i>Legal and Compliance</i>
<b>#AddToFunds: The Ultimate Investing Deal with CSG</b>	<i>In-house</i>	<i>All Departments</i>
<b>Real Kita with REITs: Dividend Investing for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Social Media Program</b>	<i>External</i>	<i>Marketing</i>
<b>AWS Cloud Practitioner Essentials</b>	<i>External</i>	<i>I.T.</i>
<b>AWS Controlling the Network</b>	<i>External</i>	<i>I.T.</i>
<b>August</b>		
<b>Social Media Program</b>	<i>External</i>	<i>Marketing</i>

<b>Training</b>	<b>In-house / External Trainer</b>	<b>Department Concerned</b>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Ortigas Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Paano mag-invest sa stock market?</b>	<i>In-house</i>	<i>All Departments</i>
<b>Introduction to Amazon EC2</b>	<i>External</i>	<i>I.T.</i>
<b>Launching Amazon EC2 Instances</b>	<i>External</i>	<i>I.T.</i>
<b>A Framework for Active Investors</b>	<i>In-house</i>	<i>Sales and Client Services</i>
<b>How to Make Millions in the Stock Market</b>	<i>In-house</i>	<i>Sales and Client Services</i>
<b>Your Investing Toolkit: Fundamental &amp; Technical Analysis for Beginners</b>	<i>In-house</i>	<i>All Departments</i>
<b>AWS Cloud Quest: Solutions Architect</b>	<i>External</i>	<i>I.T.</i>
<b>Power Up Your Portfolio with CSG</b>	<i>In-house</i>	<i>All Departments</i>
<b>AWS Cloud Quest: Cloud Practitioner</b>	<i>External</i>	<i>I.T.</i>
<b>Webinar Orientation on the SEC Body of Knowledge (SEC Book) Phase 1 of the SEC Certification Program</b>	<i>External</i>	<i>Legal and Compliance</i>
<b>Pera't Property: Passive Income Through REITS</b>	<i>In-house</i>	<i>All Departments</i>
<b>September</b>		
<b>Fundamental vs Technical: Investing Basics for Beginners</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Ortigas Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>InvesTalks: Q&amp;A for Starters</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>CSG Training</b>	<i>In-house</i>	<i>All Departments</i>
<b>Advanced Corporate Governance Training: Updates on AML Laws and</b>	<i>External</i>	<i>Legal and Compliance</i>

<b>Regulations</b>		
<b>Global Standards in Artificial Intelligence (AI) Management</b>		
<b>Global Investing Guide for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Dividend Investing for Passive Income</b>	<i>In-house</i>	<i>All Departments</i>
<b>FundTalks: Investing for Your Life Goals</b>	<i>In-house</i>	<i>All Departments</i>
<b>October</b>		
<b>COL Cebu Live Workshop: Platform Navigation for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</b>	<i>In-house</i>	<i>All Departments</i>
<b>Usapang Investments (Q&amp;A Session for Beginners)</b>	<i>In-house</i>	<i>All Departments</i>
<b>Project SPEAK Session 1: Finding Your Voice, Building Presence</b>	<i>External</i>	<i>Sales and Client Services, Accounting, Fund Source, Legal and Compliance, Sales and Client Services</i>
<b>Project SPEAK Session 2: Confidence Wins, Speaking Up in Any Room</b>	<i>External</i>	<i>Sales and Client Services, Accounting, Fund Source, Legal and Compliance, Sales and Client Services</i>
<b>SBL Refresher Training for Borrowers and Lenders</b>	<i>External</i>	<i>Operations</i>
<b>AI-Powered Lawyering</b>	<i>External</i>	<i>Legal and Compliance</i>
<b>From Mindset to Action</b>	<i>External</i>	<i>All Departments</i>
<b>Fund Finds: Easy Investing Ideas for New Investors</b>	<i>In-house</i>	<i>All Departments</i>
<b>Basic Occupational Health &amp; Safety (SO1) Training</b>	<i>External</i>	<i>Admin, I.T., Sales and Client Services</i>
<b>Basic Occupational Health &amp; Safety (SO1) Training</b>	<i>External</i>	<i>Admin, I.T., Sales and Client Services</i>
<b>Basic Occupational Health &amp; Safety (SO2) Training</b>	<i>External</i>	<i>Admin</i>
<b>Basic Occupational Health &amp; Safety (SO2) Training</b>	<i>External</i>	<i>Admin</i>
<b>Recruitment Management</b>	<i>External</i>	<i>Human Resources</i>
<b>Your First Portfolio: How to Start Investing with ₱25K</b>	<i>In-house</i>	<i>All Departments</i>
<b>REIT Training Session</b>	<i>External</i>	<i>Sales and Client Services</i>
<b>November</b>		
<b>Project SPEAK Session 3: Engaging Communication</b>	<i>External</i>	<i>Sales and Client Services, Accounting, Fund Source,</i>

		<i>Legal and Compliance, Sales and Client Services</i>
<b><i>Project SPEAK Session 4: Giving Tough Feedback Fast, Rising Smoothly to Interrupt Conflict</i></b>	<i>External</i>	<i>Sales and Client Services, Accounting, Fund Source, Legal and Compliance, Sales and Client Services</i>
<b><i>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>COL Cebu Live Workshop: Platform Navigation for New Investors</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>Usapang Investments (Q&amp;A Session for Beginners)</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>Standard First Aid Training w/ Basic Life Support</i></b>	<i>External</i>	<i>Human Resources</i>
<b><i>Fire and Earthquake Seminar 2025</i></b>	<i>External</i>	<i>Admin, Human Resources, Operations</i>
<b><i>Y2K Webinar Facilitator</i></b>	<i>In-house</i>	<i>Sales and Client Services</i>
<b><i>Best Practices in Corporate Housekeeping</i></b>	<i>External</i>	<i>Legal and Compliance</i>
<b><i>FUNDing New Ways to Invest: Strategic Global &amp; Local Investing Through Funds</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>Charts &amp; Statements: Fundamental &amp; Technical Analysis for New Investors</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Compliance Series: Mitigating Proliferation Financing Risk Through Transaction Reporting</i></b>	<i>External</i>	<i>Legal and Compliance</i>
<b><i>It's Giving Dividends: Earn Passive Income from Your Investments</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>December</i></b>		
<b><i>Project SPEAK Session 5: Crafting Compelling Messages for Onsite and Online Audiences</i></b>	<i>External</i>	<i>Sales and Client Services, Accounting, Fund Source, Legal and Compliance, Sales and Client Services</i>
<b><i>Project SPEAK Session 6: Mastering Delivery Techniques</i></b>	<i>External</i>	<i>Sales and Client Services, Accounting, Fund Source, Legal and Compliance, Sales and Client Services</i>
<b><i>InvesTalks: Q&amp;A for Starters</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>COL Cebu Live Workshop: Platform Navigation for New Investors</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</i></b>	<i>In-house</i>	<i>All Departments</i>
<b><i>COL Starter Workshop (Exclusive Q&amp;A Session for COL Clients)</i></b>	<i>In-house</i>	<i>All Departments</i>

<i><b>A Closer Look at the New PFRS Accounting Standard: PFRS 18, Presentation and Disclosure in Financial Statements</b></i>	<i>External</i>	<i>Accounting</i>
<i><b>Gifts &amp; Gains: Dividend Investing for Passive Income</b></i>	<i>In-house</i>	<i>All Departments</i>
<i><b>How to Prepare for a DOLE Inspection: Ensuring Compliance and Protecting Your Workplace</b></i>	<i>External</i>	<i>Admin, Human Resources, Operations</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, is 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 and 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, platforms, etc. fit the needs and profile of the employees.

**c. *Labor Management Relations***

<b>Disclosure</b>	<b>Quantity</b>
<i>% of employees covered with Collective Bargaining Agreements</i>	<i>0</i>
<i>Number of consultations conducted with employees concerning employee-related policies</i>	<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 the Corporation’s 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>
<i>% of female workers in the workforce</i>	69.23%
<i>% of male workers in the workforce</i>	30.77%
<i>Number of employees from indigenous communities and/or vulnerable sector</i>	-

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**

The gender ratio affects the predominant needs of the employees as well as defines the approach taken by Management to respond to them. It should be noted that unlike traditional institutions, COL is a predominantly female organization. Sixty-nine percent (69%) of its employees are female. While only one (1) out of its eleven (11) directors is female, it is worth noting that ten (10) out of its twenty-one (21) officers with rank of at least Jr. Assistant Vice President, or forty-eight percent (48%), are female.

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.

Given the predominant female population of the Corporation, 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 remain updated on ongoing 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. The Corporation has identified key personnel who will spearhead the Occupational and Safety Committee of the organization. The Corporation

also has an Emergency Response Team in place, comprised mostly of Corporation decision-makers such as its department heads, to handle the more critical issues.

**f. Labor Laws and Human Rights**

<b>Disclosure</b>	<b>Quantity</b>
<i>No. of legal actions or employee grievances involving forced or child labor</i>	0

<b>Topic</b>	<b>Company Policy</b>
<i>Forced labor</i>	<i>The Corporation complies with all applicable laws, including the Philippine Constitution and labor laws, which prohibit forced labor.</i>
<i>Child labor</i>	<i>The Corporation only hires applicants who are of legal age, or at least 18 years old.</i>
<i>Human Rights</i>	<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 constantly reviews the best practices in other organizations and sees whether the same can be adopted in the Corporation. 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. Under the Corporation’s contract with its clients, any such behavior will give rise to the Corporation’s right to terminate the engagement. Further, the Corporation ensures that security personnel are posted at or near its business centers, 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

To ensure legal and financial compliance and to facilitate the secure processing of purchase orders and payments, the Corporation requires all vendors or suppliers to accomplish a Vendor Information Sheet on an annual basis and to submit the same together with the following supporting documents:

- 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 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.

## 3. Relationship with Community

### a. *Significant Impacts on Local Community*

#### (1) Impact

COL believes that every Filipino deserves to be rich. 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, COL holds free seminars and workshops which are open to clients and non-clients alike. COL also regularly partners with public and private companies and organizations, as well as schools and student organizations, to further its advocacy and reach.

As the Corporation’s operations are located in urban areas, it is not aware of any impact its business may have on local communities, vulnerable groups, and indigenous people.

**(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>	<i>N/A</i>	<i>N</i>
<i>Net Promoter Score</i>	<i>N/A</i>	<i>N</i>

**(1) Impact**

The Net Promoter Score Survey (NPS) is a metric developed by Bain and Co that is used to measure customer experience and loyalty. It is reported as an index from -100 to 100 and is derived by asking customers how likely are they to recommend a company to their family and friends on a scale of 0 to 10. Respondents are grouped into 3 categories based on their rating: Promoters are those who gave a score of 9 or 10, Passives are those who gave a score of 7 or 8, and the rest are called Detractors, with scores ranging from 0 to 6. The NPS is computed by subtracting the percentage of Detractors from the percentage of Promoters.

The Corporation conducts regular Net Promoter Score surveys among a sample of COL clients, designed to replicate the client structure of COL.

The NPS score and results from the survey are presented both to Management and the Board of Directors. All respondents were asked a follow-up question which sought to identify what they liked most or least in COL’s services. Client feedback is reviewed, and addressed accordingly.

The Corporation also conducts a customer satisfaction survey after responding to queries received through the helpdesk. In the survey, customers are given the opportunity to provide additional qualitative comments to allow the Corporation to determine why the client found the service helpful or identify potential areas for improvement in its services.

The results of the survey are tallied and reported to Management and the Board of Directors on a regular basis. They likewise receive a report on other material consumer-related developments and concerns that may impact the Corporation’s clients. This ensures that the Corporation has in place an effective system to promptly detect, analyze, and respond to customer concerns and serious infractions, if any, of the Corporation’s established customer protection mechanisms.

**(2) Identified Risks**

Any inability to address customer pain points may lead clients to avail of the services of its competitors.

The Corporation reviews all customer complaints and finds solutions to address them. Priority is given to the more critical and/or common items. These solutions form part of the deliverables and key result areas of the concerned department.

**(3) Identified Opportunities**

Customer feedback provides the Corporation with opportunities to improve its services by addressing pain points and leveraging on strengths identified by customers. It gives COL a unique insight into the needs of its clients, and helps guide customer retention and engagement initiatives.

**b. *Health and Safety***

<b>Disclosure</b>	<b>Quantity</b>
<i>No. of substantiated complaints on product or service health and safety</i>	<i>0</i>
<i>No. of complaints addressed</i>	<i>0</i>

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 an online broker /dealer of securities and fund distributor, 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>
<i>No. of substantiated complaints on marketing and labelling</i>	<i>0</i>
<i>No. of complaints addressed</i>	<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 conducts its advertising mostly through its digital or social media platforms.

Most marketing campaigns are done in-house. They are reviewed by the concerned departments, to ensure that the language used is accurate and easy to understand. Paid advertisements through social media channels, if any, must comply with the ad standards of said channel.

**(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>
<i>No. of substantiated complaints on customer privacy</i>	0
<i>No. of complaints addressed</i>	0
<i>No. of customers, users and account holders whose information is used for secondary purposes</i>	0

The Corporation did not receive any substantiated complaints on customer privacy for the calendar year ending 31 December 2025. 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 personal and sensitive personal data being collected.

In case customers have a concern with respect to their data, they may contact the Corporation through any of COL’s official customer channels, such as its helpdesk email and social media accounts. Said client may also directly contact the Corporation’s Data Protection Officer at [dpo@colfinancial.com](mailto:dpo@colfinancial.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>
<i>No. of data breaches, including leaks, thefts and losses of data</i>	<i>0</i>

**(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 (SOC) that responds to all potential security issues and threats. All online systems are subjected to penetration tests and points of vulnerability are identified and addressed immediately.

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 ongoing 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 COL.

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 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.

**E. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

**1. Product or Service Contribution to UN SGDs**

<b>Topic</b>	<b>Remarks</b>
<b>Key Products and Services</b>	Online Stock Brokerage Services
<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 financial literacy program, online platform, low minimum investment rates, give clients the opportunity to participate in and access to the capital markets. Through its peso cost averaging system, it is hoped that the retail sector, comprising of individuals of different social statures, are able to get into an investment habit which will allow them to protect themselves financially.</p>
<b>Potential Negative Impact of Contribution</b>	The stock market does not have a guaranteed return, thus clients risk losing some of their capital.
<b>Management Approach to Negative Impact</b>	The Corporation has a gamut of financial literacy seminars, webinars, and events to help guide its clients in their investment journey. The Corporation espouses the use of the peso cost averaging system, which reduces the risk of investment and potentially increases the value of the client’s investment in the long-term. Clients are also encouraged to invest in mutual funds to help minimize their risk.

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