

# COVER SHEET

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SEC Registration Number

**F I R S T M E T R O I N V E S T M E N T C O R P O R A T I O**

**N**

(Company's Full Name)

**4 5 T H F L O O R G T T O W E R I N T ' L A Y A L A**

**A V E N U E C O R N E R H V D E L A C O S T A S T**

**M A K A T I C I T Y**

(Business Address: No. Street City/Town/Province)

**Nimfa B. Pastrana**

(Contact Person)

**(632) 88405706**

(Company Telephone Number)

## Definitive Information Statement (SEC 20IS)

**1 2    3 1**

Month Day  
(Fiscal Year)

(Form Type)

Month Day  
(Annual Meeting)

(Secondary License Type, If Applicable)

**MSRD**

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document ID

LCU

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

## NOTICE OF ANNUAL MEETING OF THE STOCKHOLDERS

TO: ALL STOCKHOLDERS:

Notice is hereby given that the Annual Stockholders' Meeting of **FIRST METRO INVESTMENT CORPORATION** (First Metro) will be conducted by remote communication on Wednesday, April 29, 2026 at 10:00A.M. via Zoom. Pursuant to SEC regulations allowing holding of annual meetings online, there will be no physical venue for the meeting. Below is the link for the online meeting:

Link : <https://us06web.zoom.us/j/87538182421?pwd=p5Qz0jVrgQkMlneaFJ2HLUn68nzv8i.1>

The following items will be taken up:

### AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the previous Annual Stockholders' Meeting held on April 30, 2025
4. Annual Report to the Stockholders
5. Ratification of Corporate Acts including Related Party Transactions
6. Election of the Members of the Board of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

**Record Date.** Stockholders of record as of 13 March 2026 shall be entitled to attend the Meeting.

**Pre-Registration.** Stockholders intending to participate by remote communication should pre-register by sending an email to [asmregistration@firstmetro.com.ph](mailto:asmregistration@firstmetro.com.ph) on or before Friday, 17 April 2026. The requirements for the registration can be found on [www.firstmetro.com.ph/asm-2026](http://www.firstmetro.com.ph/asm-2026).


Successful registrants will receive an electronic invitation via email with a complete guide on how to join the Meeting and how to cast votes. For any registration concerns, please get in touch with [asmregistration@firstmetro.com.ph](mailto:asmregistration@firstmetro.com.ph) or call (02) 88587900.

**Proxy.** If you will not be able to join the virtual Meeting, you may send an authorized representative on your behalf. Download, fill out and sign the sample proxy form found on [www.firstmetro.com.ph/asm-2026](http://www.firstmetro.com.ph/asm-2026), and send a scanned copy to [asmregistration@firstmetro.com.ph](mailto:asmregistration@firstmetro.com.ph) on or before Friday, 17 April 2026.

**Questions About the Meeting and the Company.** You may send your questions regarding the conduct of the Meeting and the Company to [customercare@firstmetro.com.ph](mailto:customercare@firstmetro.com.ph).

**Electronic Copies of Relevant Documents.** Pursuant to SEC Notice dated 11 March 2026 copies of the Notice of Meeting, Definitive Information Statement and other related documents in connection with the Meeting may be accessed through the Company's website (<https://www.firstmetro.com.ph/>).

City of Makati, Metro Manila, 31 March 2026.

  
NIMFA B. PASTRANA  
Corporate Secretary

**PROXY FORM**

FIRST METRO INVESTMENT CORPORATION  
2026 ANNUAL STOCKHOLDERS' MEETING

**KNOW ALL MEN BY THESE PRESENTS:**

The undersigned, a stockholder of FIRST METRO INVESTMENT CORPORATION, a corporation organized and existing under the laws of the Republic of the Philippines, with office address at the 45<sup>th</sup> Floor, GT Tower International, Ayala Avenue, corner H.V. de la Costa St., Makati City, Metro Manila, Philippines (hereinafter referred to as the "Corporation") hereby appoints, constitutes and names

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Or, in case of his/her non-attendance,

THE CHAIRMAN OF THE BOARD

as its attorney-in-fact, with full power of revocation and substitution, for purposes of attending the annual meeting of the stockholders of the Corporation to be held on **Wednesday, April 29, 2026 at 10:00A.M. through remote communication via Zoom**. The undersigned further authorizes said attorney-in-fact to participate in the deliberations thereof and vote all shares registered in the name of undersigned stockholder for election of directors, and/or transactions of any business in the agenda which may properly come before said meeting or any adjournment thereof.

This proxy revokes and supersedes any and all proxies the undersigned may have previously executed.

Done this \_\_\_\_\_ day of April 2026, at \_\_\_\_\_ City.

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Printed Name and Signature of Stockholder

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Date

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box

- Preliminary Information Statement  
 Definitive Information Statement

2. Name of registrant as specified in its charter:

**FIRST METRO INVESTMENT CORPORATION**

3. Province, Country or other jurisdiction of incorporation or organization;

**Metro Manila, Philippines**

4. SEC Identification number:

**023269**

5. BIR Tax Identification Code:

**000-500-232-000**

6. Address of Principal Office

**45<sup>th</sup> Floor, GT Tower International, 6813 Ayala Avenue corner H. V. de la Costa Street  
Makati City, 1227**

7. Telephone Number:

**(632) 8858-7900 / (632) 8840-5706 ; Fax No. (632) 88403706**

8. Date, time, place, of the meeting of security holders:

**Wednesday, 29 April 2026 at 10:00A.M. through remote communication via Zoom  
Webinar Link:**

<https://us06web.zoom.us/j/87538182421?pwd=p5Qz0jVrgQkMlneaFJ2HlUn68nzv8i.1>

9. Approximate date on which the Information Statement is first to be published in the website and made available to security holders:

**Tuesday, 07 April 2026**

10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of each class	Number of Shares*	
Common Shares	8,417,385	(Issued shares)
	<u>968,760</u>	(Treasury Shares)
	7,448,625	(Issued and Outstanding shares)

11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?

No.

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Stock Exchange : n/a  
Class of Securities : n/a

**PART I - INFORMATION STATEMENT  
WE ARE NOT ASKING FOR A PROXY  
AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

**A. GENERAL INFORMATION**

**Item 1. Date, Time, and Place of Meeting of Security Holders:**

Date : **Wednesday, 29 April 2026**  
Time : **10:00A.M.**  
Platform : **Remote communication via Zoom**

**Webinar Link**

<https://us06web.zoom.us/j/87538182421?pwd=p5Qz0jVrgQkMlineaFJ2HLUn68nzc8i.1>

The Notice of the meeting will be published in the business section of two (2) newspapers of general circulation for two dates, in both print and online format pursuant to SEC regulations and in the Company's website.

There will be audio and virtual recording of the Meeting. All votes cast shall be subject to the validation of Metrobank-Trust Banking Group.

**Mailing Address of the Registrant**

45<sup>th</sup> Floor, GT Tower International, 6813 Ayala Avenue corner H.V. de la Costa St., Salcedo Village Makati City

**Approximate date on which the Information Statement is first to be sent or given to security holders:**

Tuesday, 07 April 2026

**Item 2. Right of Appraisal:**

There are no actions or matters to be taken up at the Annual Stockholders Meeting that will give rise to a possible exercise by security holders of their right of appraisal.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon:**

There is no matter to be acted upon in which any Director or Executive Officer is involved or had a direct, indirect or substantial interest.

No one among the incumbent Directors has informed the Corporation in writing that he intends to oppose any action to be taken at the Annual Stockholders Meeting.

**B. CONTROL & COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof:**

**a) Class of Voting Shares :**

Class of Voting Securities	Total Outstanding Shares
Common Shares	8,417,385 (Issued shares)
	<u>968,760</u> (Treasury Shares)
	7,448,625 (Issued and Outstanding shares)

The number of shares issued and outstanding is 7,448,625 common shares which are entitled to one vote per share as of 13 March 2026.

**b) Record Date:**

Stockholders of record as of 13 March 2026 are entitled to notice and to vote in the Annual Stockholders Meeting.

**c) Manner of voting**

A shareholder may vote in person, by proxy or by remote communication. Article II, Section 6 of the Amended By-Laws of the Corporation provides that any shareholder entitled to vote at shareholders' meetings may be represented and vote thereat by proxy appointed in an instrument in writing, subscribed by such shareholder or by his duly authorized attorney-in-fact, and delivered to the Secretary at least five (5) business days or such other period as may be determined by the Board of Directors. Proxies shall be properly signed, but they shall require no other attestation.

In addition, Article II, Section 7 of the By-Laws states that at each meeting of the shareholders, every shareholder entitled to vote on the particular question or matter involved shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Corporation at the time of the closing of the transfer books for such meeting.

Pursuant to SEC Memorandum Circular No. 06-2020, for the 2026 annual shareholders' meeting, shareholders may participate and vote through remote communication. The board in its meeting last 25 February 2026 approved to adopt the guidelines previously approved by the Board in 2020, for shareholders to participate via remote communication in the shareholder's meeting.

Remote communication is defined under the said circular as participation through a telephone conference, video conference, audio conference, or computer conference.

A shareholder who intends to participate through remote communication will give notice to the Corporate Secretary on his preferred means of participation, the gadgets that will most likely be used, and send a scanned copy of a government issued identification document, with recent photograph, in accordance with the periods as specified in the by-laws, the board resolution or notice sent or published by the Corporate Secretary. Any shareholder who is unable to send any acceptable identification document shall not be allowed to participate through remote communication.

The intention/notice to participate through remote communication shall only be valid for the particular meeting for which it is given, and shall not be considered for any subsequent meeting that may be called.

The participation by a shareholder in a meeting through remote communication automatically voids any proxy he/she has given for the particular meeting.

In the event that more than ten (10) shareholders have signified their intention to participate through remote communication, the Corporate Secretary, at least thirty minutes before the scheduled time of the meeting, shall validate the identity and attendance of such shareholders. Officers and other staff may be deputized to make such validations. The shareholders shall initially be required to confirm the following:

- a. Full name and date of birth;
- b. Location;
- c. Confirmation that he/she can hear the other attendees;
- d. Confirmation that he/she had received the notices and other materials for the meeting;  
and
- e. The gadget being used to participate.

Shareholders who are participating through remote communication will be considered present for purposes of voting. Those who have objections to matters that would require voting in the agenda shall confirm their objections through email or short messaging services during, or within twenty-four hours from the time of the meeting. The Corporate Secretary shall note such objections in the Minutes.

In the election of Directors, cumulative voting is allowed. Article II, Section 8 of the By-Laws states, in accordance with Section 23 of the Revised Corporation Code, that at each election for Directors, every shareholder, entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are Directors to be elected and for whose

election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.

**d) Security Ownership of Certain Record and Beneficial Owners and Management:**

The following stockholders own more than 5% of the common voting securities as of 13 March 2026.:

Title of Class	Name /address of Record owner and relationship with issuer	Name of Beneficial Owner relationship with record owner	Citizenship	No. of Shares Held	Percentage Held
Common Shares	1Metropolitan Bank & Trust Co., Metrobank Plaza, Sen. Gil Puyat Avenue. Makati City/Parent Company/Stockholder	Metropolitan Bank & Trust Co., /Stockholder	Filipino	7,394,739	99.28%

First Metro holds 968,760 treasury shares which represent 11.51% of the total common shares issued.

1- Metrobank, a universal banking corporation, is the registered owner of the shares in the books of First Metro. Beneficial owners with at least 10.0% of the voting stocks of said universal bank are GT Capital Holdings, Inc. (**39.84%**), PCD Nominee (Filipino) (**25.99%**) and PCD Nominee (Non-Filipino) (**20.38%**) as of March 13, 2026. The Board of Directors of Metrobank has the power to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of Metrobank is appointed by its Board.

**Security Ownership of Directors/Management:**

The directors and officers as a group hold a total of 34 common voting shares as of 13 March 2026. This is broken down as follows:

Title of Class	Name of Beneficial Owners	Position	Amount and Nature	Citizenship	Percentage of Class
Common	Mary Mylene A. Caparas	Chairman	2	Filipino	0.000
Common	Fabian S. Dee	Vice Chairman	2	Filipino	0.000
Common	Antonio R. Ocampo, Jr.	President	2	Filipino	0.000
Common	Martin Q. Dy Buncio	Director	22	Filipino	0.000
Common	Christopher Hector L. Reyes	Director	2	Filipino	0.000
Common	Benedicto Jose R. Arcinas*	Director	2	Filipino	0.000
Common	Luis Juan B. Oreta*	Director	2	Filipino	0.000

\* Independent Directors

The Corporation knows of no other person holding more than 5% of common shares under a voting trust or similar agreement.

There is no arrangement that may result in a change in control of the registrant.

No change of control in the Corporation has occurred since the beginning of its last fiscal year.

## **Item 5. Directors and Executive Officers**

All directors are elected for a term of one year. Each Director shall hold office until the next annual meeting of shareholders and until his/her successor shall have been elected and qualified.

All other officers shall be elected/appointed by the Board of Directors. Vacancies occurring among such officers however arising shall be filled by the Board.

### **A. The Board of Directors as of 13 March 2026 with positions held for the last Five (5) years.**

#### **MARY MYLENE A. CAPARAS**

**61, Filipino  
Chairman**

Ms. Caparas holds the position of Executive Vice President – Head of Institutional Banking Sector of Metropolitan Bank & Trust Company, from May 2014. She is also the Chairperson of First Metro Investments Corporation since May 2022 and was a Director of Orix Metro from 2015 to March 2020.

Prior to joining Metrobank, she was with Citibank N.A. for 3 years. Her last role was as Managing Director, Asia Regional Head of Client Delivery, Treasury & Trade Solutions based in Hong Kong and prior to that, also served as Country Head of Citi Transaction Services of Citibank N.A, Manila Branch.

She held several positions at Deutsche Bank AG, Manila Branch, from 1996 – 2011, the last as Director, Head of Corporate Banking Coverage and Global Transaction Banking. She also worked at several other Financial Institutions from 1985 – 1995.

Ms. Caparas holds a degree in Business Management, Honors Program from the Ateneo de Manila University.

#### **FABIAN S. DEE**

**63, Filipino  
Vice Chairman**

Mr. Dee holds the position of President and Director of Metropolitan Bank & Trust Company since April 2012. He also held several key positions in Metrobank: National Branch Banking Sector, Senior Executive Vice President / Sector Head from June 1, 2011 – April 24, 2012; Adviser from April 15, 2011 – April 24, 2012; Director from October 2007 – April 14, 2011; National Branch Banking Sector, Executive Vice President / Sector Head from May 2006 – May 31, 2011; Account Management Group, Executive Vice President / Group Head from January 2005 – April 2006; Executive Vice President / Assistant Group Head, Concurrent Head, Account Management Center II from June 2002 – January 2005; Senior Vice President / Head, Account Management Center II from September 2001 – May 2002; Grace Park Center, Senior Vice President from August 2000 – September 2001.

Currently, he is also a member of the Board of Directors (since 2015) and President (since April 2021) of Bancnet, Inc.; Trustee of Metrobank Foundation, Inc. since May 2012; and Director of Bankers Association of the Philippines since March 2024. He also held several key positions in BAP: Board of Director (March 2014-March 2018; March 2019-March 2023); First Vice President (April 2017-March 2018); Second Vice President and Treasurer (March 2019-March 2021).

He began his professional career at Insular Bank of Asia and America in the Corporate Banking Division and Philippine Commercial International Bank in Commercial Banking Desk. He also served as an account officer of Union Bank Corporation from June 1986 – August 1990 and held several positions in Security Bank Corporation from September 1990 to July 2000. He was also Chairman of Metro Remittance Singapore PTE Ltd.

Mr. Dee finished his degree in Bachelor of Science Management Engineering from Ateneo de Manila University, Philippines.

**ANTONIO R. OCAMPO, JR.**  
**56, Filipino**  
**President**

Mr. Ocampo is a seasoned banker with more than 30 years of strong expertise in finance, corporate and investment banking. Most recently, he was the president of ORIX Metro Leasing and Finance Corporation, ORIX Rental Corporation and ORIX Auto Leasing Philippines Corporation.

Prior to this, he was head of Corporate Banking Group at Metropolitan Bank and Trust Company; and head of Global Network Banking under Corporate & Investment Bank at Deutsche Bank AG.

Earlier in his career, he held various relationship management roles at Deutsche Bank AG, International Exchange Bank and Equitable PCI Bank.

Mr. Ocampo holds a BS Business Management degree from San Beda University.

**MARTIN Q. DY BUNCIO**  
**62, Filipino**  
**Director**

Mr. Dy Buncio has served as a Director since 1995 and brings with him over 28 years of experience in interdisciplinary management.

Currently, he is the Chairman of the Board of Pro-Oil Corp. and Pro-Auto Parts; Director of Altus Property Ventures Inc. and currently President of the following:

Proline Sports Center Inc., HJ Marketing, Design Products Manufacturing/Design Products Holdings Corp, Proline II Mercantile, DYBCOM CORP., Integra Development Corp., and the President/Director of Banam Global Holdings Corp.

He holds a Bachelor of Arts degree from De La Salle University.

**CHRISTOPHER HECTOR L. REYES**  
**51, Filipino**

Mr. Reyes holds the position of Senior Vice President - Head - Commercial Banking - Metro Manila of Metropolitan Bank & Trust Company.

Mr. Reyes held several positions at Metropolitan Bank & Trust Company, Vice President – Division Head/Senior RM, Multinational Corporations Division of Company from April 2014 to March 2015; First Vice President, Center Head, Commercial Banking Group from April 2015 to April 2018.

He began his professional career at Philippine Commercial International Bank (PCIBank) as Research Analyst from September 1995 to April 1997 and held several positions at International Exchange Bank from April 1997 to November 2005. Mr. Reyes also held several positions at Deutsche Bank AG, Account Manager from November 2005 to October 2006; Assistant Vice President (Corporate Banking Coverage) from November 2006 to December 2008; Vice President (Corporate Banking Coverage) from January 2009 to February 2011. He was also the Vice President, Head Commercial Banking of Maybank Philippines, Inc. from April 2011 to August 2012 and Vice President, Unit Head/Senior RM of Citibank N.A. Manila Branch from August 2012 to April 2014.

Mr. Reyes finished his Bachelor of Science Major in AB Economics degree from the San Beda University in March 1995.

**BENEDICTO JOSE R. ARCINAS**  
**69, Filipino**  
**Independent Director**

Mr. Arcinas is currently the President and Director of Arcinas Freres, Inc. and was an Independent Director of Philippine Savings Bank from April 2012 to April 2021.

He began his professional career at Manila Electric Company as Economic Analyst from 1978-1980. He also served as Independent Director of Metrobank Card Corporation from April 2018-December 2019; Consultant of Veda Advantage, Australia from March to August 2012; Executive Vice President (Finance) and Chief Investment Officer Government Service Insurance System (GSIS) from March 2010 to December 2011; Executive Vice President and Treasurer of Export and Industry Bank from June 2007- March 2010; Director of Asia Pacific Recoveries (SPV-AMC) Corporation and Asia Special Situations M3P2 (SVC-AMC), Inc. from September 2005 to March 2010; Consultant of SME e-Financing Project, Development Bank of the Philippines from February to May 2004; Managing Director and Founder of Structured Solutions, Inc. from 2002-2007; Managing Director for Fixed Income (Philippines) at Peregrine Fixed Income, Ltd. HK in 1997, Managing Director of ATR-Kim Eng Fixed Income (Philippines) from April 1997 to November 1997; he held various positions in Metropolitan Bank & Trust Co., from January 1991 to March 1997; First Vice President (Funds Management Division, Treasury) of Philippine Banking Corporation from January 1989 to December 1990; AVP Liability Management Group Head of BA Finance Corporation from 1987-1988; SAM Liquidity Mgt. Treasury Group of Philippine Commercial International Bank from 1985-1987; Sr Asst Manager, Head of Domestic Markets of Insular Bank of Asia & America from 1984-1985; Asst. Manager, Corporate Planning Division from 1983-1984.

Mr. Arcinas also had various professional affiliations & market development Initiatives from 1990-2014 and was President of the Money Market Association of the Philippines in 1996.

Mr. Arcinas finished his Bachelor of Science in Business Economics degree from the University of the Philippines (Diliman) and obtained his Master of Science in Management degree from the Arthur D. Little Management Education Institute at Cambridge, Massachusetts USA (now Hult International Business School).

**LUIS JUAN B. ORETA**  
**69, Filipino**  
**Independent Director**

Mr. Oreta is a fellow of the Institute of Corporate Directors and a life member of the Financial Executives Institute (FINEX).

He currently serves as Independent Director of First Metro Securities Brokerage Corporation, Vice Chairman of the Board of Quezon Memorial Academy, and National Commander of the U.P. Vanguard, Inc.

Mr. Oreta held several key positions at Ayala Corporation from March 1997 to October 2018: He was seconded to Manila Water Company Inc. as Chief Operating Officer and Chief Finance Officer from January 2009 to October 2018, He was also the Interim Chief Finance Officer of Integrated Microelectronics, Inc. (IMI) from July 2008 to December 2008, He was also the Managing Director assigned to Strategic Planning Group of Ayala Corporation from March 1997 to June 2008.

He started his career with the Ayala group at the Bank of the Philippines Islands from October 1983 to March 1997. Prior to that he was a management consultant at Boone, Young & Associates from September 1982 to June 1983. Mr. Oreta was a Financial Analyst of Insular Bank of Asia & America from June 1978 to May 1980.

Mr. Oreta completed his Bachelor of Science in Business Economics at the University of the Philippines in October 1977 and obtained his MBA in Finance: Concentration in Investment Analysis from Rutgers University, Graduate School of Management.

## B. Executive Officers

**Daniel D. Camacho – 55** years old, is an Executive Vice President and Head of Investment Banking Group (IBG) of First Metro Investment Corporation.

Mr. Camacho has 29 years of experience in originating, structuring, arranging and executing deals in the field of acquisition, leveraged and structured finance for various industries in Asia, 17 years of which were in the Hong Kong regional offices of international financial institutions. Prior to joining First Metro, he was executive director for Acquisition and Strategic Finance, Asia at Natixis (Hong Kong), a French investment bank. Mr. Camacho's previous role was as executive director for leverage and telecom/media finance at the German bank WestLB AG (HK). He also worked in debt raising and advisory at GE Capital, ABN AMRO and the Bank of the Philippine Islands.

Mr. Camacho graduated cum laude with dual majors in Management of Financial Institutions and in Economics from De La Salle University and obtained his Master's degree from Northwestern University's J.L. Kellogg Graduate School of Management.

**Maria Teresa V. de Vera – 55** years old, Filipino. Senior Vice President and Client Coverage Head, Investment Banking Group.

Ms. de Vera has over 23 years of investment banking experience ranging from origination, mergers & acquisitions, debt and equity capital market transactions for various industries and previously served as head of the debt capital markets team.

She graduated from Ateneo De Manila University with a Bachelor of Arts degree in Interdisciplinary Studies, and has a master's degree in Business Management from the Asian Institute of Management.

**Abigail C. Buenviaje - 49** years old, Filipino. Senior Vice President and Head of Products and Markets of First Metro Investment Corporation.

She has over 20 years of investment banking experience across equity and debt capital markets, mergers and acquisitions and project finance. Prior to joining First Metro, she held management positions in Citibank N.A.'s Global Corporate Banking Group and concurrently served as OIC of Citicorp Capital Philippines Inc.; and SB Capital Investment Corporation. Earlier in her career, she was OIC of the Listings Department of the Philippine Stock Exchange.

She earned her Bachelor's Degree in Commerce Major in Business Management from De La Salle University, graduating with distinction as a member of the Jose Rizal Honor Society, and received her Masteral Degree in Business Administration with Gold Medal Honors, the highest distinction for academic excellence, from the Ateneo Graduate School of Business – Regis University. She is currently a PhD candidate in Financial Management at Said Business School, University of Oxford.

**Peter Anthony D. Bautista – 51** years old, Filipino, Senior Vice President, Head, of Syndication Division.

He serves as a Director in PBC Capital Investment Corporation, and SBC Properties, Inc. since being elected in September 11, 2020.

Past work experiences include Ayala Life Assurance, Inc. as Corporate Marketing Manager (2000), BPI Capital as a Corporate and Institutional Sales Trader (2002) and BPI Bancassurance, Inc. as head of a stable of Relationship Managers.

He has an undergraduate degree in BS Mathematics w/ a major in Actuarial Science & Statistics from De La Salle University. He has also pursued the Masters in Business Administration Program from De La Salle University and the Applied Business Economics Program from the University of the Asia and the Pacific.

Mr. Bautista is seconded to First Metro Securities Brokerage Corporation and handles its Sales and Dealing Division.

**Nimfa B. Pastrana** – 64 years old, Filipino, First Vice President, Group Head, Corporate Services and Operations, General Counsel and Corporate Secretary of First Metro Investment Corporation.

She is also the Corporate Secretary of First Metro's subsidiaries namely, First Metro Securities Brokerage Corporation (2004 to present), PBC Capital Investment Corporation (2004 to present), SBC Properties, Inc., Resiliency (SPC), Inc., Prima Ventures Development Corporation, and FMIC Equities, Inc.

She graduated from San Beda University (formerly San Beda College of Law) with a Bachelor of Laws degree and took her undergraduate course at the University of the Philippines, Diliman with a degree in A.B. Philosophy.

**Ganine C. Olmedo** – 35 years old, Filipino, Assistant Vice President, Controller and Head of Controllershship Group.

Ms. Olmedo brings over a decade of solid experience in accounting and auditing, demonstrating extensive knowledge of banking products, operations, systems and processes, financing reporting, and compliance.

Before joining First Metro, she served as Treasurer and Finance Head of Union Bank of the Philippines, Trust and Investment Services Group. Prior to assuming this role, she held the position of Operations Head. In addition, she completed the one-year course on Trust Operations and Investment Management offered by the Trust Institute of the Philippines.

She holds a Bachelor of Science degree in Accountancy from the University of Santo Tomas and is a Certified Public Accountant.

**Mauro B. Placente** -60 years old, Filipino, is the Vice President and Treasurer of First Metro Investment Corporation.

He also serves as the Treasurer of First Metro Securities Brokerage Corporation, PBC Capital Investment Corporation (2004 to present), SBC Properties, Inc., Resiliency (SPC), Inc., and Prima Ventures Development Corporation.

He graduated from National College of Business and Arts with a degree of BSBA-Accounting. He is a Certified Public Accountant. He joined First Metro on September 1, 2000.

### **Significant Employees**

No person who is not an executive officer is expected by the Corporation to make significant contribution to its business.

### **Nominee Directors**

The persons listed below have been nominated to become directors for 2026-2027. All directors are elected for a term of one year and until their successors shall have been elected and qualified.

Ms. Mary Mylene A. Caparas	Mr. Benedicto Jose R. Arcinas*
Mr. Fabian S. Dee	Mr. Luis Juan B. Oreta*
Mr. Antonio R. Ocampo, Jr.	
Mr. Christopher Hector L. Reyes	
Mr. Martin Q. Dy Buncio	<i>*Independent Directors</i>

The nominees are incumbent directors of First Metro Investment Corporation. All seven (7) nominees confirmed and accepted their nomination to become directors.

For the complete background information of the nominee directors, please refer to Item 5. Directors and Officers.

First Metro has formulated its rules relative to the election of independent directors, as follows:

The Nomination Committee shall have at least three (3) members, one of whom is an independent director, and it shall promulgate the guidelines and criteria to govern the conduct of the nomination.

The nomination of independent director/s shall be conducted by the Committee prior to a stockholder's meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Nomination Committee of the Board of Directors is composed of Mr. Benedicto Jose R. Arcinas as Chairman with Ms. Mary Mylene A. Caparas as Vice Chairman/Member and Mr. Luis Juan B. Oreta as member.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under SRC Rule 38. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared and no further nomination shall be entertained or allowed on the floor during the stockholders'/membership meeting.

Mr. Benedicto Jose R. Arcinas, and Mr. Luis Juan B. Oreta were nominated for re-election as independent directors

#### **Legal Proceedings:**

There are no material legal proceedings filed by or against First Metro, its directors and executive officers nor any petition for bankruptcy, or violation of the Securities Regulation Code has been filed, issued or committed, up to the latest date that are material to evaluation.

#### **Family Relationships**

There are no other family relationships among the directors and officers listed above.

#### **Relationships and Related Transactions**

First Metro has business relationships and transactions with related parties. Transactions with such parties are made in the ordinary course of business and on substantially the same terms, as those prevailing at the time for similar transactions with other parties. These transactions also did not involve more than the normal risk of collectability and did not present conditions unfavorable to First Metro. First Metro has a Corporate Governance Committee, a board level committee, which reviews related party transactions to assess risks and determine if appropriate restrictions for related party transactions are observed and that they are conducted at arm's-length terms.

Except for the related party transactions that may be stated in the notes to financial statements of First Metro as of and for the years ended December 31, 2025, there has been no material transaction during the last two years nor is there any material transaction currently proposed to which First Metro was, or is a party, or in which any director or executive officer of First Metro, any nominee for election, any owner of more than five (5.0%) percent of First Metro's voting shares, or any member of the immediate family of any such director or officer, had or is to have a direct or indirect material interest.

#### **Appraisal and Performance Report for the Board and the criteria and procedure for assessment**

Directors conduct an annual self-assessment of the performance of the Board, of themselves as individual members, and as members of the Board committees. The Board has an internal self-rating system and procedures to determine compliance with the Manual vis-à-vis good corporate governance principles and practices. The results of the assessment are submitted to the Corporate Governance Committee and reported to the Board. This information is also available in the annual report available to the stockholders.

#### **Continuous Improvement of Corporate Governance Practices**

The Manual is subject to annual review, and any amendments thereto shall require the approval of the Board, to ensure its continued compliance with applicable laws, rules, and regulations, as well as adherence to prevailing best practices in corporate governance.

## Deviations from the Manual of Corporate Governance

There were no deviations from, nor violations of, First Metro's Manual of Corporate Governance in 2025.

## Directors disclosures on self-dealing and related party transactions

Directors, officers, and stockholders are required to disclose to the Board whether they, directly, indirectly, or on behalf of other parties, have a financial interest in any transaction or matter affecting First Metro. Directors and officers with personal interest in the transaction do not participate in the discussion, and inhibit themselves in the approval, confirmation, and management of such transaction or matter affecting First Metro.

### Item 6. Compensation of Executive Officers and Directors

	Year	Salary	Bonuses/ Other Remuneration	Total
Aggregate annual compensation of the following:	2026*	₱48,098,560	₱6,293,199	₱54,391,759
	2025	45,376,000	5,944,508	51,320,508
	2024	36,389,300	11,012,030	47,401,330
Antonio R. Ocampo, Jr.** Daniel D. Camacho, EVP				
All other executive and directors as a group unnamed	2026*	88,087,060	27,856,896	115,943,956
	2025	83,101,000	26,367,204	109,468,204
	2024	97,924,000	31,936,562	129,860,562

\* - Projected

\*\* - starting July 1, 2024

## Compensation of Directors

The members of the Board are compensated under standard remuneration as follows:

Per Diem ranging from 85,000 to 170,000 and reasonable transportation allowance are granted to directors on regular board meetings. Bonuses amounting to 200,000 to 460,000 are given to each director during December of each year.

As part of good governance practices, the directors, particularly the Independent Directors, are required to chair board committees created to enhance business operations and processes. The compensation for their participation in these committees is part of their annual package.

## Employment Contracts, Termination of Employment and Change-In Control Arrangements

There are no compensatory plans or arrangements with respect to any of First Metro's executive officers that can result to the resignation, retirement or any other termination of such executive officer's employment with First Metro and its subsidiaries. Neither from a change in control of the registrant or a change in the named executive officer's responsibilities.

## Warrants and Options Outstanding: Repricing

There are no stock warrants or options that First Metro has awarded to any of its directors or officers. Neither do the registrant's officers or directors own any stock warrants or options.

## **Item 7. Independent Public Accountants:**

SGV & Co. (SGV) has been the external auditor of First Metro for the past several years.

Representatives of SGV are expected to be present at the stockholders meeting on April 29, 2026. They will have the opportunity to make a statement if necessary, and they are expected to be able to respond to appropriate questions.

For the year 2026, First Metro will still be engaging the services of SGV.

In compliance with SRC Rule 68, par. 3 (b)(ix), as revised, the auditing firm should rotate its signing partner after seven (7) years of engagement.

There were no disagreements with the accountant on any matter of accounting principles and practices, financial statements, disclosure or auditing scope or procedure.

Total fees in relation to SGV's audit amounted to P3.2 million in 2025 and 2024.

These cover the following:

- a) the audit of First Metro's financial statements or services that are normally provided by SGV in connection with the statutory and regulatory filings or engagement.
- b) rendering of an opinion based on the examination and overall valuation of the financial statements, on a test basis. It also covers the review of First Metro's annual income tax return based on audited financial statements.

### **Tax Fees**

In 2025, the Company engaged an external firm which is not associated with its external auditor to provide a tax opinion related to the refund of prepaid creditable withholding tax, with fees amounting to ₱0.1 million. In 2024, no tax services were rendered by any external firm.

### **All Other Fees**

Company engaged an external firm for various legal services for 2025 and 2024, incurring fees of ₱0.2 million and ₱1.6 million, respectively.

### **Audit Committee's Approval Policies and Procedures**

The financial statements as audited by the external auditor are presented to the Audit Committee, which then endorse the same to the Board of Directors for approval.

First Metro's Audit Committee is chaired by Mr. Benedicto Jose R. Arcinas (independent director), with Mr. Luis Juan B. Oreta (independent director) and Mr. Martin Q. Dy Buncio (director) as members.

The appointment of the external auditor shall be included in the agenda of the annual stockholders' meeting.

### **C. ISSUANCES AND EXCHANGE OF SECURITIES- Not Applicable**

#### **D. Other Matters**

##### **Item 15. Action with Respect to Reports – Not Applicable**

##### **Item 16. Matters Not Required to be Submitted- Not Applicable**

##### **Item 17. Amendment of Charters, By-Laws or Other Documents**

There are no actions to be taken with respect to any amendment of the company's charter, by-laws or other documents.

## **Item 18. Other Proposed Action**

### **1. Approval of the minutes of the meetings of the stockholders held on 30 April 2025 with the following points:**

- I. Approval of the Minutes of the Previous Stockholders' Meeting held on 22 April 2024
- II. Annual Report to the Stockholders
- III. Ratification of Corporate Acts including Related Party Transactions
- IV. Amendments to the Company's Articles of Incorporation (AOI) and By-Laws as follows:
  - Article Six of the Articles of Incorporation (AOI) and Article II, Section 1 and Article III, Section 3 of the By-Laws to reduce the number of directors from nine (9) to seven (7).
  - Article II, Sections 3, 5, and 8, and Article III, Section 6 of the By-Laws to incorporate provisions pursuant to SEC Memorandum Circular No. 6 dated 12 March 2020 (Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication).
- V. Election of the Members of the Board of Directors
- VI. Appointment of External Auditor

### **During the 2025 Annual Stockholders' Meeting**

First Metro conducted its last Annual Stockholders' Meeting (ASM) via remote communication, in accordance with the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 6, Series of 2020. The items to be voted on were stated in the Definitive Information Statement that was published in the company's website to inform the shareholders at least 21 days before the virtual meeting.

During the ASM, the host flashed the items to be voted upon on the screen, and the voting was done through a poll mechanism and counted automatically.

All members of the Board, the Chairperson, the President, representatives of the external auditors, and other key officers attended the virtual ASM.

The Chairperson formally opened the 2025 ASM. The Corporate Secretary certified the existence of a quorum for a valid transaction of business at the meeting.

There were no questions raised prior, during, and after the ASM. As explained during the meeting, the stockholders can also ask questions or send their comments through the company's email address. None of the stockholders emailed any questions or comments after the meeting.

The Corporate Secretary, with the assistance of Metrobank Trust Banking Group, the stock transfer agent of the Company, was responsible for the validation of proxies and counting of votes on the matters presented for approval of the stockholders at last year's ASM.

### **Voting Procedure for items presented to the stockholders on 30 April 2025**

- A. The votes of all the shares present or represented at the meeting will be counted on a per share basis.
- B. For the approval of the minutes of 2024 meetings and ratification/approval of the acts and resolutions of the board, every shareholder shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Corporation at the time of closing. A majority vote of the stockholders present in the meeting is sufficient to approve and ratify the corporate acts mentioned
- C. For the Amendment in the Articles of Incorporation, the vote of at least 2/3 of the outstanding capital stock is required for its approval.
- D. For the election of Directors

Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name in the books of the corporation as of the record date multiplied

by the whole number of directors to be elected. If the number of nominees does not exceed the number of Directors to be elected, the Secretary of the meeting, upon motion made, will be instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of Directors to be elected, voting shall be done by secret ballot.

E. Methods by which votes will be counted

Voting shall be made through an online poll mechanism when the item is discussed and flashed on the screen. The votes will be automatically counted during the meeting.

### **Voting Tabulation**

During the stockholders' meeting, the host launched the poll question for each item in the agenda and the stockholders cast their votes.

### **Record of the voting results for each item**

The Corporate Secretary presented the results of the preliminary voting for each item in the agenda, sent in advance by the shareholders or through their proxies as of 12:00 noon of 30 April 2025. Based on the preliminary voting, there were 99.27% who voted in favor of all the items; none voted against, and there were no abstentions.

### **Right of Appraisal**

There were no actions or matters to be taken up at the Annual Stockholders Meeting that will give rise to a possible exercise by security holders of their right of appraisal.

## **2. Ratification of Corporate Acts**

The matters that will be ratified are:

- (a) The minutes of the meeting of the Board of Directors and the Executive Committee, Related Party Transaction Committee and other Board level committees and all acts, transactions and resolutions of the Board of Directors, the Executive and other Board level committees and the Management in 2025 adopted in the ordinary course of business like:
  - i. Underwriting and other investment banking transactions
  - ii. Approval of investments and sale of assets
  - iii. Approval of related party transactions
  - iv. Approval of the fair market value of FMIC shares
  - v. Appointment of officers and all authorized signatories
  - vi. Appointment of external auditors
  - vii. Renewal of Service Level Agreements

## **3. Election of Directors (including independent directors)**

## **4. Appointment of External Auditor**

### **Item 19. Voting Procedure**

- A. The votes of all the shares present or represented at the meeting will be counted on a per share basis.
- B. For the approval of the minutes of 2025 meetings and ratification/approval of the acts and resolutions of the board, every shareholder shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Corporation at the time of closing. A majority vote of the stockholders present in the meeting is sufficient to approve and ratify the corporate acts mentioned

D. For the election of Directors

Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name in the books of the corporation as of the record date multiplied by the whole number of directors to be elected. If the number of nominees does not exceed the number of Directors to be elected, the Secretary of the meeting, upon motion made, will be instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of Directors to be elected, voting shall be done by secret ballot.

E. Methods by which votes will be counted

Voting shall be made through an online poll mechanism when the item is discussed and flashed on the screen. The votes will be automatically counted during the meeting.

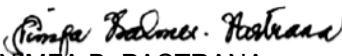
**FIRST METRO INVESTMENT CORPORATION'S YEAR 2025 ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH STOCKHOLDER UPON WRITTEN REQUEST ADDRESSED TO:**

**Nimfa G. Balmes-Pastrana**  
Corporate Secretary  
First Metro Investment Corporation  
45<sup>th</sup> Floor GT Tower International  
Ayala Avenue corner H.V. de la Costa St.  
Makati City

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on 31 March 2026.

**FIRST METRO INVESTMENT CORPORATION**

By:

  
NIMFA B. PASTRANA  
Corporate Secretary

## **PART II - COMPANY PROFILE**

### **Brief Description of the General Nature and Scope of Business of the Company and its Subsidiaries**

#### **1. Business Development**

First Metro Investment Corporation (First Metro), the investment banking arm of the Metrobank Group, was incorporated on August 30, 1972 in Metro Manila, and started business operations as an investment house with quasi-banking functions in May 1974.

In 1999, management crafted a vision for the company, for the latter to become a leading and respected financial institution, specializing in investment banking services, and a prime mover in the development of the Philippine capital markets.

In 2000, Metropolitan Bank & Trust Company (Metrobank) bought a majority stake in Solidbank and subsequently decided to merge it with First Metro. The Securities and Exchange Commission (SEC) approved the merger on September 22, 2000, with a provision that Solidbank will be the surviving entity, to be renamed as First Metro Investment Corporation. The former Solidbank was incorporated on June 25, 1963.

The merged corporation retained its quasi-banking license but gave up its license to engage in commercial banking activities. It also increased its authorized capital stock from ₱3,200,000,000.00 divided into 30,000,000 common shares and 2,000,000 preferred shares, both with a par value of ₱100.00, to ₱8,000,000,000.00 divided into 78,000,000 common shares and 2,000,000 preferred shares, with the same par values of ₱100.00.

The Bangko Sentral ng Pilipinas (BSP) officially gave its nod to the merger on November 8, 2000 but instructed to convert the 2,000,000 preferred shares to common shares thereby bringing the authorized capital stock of the corporation to 80,000,000 common shares.

Although the merger slightly diluted Metrobank's stake in First Metro from 100.0% to 98.7%, it cemented First Metro's position as the country's largest investment bank.

In June 2005, the stockholders ratified the board of director's (BOD) approval to amend its Articles of Incorporation, which reduced its share par value from ₱100.00 to ₱10.00 and increased the number of its common shares from 80,000,000 to 800,000,000.

In 2011, the BOD approved the amendment of Article Four of the Articles of Incorporation to extend the corporate life of First Metro for another fifty (50) years, starting from June 25, 2013 to June 25, 2063. This was subsequently approved and ratified by its stockholders on April 26, 2012, and approved by the SEC on October 12, 2012. However, in February 2019, Republic Act No. 11232, otherwise known as "The Revised Corporation Code", was signed into law and all corporations now have perpetual existence.

On October 18, 2012, First Metro also filed a disclosure with the Philippine Stock Exchange (PSE) on its intention to voluntarily delist its shares, and buy back all of its publicly-owned shares via a tender offer following the decision of its Board of Directors to operate as a non-listed entity. The delisting of the Company's shares from the Official Registry of the Exchange was subsequently approved by the PSE effective December 21, 2012.

First Metro made history in 2013 when it listed the first-ever exchange traded fund in the country, the First Metro Philippine Equity Exchange-Traded Fund (FMETF), on the PSE. First Metro was the ETF's proponent and fund sponsor while its subsidiaries, First Metro Asset Management, Inc. (FAMI) and First Metro Securities Brokerage Corporation (FMSBC) were the fund manager and principal distributor, and lead authorized participant and market maker, respectively.

In June 2016, First Metro ceased the operations of its Trust and related fiduciary business.

On March 25, 2021, First Metro's application to surrender its quasi-banking (QB) license was approved by the BSP. The surrender of the company's QB license was part of its transformation plan to refocus on its core business of investment banking, to further develop its brokering and distribution of capital

market issuances and to forge greater synergy with its subsidiaries, FAMI and FMSBC, and its parent bank, Metrobank. This new strategy would allow the company to better serve the needs of its clients, respond aptly to the changing demands of the market and contribute more effectively to the development of the Philippine capital markets.

On September 15, 2023, the SEC issued a Certificate of Filing of Amended Articles of Incorporation of First Metro, which addressed two key changes in the Primary Purpose of the company - first, it deleted provisions related to its quasi-banking and trust activities, and second, it updated the seventh paragraph to reflect an increase in the par value of shares from ₱10 to ₱500, while reducing the number of authorized common shares from 800,000,000 to 16,000,000 common shares.

In May 2024, First Metro ceased its brokering activities. The distribution of the primary issuances underwritten by First Metro will be done through Metrobank and FMSBC. On August 22, 2024, First Metro disposed its entire interest in First Metro Save and Learn Dollar Bond Fund, Inc. (SALDBF), First Metro Philippine Equity Exchange Traded Fund, Inc. (FMETF), First Metro Save and Learn Equity Fund, Inc. (SALEF), First Metro Save and Learn Balanced Fund, Inc. (FMSALBF), First Metro Save and Learn Fixed Income Fund (SALFIF) and First Metro Save and Learn Money Market Fund, Inc. (SALMMF). Subsequently, in December 2024, First Metro finalized the sale of its entire ownership in FAMI (70%) to the ATRAM Group as part of its transformation plan to refocus solely on its Investment Banking business.

On February 19, 2026, the SEC issued a Certificate of Filing of Amended Articles and Incorporation and By-Laws of First Metro. The Amendment pertains to the Article Six of the Articles of Incorporation (AOI) and Article II, Section 1 and Article III, Section 3 of the By-Laws to reduce the number of directors from nine (9) to seven (7) and Article II, Sections 3, 5, and 8, and Article III, Section 6 of the By-Laws to incorporate provisions pursuant to SEC Memorandum Circular No. 6 dated March 12, 2020 (Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication).

## **2. Business of Registrant**

### **Description of Registrant**

#### **Principal Products and Services**

First Metro is primarily engaged in the business of investment banking. The company offers a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, while its subsidiary, FMSBC offers equity and fixed income brokering, online trading, distribution of other securities such as UITFs and mutual funds and research.

#### **Investment Banking Group (IBG)**

The Group manages the investment banking business of the company. First Metro stands at the forefront of the Philippine capital markets as the investment bank of choice for prominent corporations and government agencies. Its track record in debt and equity underwriting rests on its key strength in origination, structuring and execution. The investment bank perennially engages in the lion's share of transactions in the debt and equities markets.

*Debt Capital Markets* - First Metro is widely recognized as a key player in debt capital market issuances. The company provides debt financing solutions to help achieve client objectives that normally include expansion plans, refinancing, strategic acquisitions or buy-outs, or complex project financing.

- Bonds
- Corporate Notes
- Project Finance
- Corporate Term Loan
- Acquisition Finance

*Equity Capital Markets* - For years, First Metro has been actively involved in originating and underwriting Philippines equity issuances, whether via private placement or public offering. The investment bank integrates its expertise and experience in structuring, execution, and distribution to provide optimal solutions for its clients' capital requirements.

- Initial Public Offering
- Follow-on Offering
- Stock Rights Offering
- Private Placement
- Real Estate Investment Trust (REIT)

*Financial Advisory* - First Metro is a PSE-accredited financial advisor providing strategic advice on enhancing corporate value, designing optimal fundraising structures, and addressing valuation issues.

- Capital & Corporate Restructuring
- Mergers & Acquisitions
- Valuation
- Fairness Opinion

*The core team of First Metro's senior management is composed of the industry's best minds.*

<b>Name</b>	<b>Age</b>	<b>Citizen</b>	<b>Rank/Position</b>
<i>Mary Mylene A. Caparas</i>	61	<i>Filipino</i>	<i>Chairman</i>
<i>Antonio R. Ocampo, Jr.</i>	56	<i>Filipino</i>	<i>President</i>
<i>Daniel D. Camacho</i>	55	<i>Filipino</i>	<i>Executive Vice President</i>
<i>Maria Teresa V. de Vera</i>	55	<i>Filipino</i>	<i>Senior Vice President</i>
<i>Abigail C. Buenviaje</i>	49	<i>Filipino</i>	<i>Senior Vice President</i>
<i>Peter Anthony D. Bautista</i>	51	<i>Filipino</i>	<i>Senior Vice President</i>
<i>Nimfa B. Pastrana</i>	64	<i>Filipino</i>	<i>First Vice President</i>
<i>Ganine C. Olmedo</i>	35	<i>Filipino</i>	<i>Assistant Vice President</i>

*First Metro has a strategic role in providing investment banking services to its customers, expanding Metrobank's market base and fortifying its competitive edge in the financial industry.*

**Number of Employees: 65** (60 Officers; 5 Staff)

**Significant Subsidiaries and Affiliates**

- *First Metro Securities Brokerage Corporation (FirstMetroSec) is a leading and trusted online financial services partner in the Philippines with a steadfast focus in helping individuals and institutions attain their financial goals through investment products, technology, research, and education. It was incorporated on October 16, 1987 and established in June 1994 as a stock brokerage house licensed to trade in the PSE. Over the past 35 years, FirstMetroSec has been reinventing itself to provide customers with a one-stop shop experience. Today, it also provides easy access to mutual funds and unit investment trust funds managed by different fund providers in the Philippines, and bonds issued by the Philippine government.*

- *PBC Capital Investment Corporation (PBC Capital), a wholly-owned subsidiary, was incorporated on March 1, 1996 and started commercial operations on March 8, 1996. Metrobank acquired PBC Capital as part of the acquisition of the Philippine Banking Corporation. It was incorporated primarily to perform basic investment banking activities, such as equity and debt underwriting, loan arrangement and syndication, financial advisory services and other corporate finance work. In 2022, the Company voluntarily surrendered its Investment House (IH) license, a move that was approved by the SEC on November 10, 2022.*

- *Cathay International Resources Corporation, 34.74% owned by First Metro, was incorporated on April 26, 2005 primarily to acquire by purchase or exchange, and use for investment or otherwise, sell or transfer properties. It owns Marco Polo Cebu Plaza Hotel.*

- *AXA Philippines Life and General Insurance Corporation (AXA), 28.18% owned by First Metro, is a life insurance company incorporated in November 1962. AXA Philippines is a joint venture between*

the AXA Group, headquartered in France, GT Capital Holdings, Inc. and Metrobank. It is one of the largest and fastest growing insurance companies in the country.

- Orix Metro Leasing and Finance Corporation (ORIX Metro), 20.00% owned by First Metro was incorporated and registered with the SEC on June 28, 1977. Its primary purpose is to engage in financing by leasing all kinds of real and personal property, extending credit facilities to consumers and enterprises by discounting commercial papers or accounts receivable, or by buying or selling evidences of indebtedness, and underwriting of securities.
- Lepanto Consolidated Mining Company (LCMC), 12.00% owned by First Metro, was incorporated in 1936 and started operating an enargite copper mine located in Mankayan, Benguet in 1997. LCMC shifted to gold bullion production in 1997 through its Victoria Project and continues to produce gold from its Victoria and Teresa operations, both located in Mankayan, Benguet.

### **Compliance with the Manual on Corporate Governance**

First Metro adopted its Manual on Corporate Governance (Manual) on August 30, 2002 which provides for the leading best practices on governance. The Manual serves as a guide to the Directors, Management, Officers and Staff in the performance of their respective duties and responsibilities to all stakeholders and in the development and achievement of First Metro's corporate goals. Since its inception, various Board Committees have been constituted to aid the Board in complying with the principles of good corporate governance and in the performance of its corporate functions and responsibilities. These are:

- **Corporate Governance Committee** - mainly responsible for ensuring the Board of Directors' effectiveness and its observance of corporate governance principles and guidelines. It also assists the Board of Directors in ensuring that transactions with related parties are reviewed to assess risks, are subject to appropriate restrictions to ensure that such are conducted at arm's length terms and that corporate or business resources of the Company are not misappropriated or misapplied. On August 23, 2022, the Board of Directors approved the consolidation of the Corporate Governance and Compensation Committee (CGCOM) and the Related Party Transactions Committee. CGCOM will be renamed as Corporate Governance Committee whose functions shall generally cover corporate governance, compensation, and related party transactions
- **Audit Committee** - provides effective oversight of internal and external functions and ensures transparency and proper reporting with emphasis on the report's integrity, timeliness and compliance with standards
- **Nominations Committee** – assists the Board of Directors in defining and assessing board membership criteria and reviews and evaluates the qualifications of persons nominated to the Board including those positions requiring appointment by the Board
- **Risk Oversight Committee** - primarily responsible for the development and oversight of First Metro's Risk Management System

Each Committee has its own respective charter to define the duties and responsibilities of its members as well as its reporting functions to the Board of Directors. The memberships in these committees are distributed to ensure that they are balanced and effective. First Metro has adopted its own Compliance System to identify relevant laws and regulations and the compliance risks attendant thereto. The Board of Directors has appointed a Compliance Officer to oversee the implementation of the Compliance System and ensure its effectiveness.

The Manual has been revised and updated several times over the years to effect the amendments provided in the various issuances of the Securities and Exchange Commission (SEC) and the Bangko Sentral ng Pilipinas (BSP).

First Metro's Manual was last revised in August 2024 to reflect the consolidation of the Corporate Governance and Compensation Committee (CGCOM) and the Related Party Transactions Committee.

First Metro is substantially in compliance with the leading practices on good corporate governance. It has in place measures directed at the company's commitment to sound corporate governance. It has adopted a Corporate Governance Scorecard to measure and determine the level of compliance by the

*Board of Directors and Board Committees with corporate governance standards. It created an internal self-rating system and procedures to determine compliance with the Manual vis-à-vis good corporate governance principles and practices such that: (1) each director self-rates and collectively rates the board, the President and the Chairman; (2) Board-level Committees respectively rate themselves. The baseline on the effectiveness of the performance of the Board, the individual directors and various Board committees are the duties and responsibilities laid down in the Manual, the First Metro By-laws, various rules and regulations and in the respective Committee charters. As of the preceding calendar year, directors performed self-rating and assessment of the Board and the committees of the company's compliance with corporate governance standards. Results of the assessment are submitted to the Corporate Governance and Compensation Committee and are considered in making recommendations on the directors to be nominated to the Board and appointed to the Board committees for the following year.*

*All first-time directors must have attended a special seminar on corporate governance for the Board of Directors, conducted by accredited training providers. In addition, First Metro requires continuing education for directors. To ensure that the Board is equipped to provide effective governance and oversight, First Metro shall liaise with external training providers for appropriate and relevant training and seminars for directors. First Metro may also provide its own internal training for directors or coordinate with Metrobank for the conduct of the internal training.*

*First Metro is committed to instituting and upholding the highest standards of corporate governance. It has always endeavored to adopt in the company best corporate governance practices. Its corporate governance policy is intended to achieve its corporate mission of providing investment banking and related financial solutions to enable its clients to achieve sustainable and optimal returns by observing the highest standards of integrity and efficiency. Existing policies and procedures are constantly reviewed to enhance the governance, risk management and compliance framework of the company.*

*First Metro has identified the following major risks involving each of its businesses and other operations:*

*1. Credit risk is the risk of financial loss to First Metro if a counterparty to a financial instrument/transaction fails to meet its contractual obligations.*

*2. Market risk originates from holding of investment portfolios as market conditions change. It is the risk of loss to future earnings, to fair values or future cash flows that may result from changes in market variables such as interest rates, foreign currency exchange rates, commodity prices, equity prices and other market factors.*

*3. Liquidity Risk refers to risks to earnings or capital arising from First Metro's inability to meet its financial commitments to clients or counterparties when they become due. Liquidity can be affected by its inability to access or draw from credit facilities due to factors endemic in First Metro or to general market conditions.*

*4. Underwriting risk refers to the risk that arises in our investment banking capital market function of raising notes, bonds and/or equity under a firm commitment. It involves the process of structuring the financial instrument and guaranteeing the distribution and sale of these instruments.*

*5. Strategic risk refers to the risk to earnings and capital arising from adverse decisions or improper implementation of subject decisions.*

*Also, one of the risks emanating from Strategic Risk is the Conglomerate Risk. 'Conglomerates' pertains to big corporations that are also into other small and seemingly unrelated businesses. Although these businesses work independently of each other, the management of these small companies still answers to a parent company that has a controlling stake over them. Because of the corporation's engagement in smaller businesses, the diversified businesses may pose risks to the parent Company. This is known as Conglomerate Risk. What is critical is to identify and address any possible cash drain to the conglomerate and support the cash cows.*

*6. Operational Risk refers to risk of loss arising from failure in people, process, system, and from external events.*

*• Regulatory Non-compliance Risk - arises from nonconformance with laws and regulations at the international, country, state and local levels that apply to the Group or any of its business units and*

its business processes. This risk exposes the Group to sanctions, fines and penalties and can lead to a diminished reputation, reduced brand name value, limited business opportunities and lessened expansion potential. It may also refer to risk to earnings or capital as a result of unenforceable contracts from legal non-conformity, lawsuit or adverse legal judgment.

- *Legal Risk - the changing laws and regulations may limit First Metro's capacity to enter into certain transactions, enforce contractual agreements or implement specific strategies and activities, and therefore, may result in potential losses. Legal risks may also refer to risks arising from changes in rules and regulations rendering current products and services less profitable.*
- *Customer Satisfaction Risk - A lack of focus on customers impedes the capacity to meet or exceed customer expectations. The customers' dissatisfaction may result to temporary or even permanent loss of repeat business, declining revenues, and loss of market share. Without a constant drive towards customer satisfaction and continuous improvement, the Group will neither understand nor accept the characteristics or elements necessary to remain competitive and may not be able to improve, or improvise on its products and processes. If the Group is unable to identify and address the root causes of customer dissatisfaction, long-term growth may be impossible and survival doubtful.*
- *Brand Name Erosion / Reputational Risk - Erosion of the brand name over time threatens the demand for the Group's products or services. It is risk that the brand name will lose its value over time. A brand name is a word and/or symbol that identifies and distinguishes a product or service from those of other financial institutions. The risk can arise because of the occurrence of other risks, e.g. Product/Services Delivery Risk, Performance Gap, etc. Brand Name Erosion/Reputational Risk also includes the risk to earnings or capital due to failure to comply with obligations and responsibilities. These may result to loss of reputation or erosion of public trust.*
- *Data Integrity Risk - These are risks associated with authorization, completeness and accuracy of transactions as these are processed, summarized and reported by the system. The release of inaccurate data to customers, regulators, shareholders, the public, etc. could lead to a loss of business, possible legal action or public embarrassment.*
- *Data Access Risk - Failure to adequately restrict access to information assets may result in unauthorised knowledge and use of confidential information, or overly restricting access to information may preclude personnel from performing their assigned responsibilities effectively and efficiently.*
- *Data Availability Risk - Includes risks such as loss of communications, loss of basic processing capability and operational difficulty, thereby threatening the capacity to continue business processes and operations.*

*First Metro's Legal Division is tasked to ensure that all documents executed relative to transactions/agreements entered into by the company, are in accordance with the company's constitutive documents and internal approvals, that they do not violate any covenant in any existing agreements, and that the counterparties possess the authority and the legal capacity to enter into such agreements. The Compliance Division has the primary duty of identifying the regulatory policies applicable to transactions, and monitoring and ensuring compliance with such policies.*

*The management of risks is being observed in the areas of credit, financial marketing operations, as well as in all authorized dealings by the designated officers and staff of First Metro applying sound risk management practices in its day-to-day transactions. First Metro endeavors to strike a critical balance of attaining optimal returns while taking calculated risks. Consistent with our passion for excellence, the Risk Management Division was formed to oversee the identification, evaluation and assessment of business and system risks inherent to First Metro's operations. The major objective of the two units is to enhance risk awareness among First Metro's personnel in order to achieve a more disciplined approach in the overall management of risks.*

### PART III - SECURITIES OF THE REGISTRANT

#### Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters:

##### A) Market Price

##### Market Information

The Company's shares of stock (originally Solidbank) were listed in the Philippine Stock Exchange, Inc. (PSE) on October 25, 1963 and were subsequently delisted effective December 21, 2012.

##### B) Dividends

The Company's detailed summary of cash dividend declarations and payments are as follows:

Date of Declaration	Cash Dividend		Date of	Record Date	Payment Date
	Per Share	Amount	BSP Approval		
May 25, 2017	7.65	2,849,965,777	Not applicable	June 9, 2017	June 23, 2017
December 19, 2016	8.06	3,002,710,540	Not applicable	December 29, 2016	January 12, 2017
February 20, 2014	4.03	1,501,644,180	March 28, 2014	April 15, 2014	May 14, 2014
November 5, 2013	13.42	5,000,520,972	December 12, 2013	December 20, 2013	December 27, 2013
August 23, 2013	8.06	3,003,297,147	October 8, 2013	September 30, 2013	October 25, 2013
May 24, 2011	2.66	1,002,969,359	August 12, 2011	August 31, 2011	September 8, 2011
June 22, 2010	2.65	999,198,797	August 9, 2010	September 8, 2010	September 30, 2010
July 31, 2007	1.30	490,172,995	September 23, 2007	October 22, 2007	November 8, 2007
March 22, 2007	1.32	497,714,118	April 13, 2007	April 30, 2007	May 18, 2007
June 9, 2006	0.93	349,908,107	June 29, 2006	July 31, 2006	August 15, 2006
April 1, 2024	201.38	1,500,000,000	Not applicable	April 30, 2024	June 28, 2024
December 19, 2025	402.7589	3,000,000,000	Not applicable	December 31, 2025	February 27, 2026

On December 19, 2025, the Board of Directors approved the declaration of cash dividend amounting to ₱3,000,000,000.00.

The cash dividend will translate to ₱402.7589 per share for the 7,448,625 outstanding common shares of First Metro. The record date to determine stockholders entitled to the cash dividend is set on December 31, 2025 and payment date is on or before February 27, 2026.

The Board of Directors can authorize the declaration of dividends. The President, as authorized by the BOD, sets the record and payment dates on such dividend declaration.

Aside from the preconditions above-mentioned, there are no other restrictions that limit the ability of First Metro to pay dividends on its common equity.

##### C) Top 20 Stockholders as of 13 March 2026

As of 13 March 2026, there are 1,255 shareholders of First Metro's common stock. Shown below are the top twenty (20) shareholders, including the number of shares and percentage of ownership held by each as of the same date.

	NAME OF STOCKHOLDER	NO. OF SHARES	RATIO (%) TO TOTAL AMOUNT SUBSCRIBED
1	METROPOLITAN BANK & TRUST CO.	7,394,739	99.277%
2	CUAYCONG, JOSE G.	1,706	0.023%
3	PER, APOLINARIO O.	1,216	0.016%
4	YU, JUAN G. &/OR GRACE C. YU	1,147	0.015%
5	DUDAN, LEA LEE	990	0.013%
6	YU, JOHN PETER C. &/OR JUAN G. YU	776	0.010%
7	ASILO DE SAN VICENTE DE PAUL	761	0.010%
8	YU, JUAN &/OR JOHN PHILIP YU	669	0.009%
9	A. P. MADRIGAL ITF	652	0.009%
10	ACO, PURA LIM	618	0.008%
11	CALINGO, ESPERANZA M.	615	0.008%

12	RAMIREZ, TRINIDAD	522	0.007%
13	MONTINOLA, ANTONIO J.	495	0.007%
14	INTER-ISLANDS INSURANCE AGENCY INC.	494	0.007%
15	ARCHBISHOP JOSE MA. CUENCO FOUNDATION INC.	488	0.007%
16	RODRIGUEZ, JR., JOSE	424	0.006%
17	ESTATE OF MA. ENCARNACION SUAREZ VDA. DE CANLAS	422	0.006%
18	TRUSTEESHIP INC	400	0.005%
19	TUASON, MARIA LOURDES	384	0.005%
20	KING, JUDY T.	346	0.005%

#### **Recent Sale of Unregistered Securities**

The registrant has not sold any of its securities during the year.

#### **Legal Proceedings:**

There are no material legal proceedings filed by or against First Metro, its directors and executive officers nor any petition for bankruptcy, or violation of the Securities Regulation Code has been filed, issued or committed, up to the latest date that are material to evaluation.

## PART IV – MANAGEMENT DISCUSSION AND ANALYSIS

The Company's Statements of Financial Position and Statements of Income as of and for the years ended December 31, 2025, 2024 and 2023 are presented below.

### Financial Highlights

#### Statements of Financial Position

(In Millions)

	December 31			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	Amount	%	Amount	%
<b>ASSETS</b>							
Cash and other cash items	P2,033	P1,962	P1,246	P71	3.6	P716	57.5
Investment Securities at FVOCI	6,503	5,130	4,556	1,373	26.8	574	12.6
Loans and receivables	73	39	321	34	87.2	(282)	(87.9)
Property and equipment	60	32	47	28	87.5	(15)	(31.9)
Investments in subsidiaries and associates	8,968	8,197	9,896	771	9.4	(1,699)	(17.2)
Investment properties	178	178	179	-	-	(1)	(0.6)
Other Assets	685	714	708	(29)	(4.1)	6	0.8
	<b>P18,500</b>	<b>P16,252</b>	<b>P16,953</b>	<b>P2,248</b>	<b>13.8</b>	<b>(P701)</b>	<b>(4.1)</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
Dividend payable	P3,097	P88	P89	P3,009	3,419.3	(P1)	(1.1)
Accounts payable	196	233	219	(37)	(15.9)	14	6.4
Accrued taxes, interest and other expenses	140	135	121	5	3.7	14	11.6
Deferred tax liability	2	2	2	-	-	-	-
Other liabilities	139	92	126	47	51.1	(34)	(27.0)
	<b>3,574</b>	<b>550</b>	<b>557</b>	<b>3,024</b>	<b>549.8</b>	<b>(7)</b>	<b>(1.3)</b>
<b>EQUITY</b>							
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>							
Common stock	4,209	4,209	4,209	-	-	-	-
Capital paid in excess of par value	2,066	2,066	2,066	-	-	-	-
Retained earnings	11,546	12,528	13,271	(982)	(7.8)	(743)	(5.6)
Treasury stock	(2,663)	(2,663)	(2,663)	-	-	-	-
Net unrealized loss on FVOCI	(294)	(395)	(536)	(101)	(25.6)	141	(26.5)
Remeasurements of retirement liability	(28)	(27)	(29)	1	3.7	(2)	(7.2)
Equity in other comprehensive income of subsidiaries and associates	90	(16)	54	106	662.5	(70)	(130.4)
Cumulative translation adjustment	-	-	24	-	-	(24)	(100.0)
	<b>14,926</b>	<b>15,702</b>	<b>16,396</b>	<b>(776)</b>	<b>(4.9)</b>	<b>(694)</b>	<b>(4.2)</b>
	<b>P18,500</b>	<b>P16,252</b>	<b>P16,953</b>	<b>P2,248</b>	<b>13.8</b>	<b>(P701)</b>	<b>(4.1)</b>

**Statements of Income**  
(In Millions)

	Years Ended December 31			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	Amount	%	Amount	%
<b>OPERATING INCOME</b>							
Service charges, fees and commissions	<b>₱460</b>	₱152	₱279	<b>(₱127)</b>	<b>(45.5)</b>	(₱127)	(45.5)
Interest Income	<b>373</b>	330	286	<b>44</b>	<b>15.4</b>	44	15.4
Dividends	<b>36</b>	29	27	<b>2</b>	<b>7.4</b>	2	7.4
Gain on sale of assets	<b>(30)</b>	(77)	–	<b>(77)</b>	<b>(100.0)</b>	(77)	(100.0)
Trading and securities gains (losses)	<b>–</b>	5	25	<b>(20)</b>	<b>(80.0)</b>	(20)	(80.0)
Foreign exchange gains (losses)	<b>–</b>	–	(2)	<b>2</b>	<b>100.0</b>	2	100.0
Miscellaneous	<b>21</b>	1	4	<b>(3)</b>	<b>(75.0)</b>	(3)	(75.0)
<b>TOTAL OPERATING INCOME BEFORE OPERATING EXPENSES</b>	<b>860</b>	440	619	<b>(179)</b>	<b>(28.9)</b>	(179)	(28.9)
<b>OPERATING EXPENSES</b>							
Compensation and Fringe Benefits	<b>285</b>	290	315	<b>(5)</b>	<b>(1.7)</b>	(25)	(7.9)
Provision for (recovery from) impairment, credit and other probable losses	<b>(552)</b>	158	439	<b>(710)</b>	<b>(449.4)</b>	(281)	(64.0)
Professional Fees	<b>52</b>	23	69	<b>29</b>	<b>126.1</b>	(46)	(66.7)
Taxes & Licenses	<b>47</b>	33	31	<b>14</b>	<b>42.4</b>	2	6.5
Depreciation of property and equipment and investment properties	<b>32</b>	27	38	<b>5</b>	<b>18.5</b>	(11)	(28.9)
Information Technology and Related Expenses	<b>19</b>	25	32	<b>(6)</b>	<b>(24.0)</b>	(7)	(21.9)
Advertising and Communication Expenses	<b>11</b>	14	16	<b>(3)</b>	<b>(12.5)</b>	(2)	(12.5)
Representation & Travelling Expenses	<b>8</b>	9	8	<b>(1)</b>	<b>(11.1)</b>	1	12.5
Rent, Light and Water Expenses	<b>6</b>	17	7	<b>(11)</b>	<b>(64.7)</b>	10	142.9
Interest Expense	<b>3</b>	4	1	<b>(1)</b>	<b>(25.0)</b>	3	300.0
Broker's Commissions	<b>1</b>	3	–	<b>(2)</b>	<b>(66.7)</b>	3	100
Other Expenses	<b>33</b>	55	59	<b>(22)</b>	<b>(40.0)</b>	(4)	(6.8)
	<b>(55)</b>	658	1,015	<b>(713)</b>	<b>(35.2)</b>	(357)	(35.2)
Income (Loss) before Share in NI of Investees	<b>915</b>	(218)	(396)	<b>1,133</b>	<b>519.7</b>	178	44.9
Share In Net Income of Investees	<b>1,185</b>	1,154	1,006	<b>31</b>	<b>2.7</b>	148	14.7
Income before Income Tax	<b>2,100</b>	936	610	<b>1,164</b>	<b>124.4</b>	326	53.4
Provision for Income Tax	<b>80</b>	81	58	<b>(1)</b>	<b>(1.2)</b>	23	39.7
<b>Net Income</b>	<b>₱2,020</b>	₱855	₱552	<b>₱1,165</b>	<b>136.3</b>	₱303	54.9

**Statements of Comprehensive Income**  
(In Millions)

	Years Ended December 31			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	Amount	%	Amount	%
<b>Net income for the year</b>	<b>₱2,020</b>	<b>₱855</b>	<b>₱552</b>	<b>₱1,165</b>	<b>136.3</b>	<b>₱303</b>	<b>54.9</b>
<b>Other comprehensive income (loss)</b>							
Items that recycle to profit or loss in subsequent periods:							
Changes in net unrealized gain/(loss) on FVOCI investments	<b>39</b>	(14)	73	<b>53</b>	<b>378.6</b>	(87.0)	(119.2)
Share in other comprehensive income of subsidiaries and associates	<b>(65)</b>	(14)	253	<b>(51)</b>	<b>(364.3)</b>	(267.0)	(105.5)
	<b>(26)</b>	(28)	326	<b>2</b>	<b>(7.1)</b>	(354)	(108.6)
Items that do not recycle to profit or loss in subsequent periods:							
Changes in net unrealized gain/(loss) on FVOCI investments	<b>61</b>	58	(25)	<b>3</b>	<b>332.0</b>	83	332.0
Remeasurement of retirement liability	<b>(1)</b>	2	(39)	<b>(3)</b>	<b>(150.0)</b>	41	105.1
Share in other comprehensive income (loss) of subsidiaries and associates	<b>170</b>	(81)	90	<b>251</b>	<b>190.0</b>	(171)	(190.0)
	<b>230</b>	(21)	26	<b>251</b>	<b>119.5</b>	(47)	(180.8)
<b>Total Other Comprehensive Income (Loss)</b>	<b>204</b>	(49)	352	<b>253</b>	<b>516.3</b>	(401)	(113.9)
<b>Total Comprehensive Income (Loss), Net of Tax</b>	<b>₱2,224</b>	<b>₱806</b>	<b>₱904</b>	<b>₱1,418</b>	<b>175.9</b>	<b>(₱98)</b>	<b>(10.8)</b>

## **2025 Performance**

### ***Results of Operations***

First Metro ended the year 2025 with ₱2,020 million 136.3% or ₱1,165 million higher than last year's result of ₱855 million.

Total gross revenues of the Company which comprised of service charges, fees and commissions, interest income, other operating income and share in net income of investees amounted to ₱2,045 million, 28.3% or ₱451 million higher than the ₱1,594 million recorded last year.

Service charges, fees and commissions totaled ₱460 million and represents 22.5% of the total revenues. This account includes fee income from underwriting and loan syndication, advisory, commission, selling, management and other service fees. The increase of 202.6% or ₱308 million was mainly due to higher underwriting fees and commissions earned during the year.

Interest income derived from investing activities amounting to ₱373 million represents 18.2% of the total revenues. This account increased by 13.0% or ₱43 million compared with last year's revenue of ₱330 million mainly due to increase in interest income earned from investments.

Other operating income totaled ₱27 million and represents 1.3% of the total revenues. It is composed of dividend income, gain or loss on sale of assets, net foreign exchange gains or losses, and miscellaneous income. The increase of 164.3% or ₱69 million compared with last year's result of ₱42 million loss was mainly due to lower losses on sale of assets.

*Compensation and Fringe Benefits* consist of the gross remuneration and other benefits granted to employees for services rendered. The decrease of ₱5 million from last year's expense of ₱290 million to ₱285 million was mainly due to the lower compensation incurred during the year.

*Provision for (Recovery from) Impairment, Credit and Other Probable Losses* amounted to ₱552 million recovery this year, 449.4% or ₱710 million lower than last year's provision of ₱158 million mainly due to reversal of provision during the year.

*Professional Fees* pertain to expenses incurred for services rendered by individuals/firms on a retainer or contractual basis. This account increased by ₱29 million, from ₱23 million to ₱52 million this year mainly due to increase in other professional fees incurred by the Company during the period.

*Taxes and Licenses* totaled ₱47 million, 42.4% or ₱14 million higher than last year's ₱33 million mainly due to higher taxes incurred during the period.

*Depreciation of property and equipment and investment properties* represents the monthly/periodic depreciation of the Company's condominium units, furniture, fixtures and equipment, leasehold rights and improvements and right-of-use assets. The increase of 18.5% or ₱5 million from ₱27 million to ₱32 million this year was mainly due higher depreciation expense recognized during the year.

*Information Technology Related Expenses* decreased by ₱6 million, from ₱25 million to ₱19 million this year mainly due to lower information technology expenses recognized during the year.

*Advertising and Communication Expenses* totaled ₱11 million, 21.4% or ₱3 million lower than last year's ₱14 million mainly due to lower marketing related expenses incurred during the period.

*Representation and Traveling Expenses* totaled ₱8 million, 11.1% or ₱1 million lower than last year's expense of ₱9 million mainly due to lower expenses incurred for public relations activities which were directly related to the business development and promotion of the various investment products to potential clients of the Company.

*Rent, Light and Water Expenses* pertains to expenses incurred for utilities, office spaces and/or equipment leased by the Company. This account totaled ₱6 million this year, 64.7% or ₱11 million lower than last year's ₱17 million mainly due to the non-recognition of operating lease.

*Interest expense* totaled ₱3 million, 25% or ₱1 million lower than last year's expense of ₱4 million mainly due to lower interest expense incurred on lease liability during the period.

*Broker's Commissions* totaled ₱1 million, 66.7% or ₱2 million lower than last year's expense of ₱3 million mainly due to lower brokers' commissions incurred during the period.

*Other Expenses* includes insurance expenses, membership fees and dues, security, contractual services, fuel expenses, repairs and maintenance, service fees and other expenses. This account decreased by 40.0% or ₱22 million from ₱55 million to ₱33 million this year mainly due to lower miscellaneous expenses incurred during the period.

*Share in net income of investees* represents 57.9% of the total revenues amounting to ₱1,185 million. This is 2.7% or ₱31 million higher than last year's results of ₱1,154 million. This year's share in net earnings mostly came from AXA.

*Provision for income taxes* consists of provision for final tax and income tax of the Company. The decrease of 1.2% or ₱1 million from last year's ₱81 million to ₱80 million was mainly due to lower income subject to final tax of the Company this year.

*Total comprehensive income* totaled ₱2,224 million this year, higher by 175.9% or ₱1,418 million compared with last year's total comprehensive income of ₱806 million mainly due to higher share in other comprehensive income of the Company's Subsidiaries and Associates.

In terms of return on equity, First Metro achieved 13.19% in 2025 as compared to 5.33% in 2024.

## **Financial Position**

The changes in total assets were primarily due to the movements in the following accounts:

### Asset

*Cash and other cash items* which comprises of due from other banks and other cash items, increased by 3.6% or ₱71 million from ₱1,962 million to ₱2,033 million mainly due to higher outstanding time deposit balances this year.

*Fair Value Through Other Comprehensive Income (FVOCI)* represents investments in government securities and equity securities. The increase of 26.8% or ₱1,373 million from ₱5,130 million to ₱6,503 million was mainly due to additional purchase of government securities during the year.

*Loans and Receivables* consist of fringe benefit loan and other receivable accounts. The increase of 87.2% or ₱34 million from ₱39 million to ₱73 million this year was mainly due higher accrued interest receivable.

*Property and Equipment* pertain to condominium units and improvements, furniture, fixtures and equipment owned by the Company. The increase of 87.5% or ₱28 million from ₱32 million to ₱60 million was mainly due to additional acquisition during the year.

*Investments in Subsidiaries and Associates* represent the costs of investments in shares of stocks in allied/non-allied undertakings. The ₱771 million increase from ₱8,197 million to ₱8,968 million this year was mainly due to the share in net earnings during the year and the effect of reversal of provision for impairment in LCMC.

*Other Assets* includes prepayments, intangible assets, refundable deposits, unissued office supplies and others. This account decreased by ₱29 million from ₱714 million to ₱685 million this year mainly due to lower miscellaneous assets this year.

### Liabilities

*Dividends Payable* increased by 3,419.3% or ₱3,009 million from ₱88 million to ₱3,097 million this year mainly due to the declaration of cash dividend during the year.

*Accounts Payable* decreased by 15.9% or ₱37 million from ₱233 million to ₱196 million this year mainly due to lower unsettled purchases of the Company's customers as of reporting date.

*Accrued Taxes, Interest and Other Expenses* consists of expenses incurred on taxes, licenses, retirement liability and other expenses which have remained unpaid as of reporting date. The increase

of 3.7% or ₱5 million from ₱135 million to ₱140 million this year was mainly due to higher accrued taxes as of reporting date.

*Deferred tax liability* consists of net taxable temporary differences of the Company. The account was flat at ₱2 million this year.

*Other Liabilities* consist of withholding taxes, dividends, premium payables, lease liability and other miscellaneous liabilities. This account increased by 51.1% or ₱47 million from ₱92 million to ₱139 million this year mainly due to recognition of lease liability.

#### Equity

First Metro's capital funds ended at ₱14,926 million, ₱776 million lower from last year's ₱15,702 million, which translates to 1,538.72% risk-based capital adequacy ratio (RBCA). The changes of this account were primarily due to the following:

*Retained Earnings* decreased by ₱982 million from ₱12,528 million to ₱11,546 million mainly due to the net effect of net income for the year and declaration of cash dividend.

*Net Unrealized Loss on FVOCI* decreased by 25.6% or ₱101 million from ₱395 million loss to ₱294 million this year mainly due to the improvement in market value of the Company's investment in FVOCI during the year.

*Remeasurement of Retirement Liability* decreased by 3.7% or ₱1 million from a negative ₱27 million to negative ₱28 million mainly due to the effect of the remeasurements of the post-employment defined benefit plans to be recognized in other comprehensive income this year.

*Equity in Other Comprehensive Income of Subsidiaries and Associates* pertains to Equity Share on Decline in Value of Investments Securities, Translation Adjustment, Unrealized Gains (Losses) Arising from Remeasurement of Retirement and Life Insurance Reserves of the Company's Associates. This account increased by 662.5% or ₱106 million from a loss of ₱16 million to ₱90 million income, primarily due to combined effect of increase in value of investment securities and remeasurement of life insurance various subsidiaries and associates of the Company.

## **2024 Performance**

### ***Results of Operations***

First Metro ended the year 2024 with ₱855 million 54.9% or ₱303 million higher than last year's result of ₱552 million.

Total gross revenues of the Company which comprised of interest income, service charges, fees and commissions, other operating income and share in net income of investees amounted to ₱1,594 million, 1.9% or ₱31 million lower than the ₱1,625 million recorded last year.

Interest income derived from investing activities amounting to ₱330 million represents 20.7% of the total revenues. This account increased by 15.4% or ₱44 million compared with last year's revenue of ₱285 million mainly due to increase in trading and investment securities of the Company this year.

Service charges, fees and commissions totaled ₱152 million and represents 9.5% of the total revenues. This account includes fee income from underwriting and loan syndication, advisory, commission, selling, management and other service fees. The decreased of 45.5% or ₱127 million was mainly due to the effect of closing one of its strategic business unit.

Other operating income (loss) totaled ₱42 million loss and represents negative 2.6% of the total revenues. It is composed of dividend income, net trading and securities gains, gain on sale of assets, net foreign exchange loss, and miscellaneous income. The decrease of 177.8% or ₱96 million compared with last year's result of ₱54 million income was mainly due to higher loss on sale of assets.

*Compensation and Fringe Benefits* consist of the gross remuneration and other benefits granted to employees for services rendered. The decrease of ₱25 million from last year's expense of ₱315 million to ₱290 million was mainly due to the reduction in the manpower complement of the Company following the reorganization that was implemented during the first half of 2024.

*Provision for Impairment, Credit and Other Probable Losses* totaled ₱158 million provision this year, 64.0% or ₱281 million lower than last year's provision of ₱439 million mainly due to lower provision for impairment losses on our investment in associates.

*Professional Fees* pertain to expenses incurred for services rendered by individuals/firms on a retainer or contractual basis. This account decreased by ₱46 million, from ₱69 million to ₱23 million this year mainly due to decrease in management fees incurred by the Company during the period.

*Taxes and Licenses* totaled ₱33 million, 6.5% or ₱2 million higher than last year's ₱31 million mainly due to donor's tax paid during the period.

*Depreciation of property and equipment and investment properties* represents the monthly/periodic depreciation of the Company's condominium units, furniture, fixtures and equipment, leasehold rights and improvements and right-of-use assets. The decrease of 28.9% or ₱11 million from ₱38 million to ₱27 million this year was mainly due to reclassification of right of use asset.

*Information Technology Related Expenses* decreased by ₱7 million, from ₱32 million to ₱25 million this year mainly due to lower information technology expenses recognized during the period.

*Advertising and Communication Expenses* totaled ₱14 million, 12.5% or ₱2 million lower than last year's ₱16 million mainly due to lower advertising expenses incurred during the period from stocks brokering related activities.

*Representation and Traveling Expenses* totaled ₱9 million, 12.5% or ₱1 million higher than last year's expense of ₱8 million mainly due to higher expenses incurred for public relations activities which were directly related to the business development and promotion of the various investment products to potential clients of the Company.

*Rent, Light and Water Expenses* pertains to expenses incurred for utilities, office spaces and/or equipment leased by the Company. This account totaled ₱17 million this year, 142.9% or ₱10 million higher than last year's ₱7 million.

*Interest expense* totaled ₱4 million, 300% or ₱3 million higher than last year's expense of ₱1 million mainly due to higher interest expense incurred during the period.

*Broker's Commissions* totaled ₱3 million, reflecting a 100.0% increase from nil last year due to sale of securities of the Company.

*Other Expenses* includes insurance expenses, membership fees and dues, security, contractual services, fuel expenses, repairs and maintenance, transfer and exchange fees, service fees and other expenses. This account decreased by 6.8% or ₱4 million from ₱59 million to ₱55 million mainly due to lower transfer and exchange fees incurred during the period.

*Share in net income of investees* represents 72.4% of the total revenues amounting to ₱1,154 million. This is 14.7% or ₱148 million higher than last year's results of ₱1,006 million. This year's share in net earnings mostly came from AXA.

*Provision for income taxes* consists of provision for final tax and income tax of the Company. The increase of 39.7% or ₱23 million from last year's ₱58 million to ₱81 million was mainly due to higher income subject to final tax of the Company during the period.

*Total comprehensive income* totaled ₱806 million this year, lower by 10.8% or ₱98 million compared with last year's total comprehensive income of ₱904 million mainly due to lower share in other comprehensive income of the Company's Subsidiaries and Associates.

In terms of return on equity, First Metro achieved 5.33% in 2024 as compared to 3.46% in 2023.

## **Financial Position**

The changes in total assets were primarily due to the movements in the following accounts:

### Asset

*Cash and other cash items* which comprises of due from other banks and other cash items, increased by 57.5% or ₱716 million from ₱1,246 million to ₱1,962 million mainly due to higher outstanding time deposit balances during year.

*Fair Value Through Other Comprehensive Income (FVOCI)* represents investments in government securities and equity securities. The increase of 12.6% or ₱574 million from ₱4,556 million to ₱5,130 million was mainly due to higher market value of government securities during the year.

*Loans and Receivables* consist of fringe benefit loan and other receivable accounts. The decrease of 87.9% or ₱282 million from ₱321 million to ₱39 million this year was mainly due to collection of dividend receivable.

*Property and Equipment* pertains to condominium units and improvements, furniture, fixtures and equipment owned by the Company. The decrease of 31.9% or ₱15 million from ₱47 million to ₱32 million was mainly due to the depreciation expense recorded during the year.

*Investments in Subsidiaries and Associates* represents the costs of investments in shares of stocks in allied/non-allied undertakings. The ₱1,699 million decrease from ₱9,896 million to ₱8,197 million this year was mainly due to the sale of the Company's entire stake in FMSLDBF, FMPEETFI, FMSALEF, FMSALBF, FMSLFIF, FMSLMMF and FAMI.

*Investment Properties* consists of land and condominium units held for sale or for lease. The ₱1 million decrease from ₱179 million to ₱178 million this year was mainly to depreciation expense recorded during the year.

*Other Assets* This account includes prepayments, intangible assets, refundable deposits, unissued office supplies and others. This account increased by ₱6 million from ₱708 million to ₱714 million during the year mainly due to higher creditable withholding taxes and intangible assets.

### Liabilities

*Dividends Payable* decreased by 1.1% or ₱1 million from ₱89 million to ₱88 million this year mainly due payment of outstanding payables.

*Accounts Payable* increased by 6.4% or ₱14 million from ₱219 million to ₱233 million this year mainly due to the higher unsettled purchases of the Company's customers as of reporting date.

*Accrued Taxes, Interest and Other Expenses* consists of expenses incurred on taxes, licenses, retirement liability and other expenses which have remained unpaid as of reporting date. The increase of 11.6% or ₱14 million from ₱121 million to ₱135 million this year was mainly due to higher accrued other expenses as of reporting date.

*Deferred tax liability* consists of net taxable temporary differences of the Company. The account was flat at ₱2 million during the year.

*Other Liabilities* consists of withholding taxes, dividends, premium payables, lease liability and other miscellaneous liabilities. This account decreased by 27.0% or ₱34 million from ₱126 million to ₱92 million this year mainly due to settled outstanding lease liability and subscription and premium payables as of reporting date.

### Equity

First Metro's capital funds ended at ₱15,702 million, ₱694 million lower from last year's ₱16,396 million, which translates to 2,231.24% risk-based capital adequacy ratio (RBCA). The changes of this account were primarily due to the following:

*Retained Earnings* decreased by ₱743 million from ₱13,271 million to ₱12,528 million mainly due to the declaration of cash dividend for the period.

*Net Unrealized Loss on FVOCI* decreased by 26.5% or ₱141 million from ₱536 million loss to ₱395 million this year mainly due to the improvement in market value of the Company's investment in FVOCI during the year.

*Cumulative Translation Adjustment* completely decreased by 100.0% from ₱24 million to nil this year mainly due to the disposal of the entire interest in FMSALDBF.

*Remeasurement of Retirement Liability* decreased by 7.2% or ₱2 million from ₱29 million to ₱27 million mainly due to the effect of the remeasurements of the post-employment defined benefit plans to be recognized in other comprehensive income during the year.

*Equity in Other Comprehensive Income of Subsidiaries and Associates* pertains to Equity Share on Decline in Value of Investments Securities, Unrealized Gains (Losses) Arising from Remeasurement of Retirement and Life Insurance Reserves of the Subsidiaries and Associates. This account decreased by 130.4% or ₱70 million from ₱54 million to a negative ₱16 million, primarily due the decline in value of investment securities.

## **2023 Performance**

### ***Results of Operations***

First Metro ended the year 2023 with ₱552 million 51.6% or ₱188 million higher than last year's result of ₱364 million.

Total gross revenues of the Company which comprised of interest income, service charges, fees and commissions, other operating income and share in net income of investees amounted to ₱1,625 million, 44.2% or ₱498 million higher than the ₱1,127 million recorded last year.

Interest income derived from investing activities amounting to P=286 million represents 17.6% of the total revenues. This account increased by 146.6% or ₱170 million compared with last year's revenue of ₱116 million mainly due to increase in trading and investment securities of the Company this year.

Service charges, fees and commissions totaled ₱279 million and represents 17.2% of the total revenues. This account includes fee income from underwriting and loan syndication, advisory, commission, selling, management and other service fees. The decreased of 4.5% or ₱12 million was mainly due to lower other professional fees recognized during the year.

Other operating income totaled ₱54 million and represents 3.3% of the total revenues. It is composed of dividend income, net trading and securities gains, gain on sale of assets, net foreign exchange loss, and miscellaneous income. The decrease of 59.1% or ₱78 million compared with last year's result of ₱132 million was mainly due to no gain on sale of asset recognized during the year.

*Compensation and Fringe Benefits* consist of the gross remuneration and other benefits granted to employees for services rendered. The decrease of ₱9 million from last year's expense of ₱324 million to ₱315 million was mainly due to a reduction in the number of officers in the manpower complement of the Company.

*Provision for Impairment, Credit and Other Probable Losses* totaled ₱439 million provision this year, 158.2% or ₱269 million higher than last year's provision of ₱170 million mainly due to the additional provision for impairment losses on our investment in associates.

*Professional Fees* pertain to expenses incurred for services rendered by individuals/firms on a retainer or contractual basis. This account increased by ₱44 million, from ₱25 million to ₱69 million this year mainly due to increase in management fees incurred by the Company during the period.

*Taxes and Licenses* totaled ₱31 million, 34.8% or ₱8 million higher than last year's ₱23 million mainly due to higher gross receipt tax paid during the period.

*Depreciation of property and equipment and investment properties* represents the monthly/periodic depreciation of the Company's condominium units, furniture, fixtures and equipment, leasehold rights and improvements and right-of-use assets. The decrease of 5.0% or ₱2 million from ₱40 million to ₱38 million this year was mainly due to retirement and sale of some property and equipment during the period.

*Information Technology and Related Expenses* decreased by ₱8 million, from ₱40 million to ₱32 million this year mainly due to lower information technology expenses recognized during the period.

*Rent, Light and Water Expenses* pertains to expenses incurred for utilities, office spaces and/or equipment leased by the Company. This expense remained unchanged at ₱7 million this year.

*Advertising and Communication Expenses* totaled ₱16 million, 15.8% or ₱3 million lower than last year's ₱169 million mainly due to lower advertising expenses incurred during the period from stocks brokering related activities.

*Representation and Traveling Expenses* totaled ₱8 million, 14.3% or ₱1 million higher than last year's expense of ₱7 million mainly due to higher expenses incurred for public relations activities which were directly related to the business development and promotion of the various investment products to potential clients of the Company.

*Interest expense* totaled ₱1 million, 83.3% or ₱5 million lower than last year's expense of ₱6 million mainly due to lower interest expense others incurred during the period.

*Other Expenses* includes expenses incurred on assets acquired, referral and service fees, contractual services, membership fees and dues, insurance, repairs and maintenance and other expenses. This account decreased by 6.3% or ₱4 million from ₱63 million to ₱59 million this year mainly due to lower other miscellaneous expenses incurred during the period.

*Share in net income of investees* represents 61.9% of the total revenues amounting to ₱1,006 million. This is 64.4% or ₱394 million lower than last year's results of ₱612 million. This year's share in net earnings mostly came from AXA.

*Provision for income taxes* consists of provision for final tax and income tax of the Company. The increase of 48.7% or ₱19 million from last year's ₱39 million to ₱58 million was mainly due to higher income subjected to final tax of the Company this year.

*Total comprehensive income* totaled ₱904 million this year, higher by 2,611.1% or ₱940 million compared with last year's total comprehensive loss of ₱36 million mainly due to higher changes in net unrealized gain(loss) on FVOCI investments and share in other comprehensive income(loss) of the Company's Associates.

In terms of return on equity, First Metro achieved 3.46% in 2023 as compared to 2.35% in 2022.

## **Financial Position**

The changes in total assets were primarily due to the movements in the following accounts:

### Asset

*Cash and other cash items* which comprises of due from other banks and other cash items, decreased by 1.8% or ₱23 million from ₱1,269 million to ₱1,246 million mainly due to lower outstanding time deposit balances this year.

*Fair Value Through Other Comprehensive Income (FVOCI)* represents investments in government securities and equity securities. The increase of 6.6% or ₱282 million from ₱4,274 million to ₱4,556 million was mainly due to additional acquisitions of government securities during the year.

*Loans and Receivables* consist of fringe benefit loan, dividend receivable and other receivable accounts. The increase of 444.1% or ₱262 million from ₱59 million to ₱321 million this year was mainly due to dividend receivable recorded during the year.

*Property and Equipment* pertains to condominium units and improvements, furniture, fixtures and equipment owned by the Company. The decrease of 28.8% or ₱19 million from ₱66 million to ₱47 million was mainly due to the depreciation expense recorded during the year.

*Investments in Subsidiaries and Associates* represents the costs of investments in shares of stocks in allied/non-allied undertakings. The ₱424 million increase from ₱9,472 million to ₱9,896 million this year was mainly due higher share in net earnings.

*Investment Properties* consists of land and condominium units held for sale or for lease. The amount remained at ₱179 million this year.

*Other Assets* This account includes prepayments, intangible assets, refundable deposits, deferred charges, unissued office supplies, input taxes and others. This account increased by ₱9 million from ₱699 million to ₱708 million this year mainly due to higher creditable withholding taxes and other miscellaneous asset during the year.

### Liabilities

*Dividends Payable* decreased by 1.1% or ₱1 million from ₱90 million to ₱89 million this year mainly due payment of outstanding payables.

*Accounts Payable* increased by 4.3% or ₱9 million from ₱210 million to ₱219 million this year mainly due to the higher unsettled purchases of the Company's participants and customers as of reporting date.

*Accrued Taxes, Interest and Other Expenses* consists of expenses incurred on taxes, licenses, retirement liability and other expenses which have remained unpaid as of reporting date. The increase of 108.6% or ₱63 million from ₱58 million to ₱121 million this year was mainly due to higher retirement liability and accrued other expenses as of reporting date.

*Income Taxes Payable* remained at ₱2 million for the year. The Company recorded a total of ₱58 million in income tax and final tax.

*Deferred tax liability* consists of net taxable temporary differences of the Company. This account remained at ₱2 million this year.

*Other Liabilities* consists of withholding taxes, subscription and premium payables, lease liability and other miscellaneous liabilities. This account decreased by 29.4% or ₱37 million from ₱163 million to ₱126 million this year mainly due to settled outstanding lease liability and miscellaneous liabilities as of reporting date.

### Equity

First Metro's capital funds ended at ₱16,396 million, ₱903 million higher from last year's ₱15,493 million, which translates to 1,782.34% risk-based capital adequacy ratio (RBCA). The changes of this account were primarily due to the following:

*Retained Earnings* increased by ₱467 million from ₱12,804 million to ₱13,271 million mainly due to due to the Company's results of operations recognized during the year.

*Net Unrealized Loss on FVOCI* decreased by 20.0% or ₱134 million from ₱670 million loss to ₱536 million this year mainly due to the improvement in market value the Company's investment in FVOCI during the year.

*Cumulative Translation Adjustment* increased by 16.6% or ₱3 million from ₱21 million to ₱24 million this year mainly due to the booking of foreign currency adjustment of the Company's foreign currency denominated equity investments with FMSALDBF.

*Remeasurement of Retirement Liability* decreased by 388.1% or ₱39 million from positive ₱10 million to negative ₱29 million mainly due to the effect of the remeasurements of the post-employment defined benefit plans to be recognized in other comprehensive income this year.

*Equity in Other Comprehensive Income of Subsidiaries and Associates* pertains to Equity Share on Decline in Value of Investments Securities, Translation Adjustment, Unrealized Gains (Losses) Arising from Remeasurement of Retirement and Life Insurance Reserves of the Company's Associates. This account increased by 149.3% or ₱246 million from a ₱165 million loss to positive ₱81 million gain this year mainly due to the effect of increases in remeasurement of retirement liabilities and life insurance reserves and the increase in the Company's proportionate share in the changes in the fair value of FVOCI investments of Associates.

## **Other Matters**

Other than the information on the financial positions, results of operations and business prospects discussed over the last three (3) years, the following disclosures are made on matters that affect the past or would have an impact on past and future operations of First Metro:

- First Metro does not have or anticipate having, within the next twelve (12) months, any cash flow or liquidity problems; is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; and has no significant amount of trade payables that have not been paid within the stated trade terms.
- There were no material commitments for capital expenditures during the past years and in the subsequent year.
- There are no known trends, events or uncertainties that First Metro had or that are reasonably expected to cause a material favorable or unfavorable impact on income from continuing operations;
- There are no significant elements of income or loss that did not arise from First Metro's continuing operations.
- There are no seasonal aspects that materially affect First Metro's financial positions and results of operations.
- There are no events that will trigger direct or contingent financial obligation that is material to First Metro, including any default or acceleration of an obligation.
- There are material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of First Metro with unconsolidated entities or other persons created during the reporting period (refer to Note 26, Commitments and Contingent Accounts of the audited financial statements as of December 31, 2025 and 2024).

## **Capital Management**

The primary objectives of the Company's capital management are to ensure that it complies with externally imposed capital requirements and it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Company manages its capital structure attuned to the changes in economic conditions and the risk characteristics of its activities. The Company may adjust the amount of dividend payments to shareholders or issue capital securities in order to maintain or adjust its capital structure. The Company has taken into consideration the impact of the regulatory requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.

## **Regulatory Qualifying Capital**

On March 29, 2021, the Company received the approval of the BSP for the surrender of its QB license effective March 25, 2021. Effective April 1, 2021, the regulatory capital is now based on the SEC-prescribed Risk Based Capital Adequacy (RBCA) rules.

The Amended Implementing Rules and Regulations of the SRC effective February 28, 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 ₱2.5 million or 2.5% of aggregate indebtedness (AI), 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 RBCA model; and

- c. to require unimpaired paid-up capital of ₱100.0 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; ₱10.0 million plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

RBCA ratio of a broker dealer, computed by dividing the Net Liquid Capital (NLC) by the Total Risk Capital Requirement (TRCR), should not be less than 110.0%. NLC and TRCR are computed based on the existing SRC. NLC consists of total equity adjusted for allowance for market decline, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the AI of every stockbroker should not exceed 2,000.0% of its NLC and at all times shall have and maintain NLC of at least ₱5.0 million or 5.0% of the AI, whichever is higher.

As of December 31, 2025, the Company is in compliance with the RBCA ratio. The RBCA ratio of the Company as reported to the SEC as of December 31, 2025 as shown in the table below:

	December 31, 2025
Equity Eligible for Net Liquid Capital	₱14,925,816,344
Ineligible Assets	(10,887,959,303)
Contingencies and Guarantees	(3)
<b>Net Liquid Capital (NLC)</b>	<b>₱4,037,857,038</b>
Position Risk Requirement	₱104,990,362
Operational Risk Requirement	156,100,207
Counterparty Risk Requirement	1,325,203
Large Exposure Risk Requirement	–
<b>Total Risk Capital Requirement (TRCR)</b>	<b>₱262,415,772</b>
<b>Aggregate Indebtedness (AI)</b>	<b>₱3,574,330,185</b>
5.00% of AI	₱178,716,509
Required NLC	178,716,509
Net Risk-Based Capital Excess	3,859,140,529
Ratio of AI to NLC	88.52%
RBCA ratio (NLC/TRCR)	1,538.72%

Further, SEC Memorandum Circular No. 16 dated November 11, 2004 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, margin financing risks, and
- c. operational risk.

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

***Ineligible assets***

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

***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.

#### *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.

#### *Counterparty risk requirement*

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

#### *Aggregate Indebtedness (AI)*

This is the total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities 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.

#### Retained Earnings

The computation of retained earnings available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following the BSP guidelines.

In the financial statements, a portion of the Company's retained earnings corresponding to accumulated equity in net earnings of the subsidiaries and associates amounting to ₱6.4 billion and ₱6.0 billion and as of December 31, 2025 and 2024, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon receipt of cash dividends from the investees. In addition, the amount of retained earnings equivalent to the cost of treasury shares being held by the Company is also restricted from being declared and issued as dividends.

#### Minimum Capital Requirements

As required by the Omnibus Rules and Regulations for Investment Houses and Universal Banks Registered as Underwriters of Securities, investment houses shall have a minimum initial paid-in capital of ₱300.0 million or such amount as the BSP may prescribe at the time of incorporation. Further, BSP requires a ₱200.0 million minimum paid-in capital for investment houses to be established in Metro Manila.

The Company's paid-in capital is ₱6.3 billion, which is above the required externally imposed minimum paid-in capital.

## Discussion of Key Performance Indicators

In evaluating its performance, First Metro regularly analyzes the results of current operations and compares these against budget and results of prior period. The results of operations reflect the financial end results and effectiveness of assets and liabilities management. A monthly financial review with senior management (through the President) is being conducted to present the operating performance and financial well-being of the Company. The review discloses the causes of any deviation and aids First Metro in controlling costs, evaluating performance and planning future goals.

Monthly results of operations and financial positions are also reported regularly to Metrobank, to the BOD and to the BSP.

The following basic ratios measure the financial performance of First Metro as of and for the years ended December 31, 2025 and 2024 (based on the audited figures) as well as for the interim period January 31, 2026 (based on the unaudited figures):

Performance Indicator	As of		
	Jan 31, 2026 (Unaudited)	Dec 31, 2025 (Audited)	Dec 31, 2024 (Audited)
a) Return on Average Assets	7.36%	11.63%	5.15%
b) Return on Average Equity	9.10%	13.19%	5.33%
c) Cost-to-Income Ratio	46.99%	57.73%	113.89%
d) Risk Based Capital Adequacy (RBCA) Ratio	1,423.63%	1,538.72%	2,231.24%
e) Ratio of Aggregate Indebtedness to Net Liquid Capital	87.53%	88.52%	9.70%

Detailed discussions on some of the key performance indicators of the Company are as follows:

- **Return on Assets**  
Return on Assets (ROA) or the ratio of annualized net income to average total assets, measures the return on money provided by both stockholders and creditors, as well as how efficiently all assets are managed. Year on year, ROA increased to 11.63% from 5.15% on account of the higher net income recognized during the year.
- **Return on Equity**  
Return on Equity (ROE) or the ratio of annualized net income to average capital funds, measures the return on capital provided by the stockholders. ROE rose to 13.19% this year from 5.33% last year, due to the effect of higher net income recognized during the year.
- **Cost-to-Income Ratio**  
This represents the ratio of total operating expenses (excluding provisions for credit and impairment losses and income tax) to total operating income (excluding share in net income of associates and recovery from impairment losses). It decreased to 57.73% from 113.89% last year due to higher net interest and operating income recognized during the year.
- **Risk Based Capital Adequacy (RBCA) Ratio**  
This represents the ratio of net liquid capital over total risk capital requirements.
- **Ratio of Aggregate Indebtedness to Net Liquid Capital**  
This represents the ratio of aggregate indebtedness over net liquid capital.

Below are the Key Performance Indicators of the Majority-Owned Subsidiaries:

**First Metro Securities Brokerage Corp:**

Performance Indicator	As of		
	Jan 31, 2026 (Unaudited)	Dec 31, 2025 (Audited)	Dec 31, 2024 (Audited)
a) Return on Average Assets <sup>1</sup>	1.68%	1.60%	1.98%
b) Return on Average Equity <sup>2</sup>	14.81%	12.42%	14.76%
c) Cost-to-Income Ratio <sup>3</sup>	73.61%	73.68%	66.37%
d) Risk Based Capital Adequacy (RBCA) Ratio <sup>4</sup>	250.43%	305.03%	181.06%
e) Ratio of Aggregate Indebtedness to Net Liquid Capital <sup>5</sup>	985.29%	924.90%	773.47%

<sup>1</sup> Annualized Net Income / Average Total Assets

<sup>2</sup> Annualized Net Income / Average Capital Funds

<sup>3</sup> Total Operating Expenses (excluding provisions for credit and impairment losses and income tax) / Total Operating Income (excluding share in net income of associates and recovery from impairment losses)

<sup>4</sup> Net Liquid Capital / Total Risk Capital Requirements

<sup>5</sup> Aggregate Indebtedness / Net Liquid Capital

**PBC Capital Investment Corporation:**

Performance Indicator	As of		
	Jan 31, 2026 (Unaudited)	Dec 31, 2025 (Unaudited)	Dec 31, 2024 (Audited)
a) Return on Average Assets <sup>1</sup>	0.13%	4.26%	5.35%
b) Return on Average Equity <sup>2</sup>	0.14%	4.33%	5.44%
c) Solvency Ratio <sup>3</sup>	1.72%	1.75%	1.64%
d) Debt to Equity Ratio <sup>4</sup>	1.75%	1.78%	1.67%
e) Asset to Equity Ratio <sup>5</sup>	101.75%	101.78%	101.67%

<sup>1</sup> Annualized Net Income / Average Total Assets

<sup>2</sup> Annualized Net Income / Average Equity

<sup>3</sup> Total Liabilities / Total Assets

<sup>4</sup> Total Liabilities / Total Equity

<sup>5</sup> Total Assets / Total Equity

**SBC Properties, Inc.:**

Performance Indicator	As of		
	Jan 31, 2026 (Unaudited)	Dec 31, 2025 (Unaudited)	Dec 31, 2024 (Audited)
a) Return on Average Assets <sup>1</sup>	0.25%	3.42%	4.45%
b) Return on Average Equity <sup>2</sup>	0.25%	3.43%	4.45%
c) Solvency Ratio <sup>3</sup>	0.07%	0.09%	0.08%
d) Debt to Equity Ratio <sup>4</sup>	0.07%	0.09%	0.08%
e) Asset to Equity Ratio <sup>5</sup>	100.07%	100.09%	100.08%

<sup>1</sup> Annualized Net Income / Average Total Assets

<sup>2</sup> Annualized Net Income / Average Equity

<sup>3</sup> Total Liabilities / Total Assets

<sup>4</sup> Total Liabilities / Total Equity

<sup>5</sup> Total Assets / Total Equity

**Prima Ventures Development Corporation:**

Performance Indicator	As of		
	Jan 31, 2026 (Unaudited)	Dec 31, 2025 (Unaudited)	Dec 31, 2024 (Audited)
a) Return on Average Assets <sup>1</sup>	-0.03%	18.64%	15.18%
b) Return on Average Equity <sup>2</sup>	-0.03%	18.71%	15.23%
c) Solvency Ratio <sup>3</sup>	0.38%	0.38%	0.34%
d) Debt to Equity Ratio <sup>4</sup>	0.38%	0.39%	0.34%
e) Asset to Equity Ratio <sup>5</sup>	100.38%	100.39%	100.34%

<sup>1</sup> Annualized Net Income / Average Total Assets

<sup>2</sup> Annualized Net Income / Average Equity

<sup>3</sup> Total Liabilities / Total Assets

<sup>4</sup> Total Liabilities / Total Equity

<sup>5</sup> Total Assets / Total Equity

**Resiliency (SPC), Inc.:**

Performance Indicator	As of		
	Jan 31, 2026 (Unaudited)	Dec 31, 2025 (Unaudited)	Dec 31, 2024 (Audited)
a) Return on Average Assets <sup>1</sup>	-1.10%	-9.71%	-4.30%
b) Return on Average Equity <sup>2</sup>	-1.15%	-10.10%	-4.45%
c) Solvency Ratio <sup>3</sup>	4.13%	4.34%	3.74%
d) Debt to Equity Ratio <sup>4</sup>	4.31%	4.54%	3.59%
e) Asset to Equity Ratio <sup>5</sup>	104.31%	104.54%	103.59%

<sup>1</sup> Annualized Net Income / Average Total Assets

<sup>2</sup> Annualized Net Income / Average Equity

<sup>3</sup> Total Liabilities / Total Assets

<sup>4</sup> Total Liabilities / Total Equity

<sup>5</sup> Total Assets / Total Equity

**First Metro Insurance Brokers Corporation:**

Performance Indicator	As of		
	Jan 31, 2026 (Unaudited)	Dec 31, 2025 (Unaudited)	Dec 31, 2024 (Audited)
a) Return on Average Assets <sup>1</sup>	0.11%	1.35%	1.41%
b) Return on Average Equity <sup>2</sup>	0.12%	1.37%	1.44%
c) Solvency Ratio <sup>3</sup>	2.19%	1.93%	1.88%
d) Debt to Equity Ratio <sup>4</sup>	2.23%	1.97%	1.92%
e) Asset to Equity Ratio <sup>5</sup>	102.23%	101.97%	101.92%

<sup>1</sup> Annualized Net Income / Average Total Assets

<sup>2</sup> Annualized Net Income / Average Equity

<sup>3</sup> Total Liabilities / Total Assets

<sup>4</sup> Total Liabilities / Total Equity

<sup>5</sup> Total Assets / Total Equity

## Financial Soundness Indicators

Performance Indicator	Formula	As of December 31	
		2025	2024
a. Current/Liquidity Ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	<b>159.63%</b>	630.78%
b. Solvency Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	<b>19.32%</b>	3.39%
c. Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	<b>23.95%</b>	3.51%
d. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	<b>123.95%</b>	103.51%
e. Interest Rate Coverage Ratio	$\frac{\text{Income before Interest Expense and Tax}}{\text{Interest Expense}}$	<b>12,511.35%</b>	(553.25%)
f. Return on Equity	$\frac{\text{Net Income after Tax}}{\text{Average Capital}}$	<b>13.19%</b>	5.33%
g. Return on Assets	$\frac{\text{Net Income after Tax}}{\text{Average Total Assets}}$	<b>11.63%</b>	5.15%
h. Net Profit Margin Ratio	$\frac{\text{Net Income}}{\text{Net Interest Income and Operating Income}}$	<b>235.74%</b>	195.81%
i. Risk Based Capital Adequacy Ratio	$\frac{\text{Net Liquid Capital}}{\text{Total Risk Capital Requirement}}$	<b>1,538.72%</b>	2,231.24%
j. Ratio of Aggregate Indebtedness to Net Liquid Capital	$\frac{\text{Aggregate Indebtedness}}{\text{Net Liquid Capital}}$	<b>88.52%</b>	9.70%

## **Form and Content of Schedules**

### **Statements of Financial Position**

#### **1. Financial Assets**

Name of issuing entity	Number of Shares/Principal amount of bonds/notes	Amount shown in the statement of financial position	Valued based in market quotation at end of reporting period	Income/(Loss) received and accrued
Loans and Receivables:				
Loans and Discount:	₱13,888,437	₱13,888,437	₱13,888,437	
Other Receivables	59,594,822	59,594,822	58,707,572	
	73,483,259	73,483,259	72,596,009	
Allowance for Credit Losses	(887,250)	(887,250)	–	
	72,596,009	72,596,009	72,596,009	₱495,155
FVOCI:				
Government Securities	5,505,000,000	5,567,327,473		
Equity Securities				
Axelum Resources Corp.	126,435,577	298,387,962		
The Philippine Stock Exchange, Inc.	2,169,696	445,655,558		
First Metro Philippine Equity Exchange Traded Fund, Inc.	7	707		
Other Issuers	496,566	191,656,736		
	5,634,101,846	6,503,028,436	6,503,028,436	290,055,142
	₱5,706,697,855	₱6,575,624,445	₱6,575,624,445	₱290,550,296

Financial assets at FVOCI investments are measured in the statement of financial position at fair value.

Loans and receivables are measured in the statement of financial position at amortized cost using the effective interest rate and method, less allowance for credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate (EIR).

#### **2. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties) in the ordinary course of business**

Name of and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Noncurrent	Balance at end of period
Officers and staff	₱2,982,337	₱ 12,480,000	(₱1,573,899)	(₱–)	₱148,457	₱13,739,980	₱13,888,437

#### **3. Intangible Assets - Other Assets**

Movements in intangible assets follow:

	2025
Balance at beginning of year	₱2,967,404
Additions at cost (cash expenditure)	4,870,000
Charged to cost and expenses	(3,064,904)
Balance at end of the period	₱4,772,500

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**4. Long Term Debt**

As of December 31, 2025, First Metro had no long-term debt.

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**5. Indebtedness to Related Parties (Long Term Loans from Related Companies)**

As of December 31, 2025, First Metro had no long-term debt to related parties.

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**6. Guarantees of Securities of Other Issuers**

As of December 31, 2025, First Metro had no outstanding guarantees of securities of other issuers.

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**7. Capital Stock**

	Common Stock
Authorized number of shares	16,000,000
Number of shares issued and outstanding as shown under the related statement of financial position caption	7,448,625*
Number of shares reserve for options, warrants, conversion and other rights	—
Number of shares held by affiliates	7,394,739
Number of shares held by directors, officers and employees	36

\* Net of 968,760 Treasury Shares as of December 31, 2024

**Statements of Income****Interest Expense**

The breakdown of interest expense for the year ended December 31, 2024 and 2023 is shown below:

	2025	2024
Borrowings from local banks	P—	P232,313
Others	3,300,778	3,939,328
	<u>P3,300,778</u>	<u>P4,171,641</u>

## Financial and Other Information

The following are attached annexes hereto:

Audited FS	Annex "1"
Independent Auditors Report on Supplementary Schedules	Annex "2"
Statement of Management Responsibility	Annex "3"
Reconciliation of Retained Earnings	Annex "4"
Summary of Underwriting Activities	Annex "5"
Transactions with DOSRI	Annex "6"
Map of the Conglomerate	Annex "7 to 7C"
Financial Soundness Indicators	Annex "8"
Form and Content of Schedules	Annex "9"

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on 31 March 2026.

### FIRST METRO INVESTMENT CORPORATION

By:

  
MAURO B. PLACENTE  
Treasurer



**CERTIFICATION**

I, NIMFA G. BALMES-PASTRANA, of legal age, Filipino citizen, married with office address at 45<sup>th</sup> Floor, GT Tower International, Ayala Avenue corner H.V de la Costa St., Makati City, being the duly elected Corporate Secretary of First Metro Investment Corporation, a corporation duly organized and existing under the laws of the Philippines with principal office at the 45<sup>th</sup> Floor, GT Tower International, Ayala Avenue corner H.V de la Costa St., Makati City, do hereby certify that none of the members of the Board of Directors of First Metro is an appointed officer or employee in any Government agency.

This certification is issued in compliance with the requirements of the Securities and Exchange Commission for the submission of the Definitive Information Statement (SEC Form 20-IS) of First Metro Investment Corporation.

30<sup>th</sup> day of March 2026, Makati City.

*Nimfa Balmes-Pastrana*  
 NIMFA BALMES-PASTRANA  
 Corporate Secretary

**MAR 31 2026**

SUBSCRIBED AND SWORN to before me on \_\_\_\_\_ day of \_\_\_\_\_ in Makati City, Philippines, affiant exhibiting to me her Unified Multi-Purpose ID. No. CRN-0003-9622438-3.

NOTARY PUBLIC  
 Until December 31, 200\_\_.

Doc. No. 293 ;  
 Page No. 60 ;  
 Book No. 7 ;  
 Series of 2026.

*[Signature]*  
 ATTY. ZATHA KATE L. DELA PEÑA  
 NOTARY PUBLIC FOR MAKATI CITY  
 Commission No. M-554  
 Until December 31, 2026  
 PTR No. 10767073 / 05 January 2026 / Makati City  
 IBP No. 586824 / 05 January 2026 / Makati City  
 Roll of Attorneys No. 94422  
 Suite 2302, 139 Corporate Center, Valero St.,  
 Salcedo Village, Makati City  
 MCLE – Admitted to the Bar in 2025

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) S. S.

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, Benedicto Jose R. Arcinas, Filipino of legal age and resident of 66 Ifugao, La Vista, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of First Metro Investment Corporation and have been its independent director since April 2021;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Arcinas Freres, Inc.	President and Director	Since January 2012

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Investment Corporation as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am NOT related to any director/officer/substantial shareholder of First Metro Investment Corporation, its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of First Metro Investment Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this MAR 31 2026 day of March 2026. Makati City.


  
BENEDICTO JOSE R. ARCINAS  
Independent Director

MAR 31 2026

SUBSCRIBED AND SWORN to before me on \_\_\_\_\_ day of March 2026 in Makati City, Philippines, affiant exhibiting to me his Passport ID No. P8070033A issued on July 24, 2018.

NOTARY PUBLIC  
Until December 31, 200\_\_.

Doc. No. 292 ;  
Page No. 60 ;  
Book No. 7 ;  
Series of 2026.

  
ATTY. ZATHE KATE L. DELA PEÑA  
NOTARY PUBLIC FOR MAKATI CITY  
Commission No. M-554  
Until December 31, 2026  
PTR No. 10767073 / 05 January 2026 / Makati City  
IBP No. 586824 / 05 January 2026 / Makati City  
Roll of Attorneys No. 94422  
Suite 2302, 139 Corporate Center, Valero St.,  
Salcedo Village, Makati City  
MCLE - Admitted to the Bar in 2025

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) S. S.

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, Luis Juan B. Oreta, Filipino, of legal age and resident of 2018 Kalamansi Street Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of First Metro Investment Corporation and have been its independent director since May 5, 2023;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Quezon Memorial Academy, Umingan, Pangasinan	Vice Chairman of the Board	2019 – Present
U.P. Vanguard, Inc.	National Commander (equivalent of President)	May 2023 – Present
First Metro Securities Brokerage Corporation	Independent Director	May 29, 2025 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Investment Corporation as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am NOT related to any director/officer/substantial shareholder of First Metro Investment Corporation, its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of First Metro Investment Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this MAR 31 2026 day of March 2026. Makati City.




LUIS JUAN B. ORETA  
Nominee for Independent Director

SUBSCRIBED AND SWORN to before me on MAR 31 2026 day of March 2026 in Makati City, Philippines, affiant exhibiting to me his Passport ID No. P8267894B valid until November 23, 2031.

NOTARY PUBLIC  
Until December 31, 200\_\_.

Doc. No. 291 ;  
Page No. 60 ;  
Book No. 7 ;  
Series of 2026.



ATTY. ZATHEL KATE L. DELA PEÑA  
NOTARY PUBLIC FOR MAKATI CITY  
Commission No. M-554  
Until December 31, 2026  
PTR No. 10767073 / 05 January 2026 / Makati City  
IBP No. 586824 / 05 January 2026 / Makati City  
Roll of Attorneys No. 94422  
Suite 2302, 139 Corporate Center, Valero St.,  
Salcedo Village, Makati City  
MCLE – Admitted to the Bar in 2025

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

0	2	3	2	6	9				
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**COMPANY NAME**

F	I	R	S	T		M	E	T	R	O		I	N	V	E	S	T	M	E	N	T		C	O	R	P	O	R	A
T	I	O	N																										

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

4	5	t	h		F	l	o	o	r	,		G	T		T	o	w	e	r		I	n	t	e	r	n	a	t	i
o	n	a	l	,		A	y	a	l	a		A	v	e	n	u	e		C	o	r	n	e	r		H	.	V	.
d	e	l	a		C	o	s	t	a		S	t	r	e	e	t	,		M	a	k	a	t	i		C	i	t	y

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

G	S	E	D
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**COMPANY INFORMATION**

Company's Email Address

antonio.ocampo@firstmetro.com.ph
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Company's Telephone Number

8858-7900
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Mobile Number


No. of Stockholders

1,255
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Annual Meeting (Month / Day)

Not later than last working day of April
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Fiscal Year (Month / Day)

12/31
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**CONTACT PERSON INFORMATION**The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Antonio R. Ocampo Jr.
-----------------------

Email Address

antonio.ocampo@firstmetro.com.ph
----------------------------------

Telephone Number/s

8858-7900
-----------

Mobile Number

--

**CONTACT PERSON'S ADDRESS**

45th Floor, GT Tower International, Ayala Avenue corner H.V. dela Costa St., Makati 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.



## **INDEPENDENT AUDITOR'S REPORT**

The Stockholders and the Board of Directors  
First Metro Investment Corporation  
45<sup>th</sup> Floor, GT Tower International  
Ayala Avenue corner. H.V. Dela Costa Street  
Makati City

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of First Metro Investment Corporation (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024 and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and 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 audit 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.

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

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



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

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

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

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Reports on the Supplementary Information Required Under Revenue Regulations No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 32 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of First Metro Investment Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

*Glenda C. Anisco-Niño*  
Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

Tax Identification No. 225-158-629

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

SEC Partner Accreditation No. 114462-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028

PTR No. 10765006, January 2, 2026, Makati City

February 25, 2026



**FIRST METRO INVESTMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and other cash items (Note 6)	<b>₱2,033,295,323</b>	₱1,961,715,424
Investment securities at Fair value through other comprehensive income (FVOCI) (Note 7)	<b>6,503,028,436</b>	5,129,751,707
Loans and receivables (Notes 8, 13 and 25)	<b>72,596,009</b>	39,469,150
Property and equipment (Note 9)	<b>60,131,512</b>	31,655,714
Investments in subsidiaries and associates (Notes 10, 13 and 25)	<b>8,968,028,275</b>	8,197,289,816
Investment properties (Notes 11 and 13)	<b>177,937,054</b>	178,376,091
Other assets (Notes 12 and 25)	<b>685,129,920</b>	713,983,028
	<b>₱18,500,146,529</b>	₱16,252,240,930
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Dividends payable (Notes 17 and 29)	<b>₱3,097,438,890</b>	₱88,373,690
Accounts payable (Notes 14 and 25)	<b>196,498,140</b>	232,699,719
Accrued taxes, interest and other expenses (Notes 14 and 25)	<b>139,496,253</b>	135,074,856
Deferred tax liabilities (Note 24)	<b>2,470,014</b>	2,470,014
Other liabilities (Notes 15 and 25)	<b>138,426,888</b>	92,026,707
	<b>3,574,330,185</b>	550,644,986
<b>EQUITY</b>		
Common stock (Note 17)	<b>4,208,692,500</b>	4,208,692,500
Capital paid in excess of par value	<b>2,065,694,361</b>	2,065,694,361
Retained earnings (Note 17)	<b>11,545,836,875</b>	12,527,944,957
Treasury stock (Note 17)	<b>(2,663,485,816)</b>	(2,663,485,816)
Net unrealized loss on FVOCI investments (Notes 7 and 25)	<b>(293,182,660)</b>	(393,937,216)
Remeasurements of retirement liability (Note 20)	<b>(27,775,754)</b>	(26,814,749)
Equity in other comprehensive income (loss) of subsidiaries and associates (Note 10)	<b>90,036,838</b>	(16,498,093)
	<b>14,925,816,344</b>	15,701,595,944
	<b>₱18,500,146,529</b>	₱16,252,240,930

*See accompanying Notes to Financial Statements.*



**FIRST METRO INVESTMENT CORPORATION**  
**STATEMENTS OF INCOME**

	<b>Years Ended December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>INCOME</b>			
Service charges, fees and commissions (Notes 21 and 25)	<b>₱459,684,066</b>	₱151,722,215	₱279,340,055
Interest income (Note 18)	<b>373,375,340</b>	330,097,042	285,796,175
Dividends (Notes 7 and 25)	<b>36,118,961</b>	28,816,472	26,529,598
Foreign exchange gain (loss)	<b>14,571</b>	223,092	(1,846,444)
Trading and securities gain (Notes 7 and 25)	<b>–</b>	4,944,212	25,406,278
Gain (loss) on sale of assets (Notes 9, 10 and 11)	<b>(29,749,480)</b>	(76,520,900)	222,636
Miscellaneous (Note 23)	<b>20,724,366</b>	1,385,273	3,714,728
<b>TOTAL INCOME</b>	<b>860,167,824</b>	440,667,406	619,163,026
<b>EXPENSES</b>			
Compensation and fringe benefits (Notes 20 and 25)	<b>284,838,974</b>	289,557,587	315,057,069
Professional fees	<b>52,368,321</b>	23,485,368	68,769,890
Taxes and licenses	<b>47,438,264</b>	33,396,517	30,782,504
Depreciation of property and equipment and investment properties (Notes 9 and 11)	<b>32,115,096</b>	27,282,022	37,871,117
Information technology and related expenses (Notes 12 and 23)	<b>18,951,635</b>	24,657,230	32,206,044
Advertising and communication expenses	<b>10,734,192</b>	14,115,456	16,131,107
Representation and entertainment (Note 25)	<b>7,732,418</b>	8,644,089	8,319,079
Rent, light and water	<b>5,854,621</b>	17,244,700	7,169,374
Interest expense (Note 19)	<b>3,300,778</b>	4,171,641	864,019
Broker's commissions	<b>1,341,268</b>	3,313,006	–
Provision for (recovery from) impairment, credit and other probable losses (Notes 10 and 13)	<b>(552,232,768)</b>	157,782,031	438,528,073
Miscellaneous (Notes 11 and 23)	<b>33,259,428</b>	55,447,467	59,613,071
	<b>(54,297,773)</b>	659,097,114	1,015,311,347
<b>INCOME (LOSS) BEFORE SHARE IN NET INCOME OF SUBSIDIARIES AND ASSOCIATES</b>	<b>914,465,597</b>	(218,429,708)	(396,148,321)
<b>SHARE IN NET INCOME OF SUBSIDIARIES</b> (Note 10)	<b>106,296,872</b>	193,792,698	177,688,533
<b>SHARE IN NET INCOME OF ASSOCIATES</b> (Note 10)	<b>1,078,995,203</b>	960,474,414	828,452,538
<b>INCOME BEFORE INCOME TAX</b>	<b>2,099,757,672</b>	935,837,404	609,992,750
<b>PROVISION FOR INCOME TAX</b> (Note 24)	<b>79,748,317</b>	81,127,807	58,107,844
<b>NET INCOME</b>	<b>₱2,020,009,355</b>	₱854,709,597	₱551,884,906

*See accompanying Notes to Financial Statements.*



**FIRST METRO INVESTMENT CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
<b>NET INCOME</b>	<b>₱2,020,009,355</b>	<b>₱854,709,597</b>	<b>₱551,884,906</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Items that recycle to profit or loss in subsequent periods:</i>			
Changes in net unrealized gain (loss) on FVOCI debt investments (Note 7)	39,278,369	(13,927,795)	73,419,090
Share in other comprehensive income (loss) of subsidiaries (Note 10)	3,848,388	(24,564,690)	2,110,047
Share in other comprehensive income (loss) of associates (Note 10)	(69,199,795)	10,177,977	250,679,818
	<b>(26,073,038)</b>	<b>(28,314,508)</b>	<b>326,208,955</b>
<i>Items that do not recycle to profit or loss in subsequent periods:</i>			
Changes in net unrealized gain (loss) on FVOCI equity investments (Note 7)	61,476,187	58,460,890	(24,547,713)
Remeasurements of retirement liability (Note 20)	(961,005)	2,095,637	(38,945,519)
Share in other comprehensive income (loss) of subsidiaries (Note 10)	26,364,555	(3,820,949)	93,470,144
Share in other comprehensive income (loss) of associates (Note 10)	143,404,346	(76,667,204)	(3,904,431)
	<b>230,284,083</b>	<b>(19,931,626)</b>	<b>26,072,481</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>204,211,045</b>	<b>(48,246,134)</b>	<b>352,281,436</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱2,224,220,400</b>	<b>₱806,463,463</b>	<b>₱904,166,342</b>

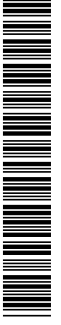
See accompanying Notes to Financial Statements.



**FIRST METRO INVESTMENT CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**

	Common Stock (Note 17)	Capital Paid in Excess of Par Value (Note 17)	Retained Earnings (Note 17)	Treasury Stock (Note 17)	Net Unrealized Gain (Loss) on FVOCI Investments (Notes 7 and 25)	Remeasurements of Retirement Liability (Note 20)	Equity in Other Comprehensive Income (Loss) of Subsidiaries and Associates (Note 10)	Total Equity
<b>Balance at January 1, 2025</b>	<b>₱4,208,692,500</b>	<b>₱2,065,694,361</b>	<b>₱12,527,944,957</b>	<b>(₱2,663,485,816)</b>	<b>(₱393,937,216)</b>	<b>(₱26,814,749)</b>	<b>(₱16,498,093)</b>	<b>₱15,701,595,944</b>
Total comprehensive income (loss)	—	—	2,020,009,355	—	100,754,556	(961,005)	104,417,494	2,224,220,400
Dividends declared	—	—	(3,000,000,000)	—	—	—	—	(3,000,000,000)
Realized loss on disposal charged against retained earnings (Note 10)	—	—	(2,117,437)	—	—	—	2,117,437	—
<b>Balance at December 31, 2025</b>	<b>₱4,208,692,500</b>	<b>₱2,065,694,361</b>	<b>₱11,545,836,875</b>	<b>(₱2,663,485,816)</b>	<b>(₱293,182,660)</b>	<b>(₱27,775,754)</b>	<b>₱90,036,838</b>	<b>₱14,925,816,344</b>
<b>Balance at January 1, 2024</b>	<b>₱4,208,692,500</b>	<b>₱2,065,694,361</b>	<b>₱13,270,644,989</b>	<b>(₱2,663,351,704)</b>	<b>(₱535,879,940)</b>	<b>(₱28,910,386)</b>	<b>₱78,376,773</b>	<b>₱16,395,266,593</b>
Total comprehensive income (loss)	—	—	854,709,597	—	44,533,095	2,095,637	(94,874,866)	806,463,463
Dividends declared	—	—	(1,500,000,000)	—	—	—	—	(1,500,000,000)
Acquisition of treasury shares (Note 17)	—	—	—	(134,112)	—	—	—	(134,112)
Realized loss on disposal charged against retained earnings (Note 7)	—	—	(97,409,629)	—	97,409,629	—	—	—
<b>Balance at December 31, 2024</b>	<b>₱4,208,692,500</b>	<b>₱2,065,694,361</b>	<b>₱12,527,944,957</b>	<b>(₱2,663,485,816)</b>	<b>(₱393,937,216)</b>	<b>(₱26,814,749)</b>	<b>(₱16,498,093)</b>	<b>₱15,701,595,944</b>
<b>Balance at January 1, 2023</b>	<b>₱4,208,692,400</b>	<b>₱2,065,694,042</b>	<b>₱12,803,987,348</b>	<b>(₱2,662,030,617)</b>	<b>(₱669,978,582)</b>	<b>₱10,035,133</b>	<b>(₱263,978,805)</b>	<b>₱15,492,420,919</b>
Total comprehensive income (loss)	—	—	551,884,906	—	48,871,377	(38,945,519)	342,355,578	904,166,342
Issuance of common stock (Note 17)	100	319	—	—	—	—	—	419
Acquisition of treasury shares (Note 17)	—	—	—	(1,321,087)	—	—	—	(1,321,087)
Realized loss on disposal charged against retained earnings (Note 7)	—	—	(85,227,265)	—	85,227,265	—	—	—
<b>Balance at December 31, 2023</b>	<b>₱4,208,692,500</b>	<b>₱2,065,694,361</b>	<b>₱13,270,644,989</b>	<b>(₱2,663,351,704)</b>	<b>(₱535,879,940)</b>	<b>(₱28,910,386)</b>	<b>₱78,376,773</b>	<b>₱16,395,266,593</b>

See accompanying Notes to Financial Statements.



# FIRST METRO INVESTMENT CORPORATION

## STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	₱2,099,757,672	₱935,837,404	₱609,992,750
Adjustments for:			
Share in net income of associates (Note 10)	(1,078,995,203)	(960,474,414)	(828,452,538)
Provision for (recovery from) impairment, credit, and other probable losses (Note 13)	(552,232,768)	157,782,031	438,528,073
Share in net income of subsidiaries (Note 10)	(106,296,872)	(193,792,698)	(177,688,533)
Dividend income (Notes 7 and 10)	(36,118,961)	(28,816,472)	(26,529,598)
Depreciation and amortization (Notes 9, 11 and 12)	35,180,000	30,621,742	42,921,485
Loss from sale or redemption of Investment in subsidiaries and associates (Note 10)	29,996,973	77,088,152	–
Amortization of premium or discount on financial assets	(21,337,482)	(18,737,724)	(10,989,911)
Interest expense on lease liability (Notes 19 and 20)	3,300,778	88,521	799,790
Gain on sale of property and equipment (Note 9)	(247,493)	(567,252)	(222,636)
Loss on sale of FVOCI debt investments (Note 7)	–	–	16,174
Unrealized foreign exchange loss	–	–	25,902
Changes in operating assets and liabilities:			
Decrease (increase) in the amounts of:			
Loans and receivables	(37,908,734)	3,209,049	19,511,336
Other assets	29,191,377	(3,670,359)	(14,731,365)
Increase (decrease) in the amounts of:			
Accounts payable	(36,201,579)	14,138,597	9,038,057
Accrued taxes, interest and other expenses	4,169,308	27,608,052	22,786,393
Other liabilities	15,211,794	(31,097,540)	5,393,152
Net cash generated from operations	347,468,810	9,217,089	90,398,531
Income taxes paid	(79,748,317)	(83,548,701)	(57,484,193)
Net cash provided by (used in) operating activities	267,720,493	(74,331,612)	32,914,338
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Investment securities at FVOCI	(3,048,055,691)	(1,743,928,901)	(1,073,116,292)
Property and equipment (Note 9)	(7,768,857)	(12,473,038)	(19,064,787)
Software licenses (Note 12)	(4,870,000)	(5,681,565)	(506,092)
Capital infusion to subsidiaries (Note 10)	–	(464,967,689)	(50,000,001)
Proceeds from sale/redemption/maturities of:			
Investment in subsidiaries and associates (Note 10)	171,138,217	2,431,697,347	50,000,001
Investment securities at FVOCI	1,794,753,563	1,233,524,901	935,702,716
Property and equipment (Note 9)	6,909,702	2,063,139	839,327
Dividends received from subsidiaries and associates (Note 10)	876,968,000	834,486,218	100,350,000
Dividends received from investment securities	36,118,961	28,816,472	26,529,598
Net cash provided by (used in) investing activities	(174,806,105)	2,303,536,884	(29,265,530)

(Forward)



	Years Ended December 31		
	2025	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of lease liability (Note 22)	(P21,334,489)	(P11,979,260)	(P25,677,161)
Dividends paid	-	(1,501,025,896)	(146,829)
Proceeds from issuance of bills payable	-	683,322,000	170,161,364
Payments of bills payable	-	(683,322,000)	(170,187,266)
Acquisition of treasury shares (Note 17)	-	(134,112)	(1,321,087)
Issuance of common shares	-	-	419
Net cash used in financing activities	(21,334,489)	(1,513,139,268)	(27,170,560)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>71,579,899</b>	<b>716,066,004</b>	<b>(23,521,752)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,961,715,424</b>	<b>1,245,649,420</b>	<b>1,269,171,172</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>P2,033,295,323</b>	<b>P1,961,715,424</b>	<b>P1,245,649,420</b>
<b>OPERATIONAL CASH FLOWS FROM INTEREST</b>			
	Years Ended December 31		
	2025	2024	2023
Interest paid	P-	P4,083,120	P64,229
Interest received	345,905,403	331,852,360	276,977,329

See accompanying Notes to Financial Statements



# **FIRST METRO INVESTMENT CORPORATION**

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## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Corporate Information**

First Metro Investment Corporation (the Company or the Parent Company) is an investment house incorporated on August 30, 1972 in Metro Manila. On September 22, 2000, the Company was merged with Solidbank Corporation (Solidbank) with Solidbank as the surviving entity and subsequently renamed as First Metro Investment Corporation. The Company's shares of stock (originally Solidbank) were listed in the Philippine Stock Exchange, Inc. (PSE) on October 25, 1963 and were subsequently delisted effective December 21, 2012. The Company is a 99.3%-owned subsidiary of Metropolitan Bank & Trust Company (MBTC or the Ultimate Parent Company).

The Company is primarily engaged in investment banking and previously had a quasi-banking (QB) license from the Bangko Sentral ng Pilipinas (BSP). It provides services such as equity and debt underwriting, loan syndication, project finance and financial advisory. On November 24, 2020, in line with the transformation initiative of the Company, the Board of Directors (BOD) approved the proposal to return its QB license with the BSP on December 21, 2020. On March 29, 2021, the Company received the approval of the BSP for the surrender of its QB license effective March 25, 2021.

#### Amendments on the Articles of Incorporation

On March 29, 2021 and April 30, 2021, the BOD and the stockholders approved respectively, by majority vote in case of BOD, and by at least two-thirds of outstanding capital stocks in case of stockholders, the amendment of articles of incorporation, pertaining to (1) removal in the primary purpose to engage in QB and trust activities in view of the recent approval of the BSP of the surrender of the QB license and the surrender of the trust license, and (2) the increase in par value from ₱10.0 per share to ₱500.0 per share, and decrease the number of authorized common shares from 800.0 million common shares to 16.0 million common shares. On August 2, 2023, the Company had notified the SEC in relation to the amendments of articles of incorporation, as well as the reverse stock split. On September 15, 2023, the SEC approved the amendments of the articles of incorporation. Following the SRC Rule 17.2.3, and as a result of the amendment, the Company now falls outside the definition of a public company.

The Company's principal place of business is located at 45th Floor, GT Tower International, Ayala Avenue corner H.V. dela Costa Street, Makati City.

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### **2. Accounting Policies**

#### Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis except for debt and equity investment securities classified as financial assets at fair value through other comprehensive income (FVOCI). The financial statements are presented in Philippine peso (₱), the functional currency of the Company and all values are rounded to the nearest peso except when otherwise indicated.

The financial statements of the Company provide comparative information in respect of the previous period.



#### Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

#### Presentation of Financial Statements

The statements of financial position of the Company are presented in order of liquidity. An analysis regarding the recovery of assets or settlement of liabilities within twelve (12) months after the statement of financial position date (current) and more than twelve (12) months after the statement of financial position date (noncurrent) is presented in Note 16.

#### Separate Financial Statements

The accompanying financial statements are the separate financial statements of the Parent Company prepared for statutory filing and taxation purposes. As allowed under PFRS 10, *Consolidated Financial Statements*, the Parent Company has elected not to prepare consolidated financial statements since both its financial statements and those of its subsidiaries are included in the consolidated financial statements of its Ultimate Parent Company, MBTC, which are in accordance with PFRS Accounting Standards and are publicly available. Additionally, the Parent Company does not have debt or equity securities traded in an organized financial market and is not in the process of filing its financial statements with securities commissions or other regulatory bodies for the purpose of issuing any class of instruments in an organized financial market.

The registered office address of MBTC is GT Tower International, Ayala Avenue corner H.V. dela Costa Street, Makati City.

#### Changes in Accounting Policies and Disclosures

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

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

- 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.

#### **Material Accounting Policy Information**

##### Foreign Currency Translation

The Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company is Philippine peso.



### *Transactions and balances*

For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities are translated in Philippine peso based on The Bankers Association of the Philippines (BAP) closing rate prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the prevailing exchange rates as at the date of transaction. Foreign exchange differences arising from revaluation and translation of foreign currency-denominated assets and liabilities are credited to or charged against operations in the year in which the rates change.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### Fair Value Measurement

The Company measures financial instruments at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The 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 to the Company.

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 nonfinancial 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 Company 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 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



### Financial Instruments - Initial Recognition

#### *Date of recognition*

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place are recognized on the settlement date. Deposits, amounts due to banks and customers and loans are recognized when cash is received by the Company or advanced to the borrowers.

#### *Initial recognition of financial instruments*

All financial instruments are initially measured at fair value. Except for financial assets and financial liabilities valued at FVTPL, the initial measurement of financial instruments includes transaction costs.

### Financial Instruments – Classification and Subsequent Measurement

The Company classifies its financial assets in the following categories: investment securities at FVOCI and investment securities measured at amortized cost while financial liabilities are classified as financial liabilities at FVTPL and financial liabilities at amortized cost. The classification of financial instruments depends on the contractual terms and the business model for managing the instruments. Subsequent to initial recognition, the Company 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 Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

As a second step of its classification process, the Company assess the contractual terms of financial assets to identify whether they pass the contractual cash flows test (SPPI test). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In contrast, contractual terms that introduce a more than de minimis exposure to risks or validity in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL.

#### *Financial assets or financial liabilities held for trading (FVTPL)*

Debt instruments that do not meet the amortized cost criteria, or that meet the criteria but the Company has chosen to designate as at FVTPL at initial recognition, are classified as financial assets at FVTPL. Equity investments are classified as financial assets at FVTPL, unless the Company designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Company's financial assets at FVTPL include government securities, corporate bonds and equity securities which are held for trading purposes and debt instruments which contractual cash flows is not SPPI.

A financial asset is considered as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or,



- it is a derivative that is not designated and effective as a hedging instrument or financial guarantee.

Financial assets at FVTPL are measured at fair value. Related transaction costs are recognized directly as expense in profit or loss. Unrealized gains and losses arising from changes (mark-to-market) in the fair value of the financial assets at FVTPL category and realized gains or losses arising from disposals of these instruments are included in 'Trading and securities gains (losses)' in the statements of income.

Interest earned on these investments is reported in statements of income under Interest income account while dividend income is reported as 'Dividends' in the statements of income account when the right of payment has been established.

#### *Investment securities at FVOCI*

Investment securities at FVOCI include debt and equity instruments. After initial measurement, FVOCI investments are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of FVOCI investments are excluded, net of tax, from the reported earnings and are included in the statement of comprehensive income as 'Changes in net unrealized gain/(loss) on FVOCI investments'.

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 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 FVOCI debt securities, as well as the impact of restatement on foreign currency-denominated FVOCI debt securities, are reported in the statement of income. Interest earned on holding FVOCI investments are reported as 'Interest income' using the effective interest rate (EIR) method. When the FVOCI debt securities are disposed of, the cumulative gain or loss previously recognized in other comprehensive income is recognized as 'Trading and securities gains (losses)' in the statement of income. The ECL arising from impairment of such investments do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit or loss upon derecognition.

Equity instruments designated at FVOCI are those that the Company made an irrevocable election to present in OCI the subsequent changes in fair value. Dividends earned on holding these equity securities are recognized in the statement of income as 'Dividends' when the right of the payment has been established. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in other of comprehensive income is reclassified to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

#### *Investment securities at amortized cost*

Investment securities 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 financial assets in order to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount. These include 'Cash and other cash items', 'Investment securities at amortized cost' and 'Loans and 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 statement of income. Gains and losses are recognized in statement of income when these investments are derecognized or impaired, as well as through the amortization process. The expected credit losses are recognized in the statement of income under 'Provision for (recovery from) impairment, credit and other probable losses'. The effects of revaluation on foreign currency-denominated investments are recognized in the statement of income.

#### Financial Liabilities Carried at Amortized Cost

Issued financial instruments or their components, which are not designated at FVTPL, are classified as financial liabilities carried at amortized cost accounts, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity shares. Financial liabilities carried at amortized cost include other appropriate financial liability accounts.

After initial measurement similar financial liabilities not qualified as and not designated as FVTPL, are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. Any effects of restatement on foreign currency-denominated liabilities are recognized in the statement of income.

#### Reclassification of Financial Assets

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company 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 characteristics of the instrument's contractual cash flows need the amortized cost criteria.

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

#### Classification of Financial Instruments between Debt and Equity

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

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

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

#### Impairment of Financial Assets

The Company records allowance based on a forward-looking expected credit losses (ECL) approach for all loans and other debt financial assets not held at FVTPL, together with loan commitments. Equity instruments are not subject to impairment under PFRS 9.



#### *Overview of the ECL principles*

The ECL allowance is based on the credit losses expected to arise on 12-month duration if there was no significant increase in the credit risk (SICR) of the financial asset since origination. Otherwise if a SICR is observed, then the ECL estimation is extended until the end of the life of the financial asset. The 12-month ECL represents the losses that result from default events on a financial asset which may happen within 12 months after the reporting date. The Lifetime ECL on the other hand represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Based on these processes, debt financial assets are grouped into Stage 1, Stage 2, and Stage 3 as described below.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. The Company recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires a lifetime ECL for impaired financial instruments.

#### *Definition of “default” and “cure”*

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e. to have cured) when it no longer meets any of the default criteria and has exhibited a satisfactory track record.

Treasury exposures are considered in default upon occurrence of a credit event such as but not limited to bankruptcy of counterparty, restructuring, failure to pay on agreed settlement date, or request for moratorium.

#### *SICR*

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company’s internal credit assessment, the borrower or counterparty is determined to have well-defined credit weaknesses. For exposures without internal credit grades, if contractual payments are more than 30 days past due threshold, the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Company shall revert to recognizing a 12-month ECL.



#### *ECL parameters and methodologies*

ECL is a function of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), with the timing of the loss also considered.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Company segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

EAD is modelled on historical data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn committed amounts, EAD includes an estimate of any further amount to be drawn at the time of default.

LGD is the amount that may not be recovered in the event of default and is modelled based on historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. LGD takes into consideration the amount and quality of any collateral held.

#### Derecognition of Financial Assets and Liabilities

##### *Financial assets*

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

- the rights to receive cash flows from the asset have expired; or
- the Company 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 Company 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 the risks and rewards of the asset but has transferred the control over the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Company’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 Company could be required to repay.

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

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



### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company 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 Company and all of the counterparties.

### *Current versus Noncurrent Classification*

Derivative instruments that are not designated as effective hedging instruments are classified as current or noncurrent or separated into a current and noncurrent portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows):

- When the Company will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the statement of financial position date, the derivative is classified as noncurrent (or separated into current and noncurrent portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and a noncurrent portion only if a reliable allocation can be made.

### Investments in Subsidiaries and Associates

#### *Investment in subsidiaries*

Subsidiaries pertain to all entities over which the Company has control. Control is achieved when the Company 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.

The Company controls an investee if, and only if, it 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 its returns.

When the Company has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting shareholders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Company 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.

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

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



*Investment in associates*

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the statement of income.

*Parent Company financial statements*

The Company's investments in subsidiaries and associates are accounted for using the equity method. Under the equity method, the investment in subsidiaries or associates is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share in the net assets of the subsidiary or associate since the acquisition date. Goodwill relating to the subsidiary or associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The statement of income reflects the Company's share of the results of operations of the subsidiary or associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the subsidiary or associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the subsidiary or associate are eliminated to the extent of the interest in the subsidiary or associate.

The aggregate of the Company's share of profit or loss of subsidiaries and associates is shown on the face of the statement of income outside operating profit and represents share in the profit or loss after tax.

The financial statements of the subsidiaries or associates are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in subsidiaries or associates. At each statement of financial position date, the Company determines whether there is objective evidence that the investment in subsidiaries or associates is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries or associates and its carrying value, then recognizes the loss under 'Provision for (recovery from) impairment, credit and other probable losses' in the statement of income.

Property and Equipment

Depreciable properties, including leasehold improvements and furniture, fixture and equipment are stated at cost less accumulated depreciation and amortization, and any allowance for impairment losses. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met, but excludes repairs and maintenance costs.



Depreciation is calculated using the straight-line method over the estimated useful life of the depreciable assets. The estimated useful lives of the depreciable assets are as follows:

Furniture, fixtures and equipment	3 to 5 years
Building/Condominium units	34 years
Leasehold improvements	5 years or the terms of the related lease agreements, whichever is shorter

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

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 under 'Gain (loss) on sale of assets' in the statement of income in the year the asset is derecognized.

#### Investment Properties

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at the fair value of the asset acquired unless the fair value of such asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of the asset given up. Foreclosed properties are classified under 'Investment properties' from foreclosure date.

Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and allowance for impairment losses, whereas, non-depreciable investment properties are carried at cost less allowance for impairment losses.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged against current operations when the costs are incurred.

Depreciation is calculated on a straight-line basis using the useful life of 5 and 34 years from the time of acquisition for land improvements and condominium units, respectively.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income as 'Gain on sale of assets' in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

#### Intangible Assets

Intangible assets refer to the Company's software licenses. An intangible asset is recognized only when the cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.



Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income under 'Miscellaneous expense'.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

#### Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the control the use of an identified asset for a period in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Right-of-use assets*

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 9, "Property and Equipment" and are subject to impairment in line with the Company's policy as described in the next section.

#### *Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include 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 Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.



In calculating the present value of lease payments, the Company 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.

#### Impairment of Non-financial Assets

At each statement of financial position date, the Company assesses whether there is any indication that its nonfinancial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of the recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged against operations in the year in which it arises.

The following criteria are also applied in assessing impairment of specific assets:

#### *Property and equipment, investment properties and software licenses*

For property and equipment, investment properties and intangible assets with definite useful lives, an assessment is made at each statement of financial position date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### *Investments in associates*

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on the Company's investments in associates. If this is the case, the Company calculates the amount of impairment loss as the difference between the recoverable amount of investment in the associate and the acquisition cost and recognizes the amount under 'Provision for (recovery from) impairment and other probable losses' in the statement income.

#### Prepaid Expenses

Prepaid expenses pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined. These are expensed in profit or loss on the basis of systematic and rational allocation procedures. The allocation procedures are intended to recognize expenses in the accounting periods in which the economic benefits associated with these items are consumed or expired.



### Creditable Withholding Tax

Creditable withholding tax is carried at cost, less any impairment, and is creditable against income tax due.

### Common Stock

Common stocks are classified as equity and are recorded at par. Proceeds in excess of par value are recorded as 'Capital paid in excess of par value' in the statement of financial position. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Capital Paid in Excess of Par Value

When the shares are sold at a premium, the difference between the proceeds and par value is credited to 'Capital paid in excess of par value', net of direct costs incurred related to the equity issuance. If 'Capital paid in excess of par value' is not sufficient, the excess is charged against retained earnings.

### Treasury Shares and Contracts on Own Shares

Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at weighted average cost. Consideration paid or received and all transaction costs directly attributable on the purchase, sale, issue, or cancellation of the Company's own equity instruments is recognized directly in equity. No gain or loss is recognized in the statement of income on the purchase, sale, issue or cancellation of own equity instruments.

### Revenue Recognition

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

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements except for certain brokerage transactions. The following specific recognition criteria must also be met before revenue is recognized within the scope of PFRS 15:

#### *Fees and commission income*

The Company earns fees and commission income from a diverse range of services it provides to its customers.

Fee income can be divided into the following two categories:

- a) Fee income earned from services that are provided over a certain period of time  
Fees earned for the provision of services over a period of time are accrued over that period as the customer simultaneously receives and consumes the benefits provided by the Company. These fees include management fees and advisory fees.
- b) Fee income from providing transaction services  
Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as underwriting fees, arrangement fees, and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. Loan syndication fees are recognized in the statement of income when the syndication has been completed and the Company retains no part of the loans for itself or retains part at the same EIR as for the other participants.



*Gain (loss) on sale of assets*

Gain (loss) on sale of assets is recognized when the control of the asset has passed to the buyer, usually on the date of delivery, and the collectability of the sales price is reasonably assured. Any income (loss) recognized is recorded under 'Gain (loss) on sale of assets' in the statement of income.

*Revenue outside the scope of PFRS 15*

*Interest income*

- a. *Interest income recognized using the effective interest method* – Interest income is recognized in profit or loss for all instruments measured at amortized cost and debt instruments classified as investment securities at FVOCI using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the EIR, the Company estimate cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are integral part of the EIR, transaction costs and all other premiums or discounts.

When financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial assets cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

- b. *Other interest income* – Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognized using the contractual interest rate and is included under 'Interest income on investment securities at FVTPL' in the statement of income.

*Dividends*

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

*Trading and securities gain (loss)*

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, debt securities at FVOCI.

Unrealized 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, including puttable instruments classified as financial liability, which were realized in the reporting period. Realized gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using pro-rata approach.

*Rental income*

Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Miscellaneous income'.

*Expenses*

Expenses constitute costs of administering the business and these are charged to operations as incurred.



### Retirement Benefits

The Company has a funded noncontributory defined benefit retirement plan. The retirement cost of the Company is determined using the projected unit credit method.

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, 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.

Defined benefit costs comprise the following:

- (a) service cost;
- (b) net interest on the net defined benefit liability or asset; and
- (c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. 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 high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income under 'Compensation and fringe benefits' in the 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 profit or loss in subsequent periods.

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 Company, nor can they be paid directly to the Company. 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).

The Company'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.

### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined 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 'Interest expense'.

#### Contingencies

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

#### Income Taxes

##### *Current tax*

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

##### *Deferred tax*

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

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or 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 taxable income or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and foreign associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized except:

- Where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

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



Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax relating to items recognized directly in the statement of comprehensive income is also recognized in the statement of comprehensive income and not in the statement of income.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

#### Earnings per Share

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

#### Dividends on Common Shares

Dividends on common shares are recognized as a liability and deducted from equity when approved by the respective BOD of the Company and its subsidiaries. Dividends for the year that are approved after the statement of financial position date are dealt with as an event after the statement of financial position date.

#### Subsequent Events

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

#### Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements.

#### *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*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- 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*
- 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*

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### 3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS Accounting Standards requires the Company's management to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses, and the 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 financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Unless otherwise stated, below significant judgments and estimates apply as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025.

#### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

##### *a. Classification of financial assets*

The Company classifies its financial assets depending on the business model for managing those financial assets and whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

The Company performs the business model assessment based on observable factors such as:

- Performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel
- Risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- Compensation of business units whether based on the fair value of the assets managed or on the contractual cash flows collected
- Expected frequency, value and timing of sales

In performing the SPPI test, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, the period for which the interest rate is set, contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms and other features that may modify the consideration for the time value of money.



- b. *Existence of significant influence over an associate with less than 20.0% ownership*  
In determining whether the Company has significant influence over an investee requires significant judgment. Generally, a shareholding of 20.0% to 50.0% of the voting rights of an investee is presumed to give the Company a significant influence.

There are instances that an investor exercises significant influence even if its ownership is less than 20.0%. The Company applies significant judgment in assessing whether it holds significant influence over an investee and considers the following: (a) representation on the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

The Company and another investor of Lepanto Consolidated Mining Company (LCMC), an Associate, entered into a collaboration agreement to: (a) jointly vote their fully paid "A" and "B" common shares during stockholders meeting in all matters affecting their right as stockholders; (b) for the parties' respective nominees in the BOD to decide and vote jointly for every corporate act and purpose during meetings of the BOD; and (c) to consult each other on all the issues and corporate acts raised in the BOD and in the stockholders' meetings and come up with a common decision and vote uniformly at the said meetings. The Company and the other investor, together, have two (2) board seats out of the nine (9) or equivalent to 22.2% of the members of the BOD of LCMC. As a result of the collaboration agreement, management assessed that the Company has significant influence over LCMC and accounted for the investment in LCMC under the equity method of accounting.

#### Estimates

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

- a. *Credit losses on financial assets*

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

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Significant factors affecting the estimates on the ECL model include:

- The Company's internal grading model, which assigns PDs to individual grades.
- The Company's criteria for assessing if there has been a SICR and so allowances for financial assets should be measured on a Lifetime Expected Credit Loss (LTECL) basis and the qualitative assessment.
- The Company's definition of default, which is consistent with regulatory requirements.
- The segmentation of financial assets when the ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.



The gross carrying amounts of financial assets subject to ECL as of December 31, 2025 and 2024 are disclosed in Note 4, while the related ECL allowances for credit losses are disclosed in Note 13.

*b. Impairment of non-financial assets (Investments in subsidiaries and associates)*

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

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

The Company uses the higher of fair value less costs to sell and VIU in determining recoverable amount. Key assumptions in the fair value less cost to sell includes assumptions on discount on observable prices due to lack of marketability, and the cost to sell inputs, while the VIU calculation are most sensitive to the following assumptions: a) production volume; b) price; c) exchange rates; d) capital expenditures; and e) forecasted long-term growth rates. The carrying value of investments in subsidiaries and associates of the Company and the Company are disclosed in Note 10.

*c. Recognition of deferred taxes*

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, future tax planning strategies, and type of deductions to be availed in the future i.e. either itemized deductions or optional standard deduction (OSD).

As of December 31, 2025 and 2024, the Company did not recognize deferred tax assets on NOLCO and carryforward benefits of MCIT as well as on other temporary differences. The Company assessed based on projection of taxable income that it is not probable that these temporary differences will be realized.

The carrying amount of deferred tax assets and liabilities and the unrecognized deferred tax assets are disclosed in more detail in Note 24.

*d. Present value of retirement obligation*

The cost of the defined benefit pension plan and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of statement of financial position date.

The mortality rate is based on publicly available mortality tables for the Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates, seniority, promotion and other market factors.



While the Company believes that the assumptions are reasonable and appropriate, significant differences between actual experience and assumptions may materially affect the cost of employee benefits and related obligations.

As of December 31, 2025 and 2024, the balance of the Company's present value of defined benefit obligations and other employee benefits and the assumptions used in the actuarial valuation are shown in Note 20.

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#### 4. Financial Risk Management

The Company has exposures to the following risks from the use of financial instruments:

- Operational risk
- Credit risk
- Liquidity risk
- Market risk

##### Risk Management Framework

The Company's implementation of the risk management process involves a top-down approach that starts with the BOD. The Company's BOD, through the board-level Risk Oversight Committee (ROC), is actively involved in planning, approving, reviewing, and assessing all risks involved within the Company. ROC also establishes the risk culture and sets the tone for all institutional risk-related activities and ensures that the risk policies are clearly formulated and disseminated within the Company.

The ROC's functions are supported by the Executive Committee (EXCOM), which provides essential inputs and advice, particularly on credit and investment policy matters. The EXCOM is provided with the necessary assistance by the following management working committees, namely: the Senior Management Committee (SMC) and the Policy Committee (PolCom).

The SMC is responsible for identifying, synchronizing and addressing various operational problems and concerns of the Company and certain subsidiaries. The SMC is also tasked with providing the general guidelines and advice on all transactional dealings which consider facet of risks, i.e., market, credit, operational risks, etc. The SMC's other functions are similar to that of Asset and Liability Committee (ALCO) of most banks. Its members comprise of the most senior officers of the Company which have significant risk responsibilities over the asset and liability management.

The Compliance Division (CD) also collaborates with the ROC. The main task of the CD is to monitor and assess compliance of various units of the Company and certain subsidiaries to its rules and regulations as well as their compliance with the rules and regulations prescribed by the government regulatory bodies. The CD is also tasked to properly disseminate these rules and regulations to the various units of the Company as well as its subsidiaries when applicable.

The PolCom is tasked with reviewing the policy proposals from all FMIC units which are subsequently confirmed and approved by appropriate body.

The Chief Risk Officer (CRO) manages and oversees the day-to-day activities of the Risk Management Division (RMD). The CRO likewise evaluates all risk policy proposals and reports to be presented to the ROC. The CRO, through the RMD, also coordinates with the Risk Taking Units (RTUs) and the Risk Control and Compliance Units (RCCUs) of the Company with regard to the submission of requisite reports on their risk compliance and control activities.



RMD is tasked with identifying, analyzing, measuring, evaluating and controlling risk exposures arising from fluctuations in the prices or market values of instruments, products and transactions of the Company and certain subsidiaries. It is responsible for recommending market risk and liquidity risk management policies, setting uniform standards of risk assessment and measurement, providing senior management with periodic evaluation and simulation and analyzing limit compliance exceptions. The RMD furnishes periodic reports to Senior Management and provide quarterly reports to the ROC.

The identified market risk, such as equity prices, interest rate and foreign currency, and liquidity risk, as well as credit and operational risks are consequently measured and then controlled by a system of limits. The RMD defines and presents for approval of the ROC and BOD the various risk management measures to be used in quantifying those risks.

The Company requires either internal or external legal opinions to ensure that all documentations related to transactions entered into by the Company are enforceable. Specific, internal legal functions/responsibilities including coordination with external counsel groups are handled by the Legal Department.

#### *Operational risk*

The Company's operational risk management framework outlines its effective management of operational risks via a staged approach which involves risk identification, analysis and assessment, treatment, monitoring and reporting. The document also provides pertinent operational risk management tools that need to be in place.

In line with the framework, various methodologies and tools were established to facilitate management of operational risk. These include operational risk incident reporting framework, risk events database maintenance, risk assessment and key risk indicator monitoring. The Company, likewise, has in place a responsive risk management policy for effective oversight, due diligence and management of risks arising from outsourcing, prior to entering into, as well as, during the lifespan of an outsourcing agreement/arrangement. This is recognizing that while outsourcing can be cost effective and brings other competitive advantages, it also poses an Outsourcing Risk. Outsourcing Risk is the risk that third party service providers may not act within the intended limits of their authority and/or not perform in a manner consistent with outsourcing party's strategies, objectives and desired results, as well as, legal and regulatory requirements.

Moreover, the Company has in place a structured Information Systems Strategic Plan (ISSP). The plan is reviewed and updated on regular basis to keep it in sync with Company's strategic business direction.

The Ultimate Parent Company, Metrobank, on the other hand, through its Internal Audit Group (IAG), reviews operational risk management processes and provide an independent assurance as to its adequacy and effectiveness.

#### *Credit risk*

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relation to such limits. Counterparty credit lines are established by the Company annually to guide its transactions. Business transactions are restricted to these accredited counterparties, and any violations are reported to the designated control units.



The management of credit risk is further supported by various operating manuals from relevant units' subject to periodic review, any changes are elevated to appropriate approving body. Vendors are subject to financial assessments according to prescribed policy. On Expected Credit Losses under PFRS 9, the Company has an approved documentation in place that guides the methodology and calculation of the impairment provisioning.

*Management of credit risk*

The Company faces potential credit risks every time it commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (e.g., investment securities issued by either *sovereign* or corporate entities) or enters into market-traded securities either through implied or actual contractual agreements (i.e., on- or off-balance sheet exposures).

The Company manages its credit risk at various levels by adopting a credit risk management environment that has the following components:

- The guidelines provided by the regulators are incorporated to internal policies to ensure adherence to regulatory requirements.
- Establishing authorization limits for the approval and renewal of credit facilities.
- Performance of Vendor Financial Assessments for its service providers.

*Maximum exposure to credit risk after collateral held or other credit enhancements*

An analysis of the maximum credit risk exposure (net of allowance) relating to financial assets with collateral or other credit enhancements is shown below:

	2025				2024			
	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure
Loans and receivables - net								
Loans and discounts								
Others	₱12,185,579	₱23,703,000	₱12,185,579	₱-	₱1,390,474	₱1,638,000	₱1,390,474	₱-

As of December 31, 2025 and 2024, the Company's maximum exposure for loans and receivables without collateral or other credit enhancements amounted to ₱60.4 million and ₱38.1 million, respectively.

For the other financial assets of the Company not presented in the table above, the carrying amounts represent the maximum exposure to credit risk as at December 31, 2025 and 2024.

*Concentration of risks of financial assets with credit risk exposure*

An analysis of concentrations of credit risk by industry at the statement of financial position date is shown below (amounts shown gross of allowance for credit losses):

	2025			
	Loans and Receivables	Cash and other cash items*	Investment Securities**	Total
Philippine government	₱51,643,866	₱-	₱5,567,327,473	₱5,618,971,339
Financial intermediaries	7,047,210	2,033,215,323	-	2,040,262,533
Others (various industries)	14,792,183	-	-	14,792,183
	₱73,483,259	₱2,033,215,323	₱5,567,327,473	₱7,674,026,055

\* Excluding petty cash fund which amounted to ₱80,000.

\*\* Comprises of debt investment securities at FVOCI.



	2024			
	Loans and Receivables	Cash and other cash items*	Investment Securities**	Total
Philippine government	₱23,057,551	₱-	₱4,255,526,932	₱4,278,584,483
Financial intermediaries	7,409,063	1,961,635,424	-	1,969,044,487
Others (various industries)	9,889,786	-	-	9,889,786
	₱40,356,400	₱1,961,635,424	₱4,255,526,932	₱6,257,518,756

\* Excluding petty cash fund which amounted to ₱80,000.

\*\* Comprises of Debt investment securities at FVOCI.

### Credit quality per class of financial assets

#### Cash and Other Cash Items

Cash and other cash items of the Company were rated based on credit risk ratings from published data providers like Moody's, Standard & Poor's and other reputable rating agencies.

The Company considers investments in financial assets that are investment grade as low credit risk.

The following tables show the credit quality of the Company and the Company's financial assets, gross of allowance for credit losses, as of December 31, 2025 and 2024, all of which are classified as Stage 1.

	2025			
	High Grade	Unrated	Impaired	Total
<b>Financial assets</b>				
Cash in bank and cash equivalents	₱2,033,215,323	₱-	₱-	₱2,033,215,323
Financial assets at FVOCI				
Government securities	5,567,327,473	-	-	5,567,327,473
Loans and receivables:				
Accrued interest receivable	55,965,175	-	-	55,965,175
Accounts receivables	-	2,742,397	887,250	3,629,647
Others	-	13,888,437	-	13,888,437
	₱7,656,507,971	₱16,630,834	₱887,250	₱7,674,026,055

	2024				
	High Grade	Standard Grade	Unrated	Impaired	Total
<b>Financial assets</b>					
Cash in bank and cash equivalents	₱1,961,635,424	₱-	₱-	₱-	₱1,961,635,424
Financial assets at FVOCI					
Government securities	4,255,526,932	-	-	-	4,255,526,932
Loans and receivables:					
Accrued interest receivable	23,053,351	5,441,887	-	-	28,495,238
Accounts receivables	29,009	390,131	7,572,435	887,250	8,878,825
Others	-	-	2,982,337	-	2,982,337
	₱6,240,244,716	₱5,832,018	₱10,554,772	₱887,250	₱6,257,518,756

As of December 31, 2025 and 2024, the Company has no outstanding past due but not impaired loans and receivables.

#### Liquidity Risk and Funding Management

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Company's inability to meet its obligations when they come due without incurring unacceptable losses or costs.

The Office of the Treasurer estimates the Company's cash flow needs based on the actual contractual obligations and under normal and extraordinary circumstances.



Liquidity is monitored by the Company on a daily basis and further analyzed at predetermined scenarios/situations.

*Financial assets*

Analysis of equity and debt securities at FVTPL into maturity groupings is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realized.

*Financial liabilities*

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Company can be required to pay.



The table below shows the maturity profile of the financial instruments:

	2025							Total	
	On Demand	Up to 1 Month	More than 1 Month	More than 3 Months	More than 6 Months	More than 1 Year	More than 2 Years		Beyond 5 Years
<b>Financial Assets</b>									
Loans and advances									
Cash and other cash items	₱18,295,323	₱1,085,000,000	₱930,000,000	₱-	₱-	₱-	₱-	₱-	₱2,033,295,323
Investment Securities at FVOCI									
Government debt securities	-	-	1,646,888,466	836,539,502	-	-	2,662,376,948	421,522,557	5,567,327,473
Quoted equity investments	-	-	-	-	-	-	-	744,044,227	744,044,227
Unquoted equity investments	-	-	-	-	-	-	-	191,656,736	191,656,736
	<b>18,295,323</b>	<b>1,085,000,000</b>	<b>2,576,888,466</b>	<b>836,539,502</b>	<b>-</b>	<b>-</b>	<b>2,662,376,948</b>	<b>1,357,223,520</b>	<b>8,536,323,759</b>
<b>Loans and receivables</b>									
Accrued interest receivable	-	11,122,226	44,842,949	-	-	-	-	-	55,965,175
Accounts receivable	-	-	3,629,647	-	-	-	-	-	3,629,647
Others	-	-	5,585	20,960	121,913	478,921	1,075,479	12,185,579	13,888,437
	<b>-</b>	<b>11,122,226</b>	<b>48,478,181</b>	<b>20,960</b>	<b>121,913</b>	<b>478,921</b>	<b>1,075,479</b>	<b>12,185,579</b>	<b>73,483,259</b>
	<b>₱18,295,323</b>	<b>₱1,096,122,226</b>	<b>₱2,625,366,647</b>	<b>₱836,560,462</b>	<b>₱121,913</b>	<b>₱478,921</b>	<b>₱2,663,452,427</b>	<b>₱1,369,409,099</b>	<b>₱8,609,807,018</b>
<b>Financial Liabilities</b>									
Dividends payable	₱97,438,890	₱-	₱3,000,000,000	₱-	₱-	₱-	₱-	₱-	₱3,097,438,890
Accrued interest and other expenses	-	-	59,488,140	-	-	-	-	-	59,488,140
Accounts payable	-	-	196,498,140	-	-	-	-	-	196,498,140
Other liabilities	-	-	84,083,660	-	-	-	-	-	84,083,660
	<b>₱97,438,890</b>	<b>₱-</b>	<b>₱3,340,069,940</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱3,437,508,830</b>



2024

	On Demand	Up to 1 Month	More than 1 Month	More than 3 Months	More than 6 Months	More than 1 Year	More than 2 Years	Beyond 5 Years	Total
<b>Financial Assets</b>									
Loans and advances									
Cash and other cash items	₱16,715,424	₱1,945,000,000	₱-	₱-	₱-	₱-	₱-	₱-	₱1,961,715,424
Investment Securities at FVOCI									
Government debt securities	-	-	60,922,594	965,329,616	178,091,643	2,612,187,805	438,995,274	4,255,526,932	683,299,027
Quoted equity investments	-	-	-	-	-	-	-	190,925,748	190,925,748
Unquoted equity investments	-	-	-	-	-	-	-	-	-
	16,715,424	1,945,000,000	60,922,594	965,329,616	178,091,643	2,612,187,805	1,313,220,049	7,091,467,131	
<b>Loans and receivables</b>									
Accrued interest receivable	-	-	28,495,239	-	-	-	-	-	28,495,239
Accounts receivable	-	-	8,878,825	-	-	-	-	-	8,878,825
Others	-	-	25,586	145,720	655,372	623,314	1,390,475	-	2,982,337
	-	-	37,399,650	141,870	655,372	623,314	1,390,475	-	40,356,401
	₱16,715,424	₱1,945,000,000	₱61,064,464	₱965,475,336	₱178,747,015	₱2,612,811,119	₱1,314,610,524	₱7,131,823,532	
<b>Financial Liabilities</b>									
Dividends payable	₱88,373,690	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱88,373,690
Accrued interest and other expenses	-	-	60,180,567	-	-	-	-	-	60,180,567
Accounts payable	-	-	232,699,719	-	-	-	-	-	232,699,719
Other liabilities	-	-	47,539,345	-	-	-	-	-	47,539,345
	₱88,373,690	₱-	₱340,419,631	₱-	₱-	₱-	₱-	₱-	₱428,793,321



*Market Risk*

Market risk is the risk of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The Company's market risk originates from its holdings of equities.

The RMD serves under the ROC and performs daily market risk analyses to ensure compliance with the Company's policies and procedures. The methodologies used in managing the risk include the daily marking-to-market and monitoring of loss alerts limits.

The Company follows a prudent policy in managing its assets and liabilities to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

Another interest rate risk area where the Company has exposures is on the effect of future changes in the prevailing level of interest rates on its fixed and floating interest rate-financial assets and liabilities. It has identified the financial assets and liabilities that are to mature or to reprice in the future and monitors its effect on the statement of income and equity.

The tables below demonstrate the sensitivity to a reasonable possible change in interest rates with all other variables held constant, of the Company's income before tax (through the impact on interest for floating rate instruments) and the Company's equity (through the impact on unrealized gain (loss) on FVOCI fixed rate debt securities).

2025							
	Increase (Decrease) in basis points	Sensitivity of net interest income and trading gains	Sensitivity of equity				Total
			0 up to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	
Currency PhP	+10	₱7,614,431	₱-	(₱650,132)	(₱31,830,714)	₱-	(₱32,480,846)
Currency PhP	-10	(7,614,431)	-	652,633	32,076,461	-	32,729,094
2024							
	Increase (Decrease) in basis points	Sensitivity of net interest income and trading gains	Sensitivity of equity				Total
			0 up to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	
Currency PhP	+10	₱6,220,145	₱-	(₱697,499)	(₱23,137,970)	₱-	(₱23,835,469)
Currency PhP	-10	(6,220,145)	-	699,570	23,332,940	-	24,032,510

The impact on the Company's equity already excludes the impact on transactions affecting the statement of income. The sensitivity to predetermined basis points of 10.0 is considered stressful enough for this purpose.



*Foreign exchange risk*

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Company takes an exposure to effects on the fluctuations in the prevailing foreign currency exchange rates on its cash flows.

The tables below summarize the exposure to foreign currency risk as of December 31, 2025 and 2024:

	2025	2024
<b>Financial assets</b>		
Cash and other cash items	<b>\$26,721</b>	\$16,521
<b>Financial liabilities</b>		
Accounts payable	<b>15,382</b>	15,382
Net assets in foreign currency	<b>\$11,339</b>	\$1,139

The exchange rates used to convert the Company's US Dollar-denominated assets and liabilities into Philippine Peso follow:

	US Dollar- Philippine Peso
Exchange rate	
2025	<b>₱58.79 to US\$1.0</b>
2024	₱57.85 to US\$1.0

The following tables set forth the impact of the range of possible changes in the US Dollar-Philippine Peso exchange rate on the Company's income before income tax and equity (due to the revaluation of monetary assets and liabilities) for the years ended December 31, 2025 and 2024 (in millions):

Increase (Decrease)	2025		2024	
	Change in Income Before Tax	Change in Equity	Change in Income Before Tax	Change in Equity
<b>US Dollar</b>				
<b>1.0%</b>	₱0.007	-	₱0.001	-
<b>(1.0%)</b>	(₱0.007)	-	(₱0.001)	-

*Equity price risk*

Equity price risk is the risk that the fair values of equities will fluctuate as a result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposures arise from the Company's investment portfolio and a few club shares.

The Company's policies and procedures as well as risk limit structures on its equity investment portfolio are approved by the ROC and BOD.



The following tables set forth, for the period indicated, the impact of changes in the PSEi to the Company's unrealized gain or loss in OCI on FVOCI investments:

	2025		2024	
<b>Changes in PSEi</b>	<b>10.69%</b>	<b>(10.69%)</b>	9.51%	(9.51%)
Change on equity under:				
Financial industry	<b>₱16,865,430</b>	<b>(₱16,865,430)</b>	₱13,678,295	(₱13,678,295)
Industrial	<b>21,085,107</b>	<b>(21,085,107)</b>	22,620,980	(22,620,980)
<b>Total</b>	<b>₱37,950,537</b>	<b>(₱37,950,537)</b>	₱36,299,275	(₱36,299,275)
<b>As a percentage of the Company's net unrealized gain in OCI for the year</b>	<b>(12.94%)</b>	<b>12.94%</b>	(9.21%)	9.21%

The increase or decrease in PSEi will directly impact the equity of the Company.

## 5. Fair Value Measurement

The methods and assumptions used by the Company in estimating the fair value of financial instruments and nonfinancial assets are:

*Cash and other cash items and financial liabilities at amortized cost* - Carrying amounts approximate fair values due to the relatively short-term nature of the accounts.

### *Debt securities*

Fair value of debt securities (FVOCI) composed of government securities issued by the Philippine government and private debt securities are determined based on quoted prices at the close of business as appearing on Bloomberg.

### *Equity securities*

Quoted equity securities are valued based on their closing prices published by the Philippine Stock Exchange. The fair value of unquoted equity securities is determined based on the 'Gordon Growth Model' of Dividend Discount Model (DDM) valuation technique. This approach derives the current value of the investment according to its estimated future cash flows arising from dividends. Dividends are discounted to present value using the Company's Weighted Average Costs of Capital (WACC). The assumptions reflect that the investee will continue to distribute dividends to its stakeholders.

Club shares classified as financial assets at FVOCI are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period

*Loans and receivables* - Fair values of loans are estimated using the discounted cash flow methodology, using Bloomberg's risk-free rate plus estimated credit spread. Where the instrument reprices on a quarterly basis or has a relatively short maturity, the carrying amount approximates fair value.



*Investment properties* - Fair value has been determined based on valuations made by independent appraisers who holds a recognized and relevant professional qualification and who has recent experience in the location and category of the investment property being valued. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the highest and best use of the properties at the time the valuations were made (see Note 11).

The following tables summarize the carrying amount and fair values of the financial assets, financial liabilities and non-financial assets, analyzed based on inputs to fair value:

	2025				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets measured at fair value:</b>					
<b>Financial assets</b>					
Investment securities at FVOCI:					
Debt securities:					
Government	₱5,567,327,473	₱4,495,653,552	₱1,071,673,921	₱-	5,567,327,473
Equity securities	969,017,527	744,044,227	39,522,801	152,133,935	935,700,963
	<b>₱6,536,345,000</b>	<b>₱6,311,371,700</b>	<b>₱39,522,801</b>	<b>₱152,133,935</b>	<b>₱6,503,028,436</b>
<b>Assets and liabilities for which fair values are disclosed</b>					
<b>Financial assets at amortized cost</b>					
Loans and receivables:					
Others	₱13,888,437	₱-	₱-	₱25,405,858	₱25,405,858
<b>Nonfinancial assets</b>					
Investment properties	₱177,937,053	₱-	₱-	594,885,620	594,885,620
<b>2024</b>					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets measured at fair value:</b>					
<b>Financial assets</b>					
Investment securities at FVOCI:					
Debt securities:					
Government	₱4,255,526,932	₱4,255,526,932	₱-	₱-	₱4,255,526,932
Equity securities	874,224,775	683,299,028	40,922,801	150,002,946	874,224,775
	<b>₱5,129,751,707</b>	<b>₱4,938,825,960</b>	<b>₱40,922,801</b>	<b>₱150,002,946</b>	<b>₱5,129,751,707</b>
<b>Assets and liabilities for which fair values are disclosed</b>					
<b>Financial assets at amortized cost</b>					
Loans and receivables:					
Others	₱2,982,337	₱-	₱-	₱3,229,862	₱3,229,862
<b>Nonfinancial assets</b>					
Investment properties	₱178,376,090	₱-	₱-	₱549,565,620	₱549,565,620

As of December 31, 2025 and 2024, no transfers were made among the three levels in the fair value hierarchy.



## 6. Cash and other cash items

### Cash and Cash Equivalents

This account consists of:

	2025	2024
Petty cash fund	₱80,000	₱80,000
Cash in banks (Note 25)	18,215,323	16,635,424
Cash equivalents	2,015,000,000	1,945,000,000
	<b>₱2,033,295,323</b>	<b>₱1,961,715,424</b>

Cash in banks bear annual interest rate of 0.1% in 2025 and 2024. Cash equivalents consists of time deposits that have a term of less than or equivalent to three (3) months. Cash equivalents bear annual interest rates ranging from 2.1% to 5.8% in 2025, 3.6% to 6.2% in 2024 and 3.8% to 7.5% in 2023.

Interest income earned on cash and cash equivalents (see Note 18) follow:

	2025	2024	2023
Cash in banks	₱1,029	₱991	₱2,230
Cash equivalents	82,824,014	91,598,556	72,436,331
	<b>₱82,825,043</b>	<b>₱91,599,547</b>	<b>₱72,438,561</b>

## 7. Investment Securities at Fair Value Through Other Comprehensive Income (FVOCI)

Investment securities at FVOCI as of December 31, 2025 and 2024 consist of the following:

	2025	2024
<b>Debt securities</b>		
Government	₱5,567,327,473	₱4,255,526,932
<b>Equity securities</b>		
<i>Listed equity</i>		
The Philippine Stock Exchange, Inc.	445,655,558	355,830,144
Axelum Resources Corp.	298,387,962	327,468,144
First Metro Philippine Equity Exchange Traded Fund, Inc.	707	739
<i>Non-listed equity</i>		
Bonifacio Land Corporation	152,133,935	150,002,946
Others	1,022,801	1,022,802
Club shares	38,500,000	39,900,000
	<b>935,700,963</b>	<b>874,224,775</b>
	<b>₱6,503,028,436</b>	<b>₱5,129,751,707</b>

Peso-denominated debt investment securities at FVOCI bear nominal annual interest rates ranging from 2.9% to 9.5% in 2025 and 0.0% to 9.5% in 2024 and 2023.



The equity securities are irrevocably designated at FVOCI on the basis that they are not held for trading. These include listed equity securities and some non-listed equity securities which are strategic investments of the Company where they intend to generate income through dividends and club shares which the Company holds in order to use and enjoy the facilities and services of the club.

Dividends generated by outstanding equity securities at FVOCI amounted ₱36.12 million, ₱28.82 million and ₱26.53 million for the year ended December 31, 2025, 2024 and 2023, respectively.

The changes in the net unrealized gain (loss) on FVOCI for 2025 and 2024 follow:

	2025	2024
Balance at January 1	<b>(₱393,937,216)</b>	(₱535,879,940)
Net fair value changes during the year on FVOCI investments	<b>100,754,556</b>	44,533,095
Realized gain on disposal charged against retained earnings	-	97,409,629
Net change during the year	<b>100,754,556</b>	141,942,724
Balance at December 31	<b>(₱293,182,660)</b>	(₱393,937,216)

In 2024, the Company have investments in government securities classified as Investments in FVTPL. The Company recognized trading and securities gain on disposal of its financial assets at FVTPL amounting to ₱4.94 million and ₱25.42 million, in 2024 and 2023, respectively.

## 8. Loans and Receivables

This account consists of:

	2025	2024
Accrued interest receivable	<b>₱55,965,175</b>	₱28,495,238
Accounts receivable	<b>3,629,647</b>	8,878,825
Others	<b>13,888,437</b>	2,982,337
	<b>73,483,259</b>	40,356,400
Allowance for credit losses (Note 13)	<b>(887,250)</b>	(887,250)
	<b>₱72,596,009</b>	₱39,469,150

### *Accrued interest receivable*

As of December 31, 2025 and 2024, the accrued interest receivable mainly relates to the interest already earned by the Company prior to the next scheduled interest payment date of the cash equivalents and investment securities.

### *Accounts receivable*

Accounts receivable includes fees and commissions of the Company for services rendered.



*Others*

Others consist of fringe benefit loans with fixed annual interest rates of 8.0% and 9.0%. Interest income recognized amounted to ₱0.50 million, ₱0.35 million and ₱0.37 million, in 2025, 2024 and 2023, respectively (see Note 18).

As of December 31, 2025 and 2024, none of the total loans were subject to periodic interest repricing.

## 9. Property and Equipment

The composition of and movements in property and equipment account follow:

2025					
	Leasehold Improvements	Furniture, Fixtures and Equipment	Building	Right of Use Asset	Total
<b>Cost</b>					
At January 1	₱71,609,883	₱108,546,884	₱47,520,116	₱-	₱227,676,883
Acquisitions	1,257,258	5,433,950	1,077,649	59,045,210	66,814,067
Disposals/Adjustments	-	(12,859,880)	-	-	(12,859,880)
Balance at end of year	72,867,141	101,120,954	48,597,765	59,045,210	281,631,070
<b>Accumulated depreciation and amortization</b>					
Balance at beginning of year	68,887,860	82,680,999	44,452,310	-	196,021,169
Depreciation and amortization	658,582	7,987,765	3,347,975	19,681,737	31,676,059
Disposals/Adjustments	-	(6,197,670)	-	-	(6,197,670)
Balance at end of year	69,546,442	84,471,094	47,800,285	19,681,737	221,499,558
<b>Net book value at end of year</b>	<b>₱3,320,699</b>	<b>₱16,649,860</b>	<b>₱797,480</b>	<b>₱39,363,473</b>	<b>₱60,131,512</b>
2024					
	Leasehold Improvements	Furniture, Fixtures and Equipment	Building	Right of Use Asset	Total
<b>Cost</b>					
At January 1	₱69,195,037	₱107,631,094	₱47,520,116	₱66,382,096	₱290,728,343
Acquisitions	2,414,846	10,058,192	-	-	12,473,038
Disposals/Adjustments	-	(9,142,402)	-	(66,382,096)	(75,524,498)
Balance at end of year	71,609,883	108,546,884	47,520,116	-	227,676,883
<b>Accumulated depreciation and amortization</b>					
Balance at beginning of year	67,843,606	78,801,209	41,283,427	55,318,412	243,246,654
Depreciation and amortization	1,044,254	11,526,307	3,168,883	11,063,684	26,803,128
Disposals/Adjustments	-	(7,646,517)	-	(66,382,096)	(74,028,613)
Balance at end of year	68,887,860	82,680,999	44,452,310	-	196,021,169
<b>Net book value at end of year</b>	<b>₱2,722,023</b>	<b>₱25,865,885</b>	<b>₱3,067,806</b>	<b>₱-</b>	<b>₱31,655,714</b>

As of December 31, 2025 and 2024, the cost of fully depreciated property and equipment that are still in use amounted to ₱133.5 million and ₱130.2 million, respectively.

The Company recognized gain from sale of property and equipment amounting to ₱0.2 million, ₱0.6 million and ₱0.2 million in 2025, 2024 and 2023, respectively, booked under 'Gain (loss) on sale of assets' account in the statements of income.



## 10. Investments in Subsidiaries and Associates

The carrying values and percentage ownership of the Company's investments in subsidiaries and associates are shown below:

	2025		2024	
	% of Ownership	Carrying value	% of Ownership	Carrying value
<b>Subsidiaries:</b>				
First Metro Securities Brokerage Corporation (FMSBC)	100.0	₱597,015,087	100.0	₱715,544,878
PBC Capital Investment Corporation (PBC)	100.0	262,991,259	100.0	284,046,165
SBC Properties, Inc. (SPI)	100.0	80,762,554	100.0	78,041,789
Prima Ventures Development Corporation (PVDC)	100.0	57,184,595	100.0	63,466,708
First Metro Insurance Brokers Corporation (FMIBC)	100.0	3,022,217	100.0	2,998,417
Resiliency (SPC), Inc. (Resiliency)	100.0	1,633,821	100.0	1,807,686
		<b>1,002,609,533</b>		<b>1,145,905,643</b>
<b>Associates:</b>				
AXA Philippines Life and General Insurance Corporation (AXA)	28.2	5,242,565,574	28.2	4,464,342,253
Orix Metro Leasing and Finance Corp (OMLFC)	20.0	1,896,925,941	20.0	2,231,288,895
Lepanto Consolidated Mining Corporation (LCMC)	12.0	825,927,224	13.5	355,753,022
Cathay International Resources, Corp. (CIRC)	34.7	1	34.7	1
Skyland Realty Development Corporation (SRDC)	20.0	1	20.0	1
Dahon Realty Corporation (DRC)	20.0	1	20.0	1
		<b>7,965,418,742</b>		<b>7,051,384,173</b>
		<b>₱8,968,028,275</b>		<b>₱8,197,289,816</b>

The principal place of business of these subsidiaries and associates is in Metro Manila.

The movements in 'Investment in subsidiaries and associates' account follows:

	2025	2024
<b>Acquisition cost</b>		
Balance at beginning of year	₱3,637,547,136	₱5,388,866,117
Additions	–	464,967,689
Disposals	(271,708,953)	(2,216,285,889)
Reclassification	–	(781)
Balance at end of year	<b>3,365,838,183</b>	<b>3,637,547,136</b>
<b>Allowance for impairment losses</b>		
Balance at beginning of year	(1,402,032,642)	(1,240,639,551)
Reversal of (provision for) impairment losses during the year	557,014,643	(161,393,091)
Balance at end of year	<b>(845,017,999)</b>	<b>(1,402,032,642)</b>
<b>Accumulated equity in net earnings</b>		
Balance at beginning of year	5,978,273,415	5,669,197,698
Equity share in net earnings	1,185,292,075	1,154,267,112
Cash dividends	(876,968,000)	(552,691,785)
Disposals	70,573,763	(292,499,610)
Balance at end of year	<b>6,357,171,253</b>	<b>5,978,273,415</b>
<b>Equity in net unrealized gain (loss) on FVOCI</b>		
Balance at beginning of year	(192,013,676)	(197,870,446)
Equity share in changes in fair value of FVOCI investments	54,888,569	5,856,770
Disposals	305,640	–
Balance at end of year	<b>(136,819,467)</b>	<b>(192,013,676)</b>
<b>Equity in remeasurement of insurance reserves</b>		
Balance at beginning of year	230,359,993	262,665,975
Share in changes in remeasurement of insurance reserves	52,256,161	(32,305,982)
Balance at end of year	<b>282,616,154</b>	<b>230,359,993</b>
<b>Equity in remeasurement of retirement liability</b>		
Balance at beginning of year	(54,844,410)	(10,483,188)
Share in changes in remeasurement of retirement liability	(2,727,236)	(44,361,222)
Disposals	1,811,797	–
Balance at end of year	<b>(55,759,849)</b>	<b>(54,844,410)</b>
	<b>₱8,968,028,275</b>	<b>₱8,197,289,816</b>



Disposal and dissolution of Subsidiaries

In 2024, the Company disposed/dissolved its entire equity interest in the following subsidiaries as part of its strategic decision to streamline operations and focus on core businesses:

Subsidiary Name	Principal Activities	Percentage of Ownership	Date of Disposal/Dissolution
First Metro Asset Management, Inc. (FAMI)	Asset Management	70.0%	December 18, 2024
First Metro Philippine Equity Exchange Traded Fund, Inc (FMPEETF1)	Exchange Traded Fund	25.7%	August 22, 2024
First Metro Save and Learn Money Market Fund, Inc. (FMSLMMF)	Mutual Fund	16.9%	August 22, 2024
First Metro Save and Learn Equity Fund, Inc. (FMSALEF)	-do-	10.3%	August 22, 2024
First Metro Save and Learn Balanced Fund, Inc. (FMSALBF)	-do-	15.6%	August 22, 2024
First Metro Save and Learn Dollar Bond Fund, Inc. (FMSLDBF)	-do-	26.1%	August 22, 2024
First Metro Save and Learn Fixed Income Fund (FMSLFIF)	-do-	6.0%	August 22, 2024
FMIC Equities, Inc. (FEI)	Holding Company	100.0%	June 28, 2024

Following the disposal/dissolution, the Company no longer has control or significant over these entities. As such, the results of the Subsidiary for the period up to the date of disposal have been included in the statement of profit or loss and other comprehensive income.

*Consideration Received*

The total consideration received in connection with the disposal/dissolution were as follows:

Particulars	FAMI	FMPEETFI	FMSLMMF	FMSALEF	FMSALBF	FMSLDBF	FMSLFIF	FEI	TOTAL
# of Shares	1,050,000	5,384,902	862,228,406	96,606,942	59,248,691	82,346,836	31,398,907	125,000	
Average Price per Share	₱57.333	₱107.004	₱1.124	₱4.851	₱2.560	₱1.426	₱2.469	₱97.972	
Total	₱60,200,000	₱576,205,765	₱969,332,634	₱468,681,692	₱151,657,496	₱117,460,800	₱77,523,845	₱12,246,515	₱2,433,308,747



Gain (Loss) on Disposal/Dissolution

The gain (loss) arising from the disposal/dissolution of the subsidiaries are calculated as follows:

Particulars	FAMI	FMPEETFI	FMSLMMF	FMSALEF	FMSALBF	FMSLDBF	FMSLFIF	FEI	TOTAL
Consideration Received	₱60,200,000	₱576,205,765	₱969,332,634	₱468,681,692	₱151,657,496	₱117,460,800	₱77,523,845	₱12,246,515	₱2,433,308,747
Carrying Value of the Investment	162,885,480	576,205,765	969,332,634	468,681,692	151,657,496	117,460,800	77,523,845	12,246,515	2,535,994,227
Other Related Charges	1,611,400	—	—	—	—	—	—	—	1,611,400
Reclassification of Exchange Differences	—	—	—	—	—	(27,208,728)	—	—	(27,208,728)
<b>Gain/(Loss) on Disposal</b>	<b>(₱104,296,880)</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱27,208,728</b>	<b>₱—</b>	<b>₱—</b>	<b>(₱77,088,152)</b>

The net loss on disposal is recognized in the statement of income under “Gain/(loss) on sale of assets”

Foreign currency translation differences were reclassified from the “Cumulative translation adjustment” to “Gain (loss) on sale of assets”

Cash Flow Impact

Cash inflows related to the disposal/dissolution were as follows:

Particulars	FAMI	FMPEETFI	FMSLMMF	FMSALEF	FMSALBF	FMSLDBF	FMSLFIF	FEI	TOTAL
Cash consideration received	₱58,588,600*	₱576,205,765	₱969,332,634	₱468,681,692	₱151,657,496	₱117,460,800	₱77,523,845	₱12,246,515	₱2,431,697,347
Less: Transaction costs paid	22,737,987	5,127,983	—	—	—	—	—	—	27,865,970
Net cash inflow on disposal	₱35,850,613	₱571,077,782	₱969,332,634	₱468,681,692	₱151,657,496	₱117,460,800	₱77,523,845	₱12,246,515	₱2,403,831,377

\*net of other related charges

Transaction costs include the retention fee and taxes associated with the sale, such as donor’s tax, gross receipts tax and capital gains tax.



A summary of the relevant financial information of the Company's subsidiaries and associates is presented below (amounts in thousands):

As of and for the year ended December 31, 2025				
	Total Assets	Total Liabilities	Revenues	Net Income (Loss)
<b>Subsidiaries:</b>				
FMSBC	₱4,783,467	₱4,202,139	₱474,720	₱79,706
PBC	289,786	26,795	15,554	12,585
SPI	80,837	74	3,694	2,722
PVDC	57,406	221	11,574	11,287
FMIBC	3,085	63	132	38
Resiliency	1,708	74	1	(174)
<b>Associates:</b>				
AXA	198,159,138	179,501,198	16,736,397	2,525,100
OMLFC	21,404,519	11,916,941	5,005,845	1,200,495
LCMC	9,499,982	3,927,243	4,407,033	1,562,435
CIRC	1,672,869	1,976,610	496,570	(132,917)
TSI	231,981	30,426	123,838	36,177
SRDC	2,403	3,176	1	1
DRC	603,125	248,449	45,282	25,209
As of and for the year ended December 31, 2024				
	Total Assets	Total Liabilities	Revenues	Net Income (Loss)
<b>Subsidiaries:</b>				
FMSBC	₱5,159,416	₱4,459,558	₱486,333	₱103,721
PBC	310,891	26,845	12,156	16,830
SPI	78,106	64	4,516	3,399
PVDC	63,683	216	9,146	9,003
FMIBC	3,051	52	132	48
Resiliency	1,873	65	1	(82)
<b>Associates:</b>				
AXA	185,999,380	170,103,056	19,351,319	2,487,240
OMLFC	18,208,954	7,050,393	4,567,053	1,203,020
LCMC	8,303,713	3,971,140	2,776,862	173,423
CIRC	1,909,018	2,113,159	529,989	(130,953)
TSI	271,187	89,648	111,514	34,963
SRDC	2,401	3,176	1	1
DRC	606,674	285,137	50,572	24,095
As of and for the year ended December 31, 2023				
	Total Assets	Total Liabilities	Revenues	Net Income (Loss)
<b>Subsidiaries:</b>				
FMSBC	₱5,330,878	₱4,623,841	₱522,368	₱130,844
FMSALEF	4,372,582	18,902	127,396	(10,143)
FMPEETFI	2,141,422	1,656	43,483	24,134
FMSLFIF	1,278,379	3,000	78,131	33,538
FMSALBF	956,175	4,659	30,916	(4,426)
PBC	322,808	4,967	8,770	7,683
FMSLDBF	7,878	18	547	375
FAMI	372,099	41,954	172,058	2,470
SPI	74,685	42	1,107	775
PVDC	54,953	204	7,480	7,348

(Forward)



As of and for the year ended December 31, 2023

	Total Assets	Total Liabilities	Revenues	Net Income (Loss)
FEI	₱2,875	₱4	₱2	(₱68)
FMSLMMF	3,247,352	7,612	122,540	82,504
FMIBC	3,029	52	132	37
Resiliency	1,952	62	1	(110)
Associates:				
AXA	177,843,055	162,855,446	38,998,948	2,631,251
OMLFC	18,321,465	8,267,979	4,698,720	463,001
LCMC	15,682,215	10,683,990	2,488,701	(107,502)
CIRC	1,843,520	1,916,708	492,560	(64,854)
TSI	264,809	118,233	109,205	35,448
SRDC	2,400	3,176	1	(14)
DRC	608,498	318,868	50,572	22,455

Dividends

Subsidiary/Associate	Dividend		Declaration	Date	
	Per Share	Amount		Record	Payment
2025 Cash Dividend					
Subsidiaries					
FMSBC	59.17	₱100,000,000	May 28, 2025	May 31, 2025	July 28, 2025
FMSBC	59.17	100,000,000	December 4, 2025	December 15, 2025	December 29, 2025
PBC	20.00	60,000,000	September 22, 2025	September 22, 2025	September 30, 2025
PVDC	4.04	16,968,000	September 22, 2025	September 22, 2025	September 30, 2025
Associate					
OMLFC	41.99	600,000,000	December 15, 2025	December 15, 2025	December 23, 2025
Subsidiary/Associate	Dividend		Declaration	Date	
	Per Share	Amount		Record	Payment
2024 Cash Dividend					
Subsidiaries					
FMSBC	59.17	₱100,000,000	April 15, 2024	April 15, 2024	July 12, 2024
PBC	10.00	30,000,000	April 30, 2024	April 30, 2024	May 31, 2024
Associate					
AXA	150.00	422,691,785	December 12, 2024	November 30, 2024	December 12, 2024

*Investment in LCMC*

The Company has the ability to exercise significant influence through a collaboration agreement with another investor to jointly vote their ownership. In 2025, there has been a significant increase in the fair value of the LCMC shares. Following the improvement in market conditions, the Company sold 964,000,000 LCMC-A shares which resulted in a loss of ₱30.1 million included under “Gain (loss) on sale of assets in the statements of income, an additional reversal of impairment loss of ₱125.6 million included under “Provision for (reversal of) impairment, credit and other probable losses” in the statements of income and realized loss on disposal charged against retained earnings amounting to ₱2.1 million. This sale has no impact on the significant influence of the Company over LCMC.

As of December 31, 2025 and 2024, the Company’s direct ownership in LCMC is 12.0% and 13.5%, respectively.

As of December 31, 2025 and 2024, LCMC-A shares are trading at ₱0.185 per share and ₱0.067 per share, respectively, and LCMC-B shares are trading at ₱0.187 per share and ₱0.067 per share, respectively.



In 2024, the Company performed an assessment of the recoverability of its investment in LCMC which is determined using the higher of the VIU or the fair value less cost to sell. The fair value less cost to sell is measured based on Level 1 quoted (unadjusted) market price quotation, in active market.

As of December 31, 2025 and 2024, the fair value less cost to sell is higher than the VIU, and based on the impairment assessment, a reversal of impairment was recorded in 2025 amounting to ₱431.4 million, while additional impairment allowance of ₱161.4 million is required in 2024. The fair value is based on the closing prices as published by the PSE, adjusted with discount on observable prices due to lack of marketability, and the cost to sell inputs.

Major assets of significant associates with unclassified statements of financial position include the following (amounts in thousands):

Year	Name of Company	Cash and cash equivalents	FVOCI investments	Financial assets at FVTPL	Receivables-net of allowance for credit losses	Investment in unit-linked funds	Equipment for lease
2025	AXA	₱9,609,268	₱27,651,911	₱2,093,775	₱1,121,514	₱148,271,130	₱353,897
	OMLFC	880,508	1,105	-	14,835,591	-	3,607,550
2024	AXA	₱7,757,095	₱25,113,484	₱1,770,049	₱1,171,006	₱141,242,995	₱367,650
	OMLFC	612,760	1,108	-	12,337,502	-	3,109,590

There was no additional unrecognized share in losses from its investment in SRDC and DRC in 2025 and 2024.

The cumulative unrecognized share of losses of the Company from its investment in SRDC and DRC amounted to ₱3.17 million as of December 31, 2025 and 2024

#### *Limitation on dividend declaration of subsidiaries and associates*

##### *AXA*

Section 195 of the Insurance Code provides that a domestic nonlife insurance company shall declare or distribute dividends on its outstanding stock only from profits remaining on hand after retaining unimpaired:

- the entire paid-up capital stock;
- the margin of solvency required;
- the legal reserve fund required; and
- a sum sufficient to pay all net losses reported or in the course of settlement and all liabilities for expenses and taxes

AXA declared dividends amounting ₱1.5 billion in 2024.

#### *Commitments, contingencies, and guarantees*

As of December 31, 2025 and 2024, the Company has no share on commitments and contingencies of its associates.

As of December 31, 2025 and 2024, there were no guarantees or other requirements entered into by the subsidiaries of the Company that may restrict dividends and other capital distributions to be paid, or loans and advances to be made or repaid to or from other entities within the Company.



## 11. Investment Properties

The composition of and movements in this account follow:

	2025			2024		
	Land	Building/land improvements/condominium for sale/lease	Total	Land	Building/land improvements/condominium for sale/lease	Total
<b>Cost</b>						
Balances at beginning of year	₱202,743,756	₱19,373,604	₱222,117,360	₱202,743,756	₱19,373,604	₱222,117,360
Balances at end of year	202,743,756	19,373,604	222,117,360	202,743,756	19,373,604	222,117,360
<b>Accumulated depreciation</b>						
Balances at beginning of year	–	18,385,347	18,385,347	–	17,906,453	17,906,453
Depreciation	–	439,037	439,037	–	478,894	478,894
Balances at end of year	–	18,824,384	18,824,384	–	18,385,347	18,385,347
Sub-total	202,743,756	549,220	203,292,976	202,743,756	988,257	203,732,013
Allowance for impairment losses (Note 13)	(25,355,922)	–	(25,355,922)	(25,355,922)	–	(25,355,922)
<b>Net book value at end of year</b>	<b>₱177,387,834</b>	<b>₱549,220</b>	<b>₱177,937,054</b>	<b>₱177,387,834</b>	<b>₱988,257</b>	<b>₱178,376,091</b>

The aggregate fair value of investment properties as of December 31, 2025 and 2024 amounted to ₱590.1million and ₱549.6 million, respectively (see Note 5).

There are no investment properties that generate rental or under lease arrangement. Direct operating expenses on investment properties during the period and are included under ‘Miscellaneous expenses’ in the statements of income amounted to ₱2.0 million, ₱2.0 million and ₱1.9 million in 2025, 2024 and 2023, respectively.

## 12. Other Assets

This account consists of:

	2025	2024
Creditable withholding tax	₱458,590,409	₱458,929,887
Escrow account (Note 14)	176,086,764	209,889,875
Other investments	25,766,880	25,766,880
Prepaid expenses	12,554,450	9,033,093
Security deposits	6,133,789	6,133,789
Software licenses	4,772,500	2,967,404
Miscellaneous	1,225,128	1,262,100
	<b>₱685,129,920</b>	<b>₱713,983,028</b>

Creditable withholding taxes arise from income such as service charges, fees and commissions, interest income and rental income, in which customers are required to withhold taxes.



The Escrow account has been established to account for the Company's matured money market placements (MMP) which pertains to the unclaimed funds of the investors.

Other investments include certificates for memorial lot investments.

Prepaid expenses consist of prepaid taxes (i.e., real estate tax, documentary stamp tax) and other prepaid expenses (i.e., licenses, insurance and membership fees).

Movements in software licenses follow:

	2025	2024
<b>Cost</b>		
Balance at beginning of year	₱270,840,909	₱265,159,344
Additions	4,870,000	5,681,565
Balance at end of year	275,710,909	270,840,909
<b>Accumulated amortization</b>		
Balance at beginning of year	267,873,505	264,533,785
Amortization	3,064,904	3,339,720
Balance at end of year	270,938,409	267,873,505
<b>Net book value at end of year</b>	<b>₱4,772,500</b>	<b>₱2,967,404</b>

Security deposits represent refundable amounts paid related to office rentals, parking slots, internet and other utility lease lines.

Miscellaneous assets include unused office supplies.

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### 13. Allowance for Impairment and Credit Losses

Changes in the allowance for impairment and credit losses follow:

	2025	2024
Balance at beginning of year		
Investment in associates	₱1,402,032,642	₱1,240,639,551
Loans and receivables	887,250	887,250
Investment properties	25,355,922	25,355,922
	1,428,275,814	1,266,882,723
Provision for (reversal of) impairment and credit losses during the year	(557,014,643)	161,393,091
Balance at end of year		
Investment in associates (Note 10)	845,017,999	1,402,032,642
Loans and receivables (Note 8)	887,250	887,250
Investment properties (Note 11)	25,355,922	25,355,922
	<b>₱871,261,171</b>	<b>₱1,428,275,814</b>



Below is the breakdown of the provision for (recovery from) impairment and credit losses, including provision (reversal of provision) for other probable losses recognized in the statements of income.

	2025	2024	2023
<b>Provision for (reversal of) impairment and credit losses</b>			
Investment in associates	(P557,014,643)	P161,393,091	P458,272,388
Loans and receivables	—	—	(9,497,604)
	<b>(P557,014,643)</b>	161,393,091	448,774,784
<b>Provision for (reversal of) other probable losses</b>			
	4,781,875	(3,611,060)	(10,246,711)
	<b>(P552,232,768)</b>	P157,782,031	P438,528,073

With the foregoing level of allowance for impairment and credit losses, management believes that the Company have sufficient allowance to cover any losses that the Company may incur from the non-collection or nonrealization of receivables and other risk assets.

In 2025 and 2024, all financial assets of the Company are classified as Stage 1 and there were no transfers between stages during the year.

#### 14. Accounts Payable and Accrued Taxes, Interest and Other Expenses

##### Accounts Payable

This account consists of:

	2025	2024
Matured money market placements	<b>P176,086,764</b>	P209,889,875
Staled checks	<b>14,572,983</b>	14,508,954
Various clients	<b>2,414,106</b>	2,175,300
Suppliers	<b>959,141</b>	778,618
Government agencies	<b>78,173</b>	209,702
Subsidiaries and affiliates	<b>18,871</b>	391,660
Others	<b>2,368,102</b>	4,745,610
	<b>P196,498,140</b>	P232,699,719

Matured money market placements pertains to the unclaimed funds of the investors (see Note 12).

##### Accrued, Taxes, Interest and Other Expenses

This account consists of:

	2025	2024
<b>Financial liabilities:</b>		
Accrued other expenses payable	<b>P52,799,025</b>	P53,379,686
Accrued fees payable	<b>6,656,874</b>	6,768,640
Accrued rent payable	<b>32,241</b>	32,241
	<b>59,488,140</b>	60,180,567
<b>Nonfinancial liabilities:</b>		
Accrued taxes and licenses	<b>11,124,845</b>	7,729,938
Retirement liability (Note 20)	<b>68,883,268</b>	67,164,351
	<b>80,008,113</b>	74,894,289
	<b>P139,496,253</b>	P135,074,856



## 15. Other Liabilities

This account consists of the following:

	2025	2024
<b>Financial liabilities:</b>		
Lease liabilities (Note 22)	<b>₱41,011,499</b>	₱–
Premiums payable	<b>726,773</b>	475,831
Miscellaneous	<b>42,345,388</b>	47,063,514
	<b>84,083,660</b>	47,539,345
<b>Nonfinancial liabilities:</b>		
Withholding taxes payable	<b>5,034,988</b>	4,679,125
Miscellaneous	<b>49,308,240</b>	39,808,237
	<b>54,343,228</b>	44,487,362
	<b>₱138,426,888</b>	₱92,026,707

### *Miscellaneous liabilities*

Miscellaneous liabilities consist of provisions for other probable losses (see Note 13) and other government-related payables.

## 16. Maturity Analysis of Financial and Nonfinancial Assets and Liabilities

The following tables present the assets and liabilities of the Company by contractual maturity or for equity based on the expected date of which these assets will be realized and settlement dates as of December 31, 2025 and 2024:

	2025			2024		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
<b>Financial Assets</b>						
Cash and other cash items	₱2,033,295,323	₱–	₱2,033,295,323	₱1,961,715,424	₱–	₱1,961,715,424
Investment securities at FVOCI	3,452,445,495	3,050,582,941	6,503,028,436	1,026,252,210	4,103,499,497	5,129,751,707
Loans and receivables - at gross (Note 8)	59,743,279	13,739,980	73,483,259	37,687,239	2,669,161	40,356,400
	<b>5,545,484,097</b>	<b>3,064,322,921</b>	<b>8,609,807,018</b>	<b>3,025,654,873</b>	<b>4,106,168,658</b>	<b>7,131,823,531</b>
<b>Nonfinancial Assets</b>						
Property and equipment	–	60,131,512	60,131,512	–	31,655,714	31,655,714
Investments in subsidiaries and associates - at gross of allowance for impairment (Note 10)	–	9,813,046,274	9,813,046,274	–	9,599,322,458	9,599,322,458
Investment properties - at gross of allowance for impairment (Note 11)	–	203,292,976	203,292,976	–	203,732,013	203,732,013
Other assets	12,829,397	672,300,523	685,129,920	9,345,013	704,638,015	713,983,028
	<b>12,829,397</b>	<b>10,748,771,285</b>	<b>10,761,600,682</b>	<b>9,345,013</b>	<b>10,539,348,200</b>	<b>10,548,693,213</b>
Allowance for impairment and credit losses (Note 13)	(887,250)	(870,373,921)	(871,261,171)	(887,250)	(1,427,388,564)	(1,428,275,814)
	<b>₱5,557,426,244</b>	<b>₱12,942,720,285</b>	<b>₱18,500,146,529</b>	<b>₱3,034,112,636</b>	<b>₱13,218,128,294</b>	<b>₱16,252,240,930</b>
<b>Financial Liabilities</b>						
Dividends payable	₱3,097,438,890	₱–	₱3,097,438,890	₱88,373,690	₱–	₱88,373,690
Accounts payable	196,498,140	–	196,498,140	232,699,719	–	232,699,719
Accrued interest and other expenses payable (Note 14)	59,488,140	–	59,488,140	60,180,567	–	60,180,567
Lease liabilities (Note 15)	19,405,085	21,606,414	41,011,499	–	–	–
Other liabilities (Note 15)	43,072,161	–	43,072,161	47,539,345	–	47,539,345
	<b>3,415,902,416</b>	<b>21,606,414</b>	<b>3,437,508,830</b>	<b>428,793,321</b>	<b>–</b>	<b>428,793,321</b>
<b>Nonfinancial Liabilities</b>						
Accrued taxes and other expenses payable (Note 14)	11,124,845	68,883,268	80,008,113	7,729,938	67,164,351	74,894,289
Deferred tax liabilities	–	2,470,014	2,470,014	–	2,470,014	2,470,014
Other liabilities (Note 15)	54,343,228	–	54,343,228	44,487,362	–	44,487,362
	<b>65,468,073</b>	<b>71,353,282</b>	<b>136,821,355</b>	<b>52,217,300</b>	<b>69,634,365</b>	<b>121,851,665</b>
	<b>₱3,481,370,489</b>	<b>₱2,959,696</b>	<b>₱3,574,330,185</b>	<b>₱481,010,621</b>	<b>₱69,634,365</b>	<b>₱550,644,986</b>



## 17. Equity

Details of the Company's capital stock as of December 31, 2025 and 2024 follow:

	Shares	Amount
Common stock - ₱500 par value		
Authorized - 16,000,000 shares		
Issued – 8,417,385 shares		
Issued and paid-up capital	8,417,385	₱4,208,692,500
Less: Treasury shares	968,760	2,663,485,816
<b>Total issued and outstanding at end of year</b>	<b>7,448,625</b>	<b>₱1,545,206,684</b>

As of December 31, 2025 and 2024, there are 1,255 shareholders of the Company's common shares.

### Amendments on the Articles of Incorporation

On September 15, 2023, the SEC approved the amendments of the Company's articles of incorporation as follows:

1. To delete paragraphs “m” and “n” in the Primary Purpose pertaining to the quasi-banking and trust activities in view of the approval of BSP of the surrender of the quasi-bank license and the surrender of the trust license; and,
2. The Seventh Article on the Capital Stock to increase the par value from ₱10.00 to ₱500.00 per share and decreasing the number of authorized common shares from 800,000,000 to 16,000,000

### Acquisition of Treasury Shares

In 2024, the Company bought back 64 shares of its own shares for a total cost of ₱0.13.

### Dividend Declaration

Details of the Company's dividend distribution follow:

Date of Declaration	Dividend		Record Date	Payment Date
	Per Share	Total Amount		
December 19, 2025	₱402.7589	₱3,000,000,000	December 31, 2025	February 27, 2026
April 1, 2024	201.38	1,500,000,000	April 30, 2024	June 28, 2024

### Capital Management

The primary objectives of the Company's capital management is to ensure that it complies with externally imposed capital requirements and it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. The Company may adjust the amount of dividend payment to shareholders, or issue capital securities in order to maintain or adjust its capital structure. The Company has taken into consideration the impact of regulatory requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.



Regulatory Qualifying Capital

On March 29, 2021, the Company received the approval of the BSP for the surrender of its QB license effective March 25, 2021. Effective April 1, 2021, the regulatory capital is now based on the SEC-prescribed Risk Based Capital Adequacy (RBCA) rules.

The Amended Implementing Rules and Regulations of the SRC effective February 28, 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 ₱2.5 million or 2.5% of aggregate indebtedness (AI), 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 RBCA model; and
- c. to require unimpaired paid-up capital of ₱100.0 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; ₱10.0 million plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

RBCA ratio of a broker dealer, computed by dividing the Net Liquid Capital (NLC) by the Total Risk Capital Requirement (TRCR), should not be less than 110.0%. NLC and TRCR are computed based on the existing SRC. NLC consists of total equity adjusted for allowance for market decline, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the AI of every stockbroker should not exceed 2,000.0% of its NLC and at all times shall have and maintain NLC of at least ₱5.0 million or 5.0% of the AI, whichever is higher.

As of December 31, 2025 and 2024, the Company is in compliance with the RBCA ratio. The RBCA ratio of the Company as reported to the SEC as of December 31, 2025 and 2024 as shown in the table below:

	2025	2024
Equity Eligible for Net Liquid Capital	₱14,925,816,344	₱15,701,595,943
Contingencies and Guarantees	(3)	(500,006)
Ineligible Assets	(10,887,959,303)	(10,025,302,587)
<b>Net Liquid Capital (NLC)</b>	<b>₱4,037,857,038</b>	<b>₱5,675,793,350</b>
Position Risk Requirement	₱104,990,362	₱144,479,128
Operational Risk Requirement	156,100,207	109,899,823
Counterparty Risk Requirement	1,325,203	-
Large Exposure Risk Requirement	-	-
<b>Total Risk Capital Requirement (TRCR)</b>	<b>262,415,772</b>	<b>254,378,951</b>
<b>Aggregate Indebtedness (AI)</b>	<b>3,574,330,185</b>	<b>₱550,644,986</b>
5.00% of AI	178,716,509	27,532,249
Required NLC	178,716,509	27,532,249
Net Risk-Based Capital Excess	3,859,140,529	5,648,261,100
Ratio of AI to NLC	88.52%	9.70%
<b>RBCA ratio (NLC/TRCR)</b>	<b>1538.72%</b>	<b>2,231.24%</b>



Further, SEC Memorandum Circular No. 16 dated November 11, 2004 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 following are the definition of terms used in the above computation:

*Ineligible assets*

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

*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.

*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.

*Counterparty risk requirement*

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

*Aggregate Indebtedness (AI)*

This is the total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities 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.

Retained Earnings

The computation of retained earnings available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following the BSP guidelines.

In the financial statements, a portion of the Company's retained earnings corresponding to accumulated equity in net earnings of the subsidiaries and associates amounting to ₱6.4 billion and ₱6.0 billion and as of December 31, 2025 and 2024, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon receipt of cash dividends from the investees. In addition, the amount of retained earnings equivalent to the cost of treasury shares being held by the Company is also restricted from being declared and issued as dividends.



### Minimum Capital Requirements

As required by the Omnibus Rules and Regulations for Investment Houses and Universal Banks Registered as Underwriters of Securities, investment houses shall have a minimum initial paid-in capital of ₱300.0 million or such amount as the BSP may prescribe at the time of incorporation. Further, BSP requires a ₱200.0 million minimum paid-in capital for investment houses to be established in Metro Manila.

The Company's paid-in capital is ₱6.3 billion, which is above the required externally imposed minimum paid-in capital.

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## 18. Interest Income

This account consists of interest income on:

	2025	2024	2023
Investment securities at FVOCI	<b>₱290,055,142</b>	₱238,151,175	₱212,991,237
Cash and cash equivalents	<b>82,825,043</b>	91,599,547	72,438,561
Loans and receivables	<b>495,155</b>	346,320	366,377
	<b>₱373,375,340</b>	₱330,097,042	₱285,796,175

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## 19. Interest Expense

This account consists of interest expense on:

	2025	2024	2023
Lease liability (Note 22)	<b>₱3,300,778</b>	₱88,521	₱799,790
Borrowings from other banks	–	232,313	64,229
Others	–	3,850,807	–
	<b>₱3,300,778</b>	₱4,171,641	₱864,019

Others include interest on tax deficiencies paid in 2024.

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## 20. Retirement Plans

The Company have funded, noncontributory defined benefit retirement plans covering substantially all its officers and regular employees. Under these retirement plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The plan is administered and managed by MBTC.

The Company's annual contribution to the retirement plan consists of a payment covering the current service cost, amortization of the unfunded actuarial accrued liability and interest on such unfunded actuarial liability.

The costs of defined benefit retirement plans as well as the present value of the retirement liability are determined using actuarial valuations. The actuarial valuation involves making various assumptions.



The principal assumptions used in determining the retirement liability for the defined benefit retirement plans are shown below:

	<b>2025</b>	2024	2023
Retirement age	<b>55</b>	55	55
Average remaining working life	<b>6 years</b>	6 years	7 years
Discount rate	<b>6.17%</b>	6.12%	6.0%
Expected rate of salary increase	<b>6.0%</b>	6.0%	6.0%
Employee turnover rate	<b>16%</b>	16%	16%



Movements in net pension liability follows:

	2025									
	Net benefit cost					Remeasurements in other comprehensive income				
	January 1, 2025	Current service cost	Past service Cost	Net interest	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	December 31, 2025
Present value of defined benefit obligation	P225,014,486	P19,068,214	P-	P13,049,509	P32,117,723	P-	(P1,744,926)	(P437,948)	P-	P231,374,899
Fair value of plan assets	(157,850,135)	-	-	(9,604,755)	(9,604,755)	3,143,879	-	-	-	(162,491,631)
Net pension liability (Note 14)	P67,164,351	P19,068,214	P-	P3,444,754	P22,512,968	P3,143,879	(P1,744,926)	(P437,948)	P-	P68,883,268

	2024									
	Net benefit cost					Remeasurements in other comprehensive income				
	January 1, 2024	Current service cost	Past service Cost	Net interest	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	December 31, 2024
Present value of defined benefit obligation	P269,045,500	P22,844,168	(P10,347,123)	P14,359,089	P26,856,134	P-	(P1,837,166)	(P864,336)	P-	P225,014,486
Fair value of plan assets	(188,325,299)	-	-	(10,474,552)	(10,474,552)	605,865	-	-	-	(157,850,135)
Net pension liability (Note 14)	P80,720,201	P22,844,168	(P10,347,123)	P3,884,537	P16,381,582	P605,865	(P1,837,166)	(P864,336)	P-	P67,164,351

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.



The fair values of plan assets by each class as at the end of the reporting periods are as follows:

	2025	2024
Cash and cash equivalents	<b>₱61,098</b>	₱2,225,254
Equity instruments		
Services	–	24,518,000
Debt instruments		
Government securities	<b>124,222,093</b>	100,773,835
Below AAA and unrated private debt securities	<b>2,000,144</b>	1,966,945
Investment in mutual funds/UITF	<b>33,942,178</b>	27,035,488
Loans and receivables	<b>2,587,626</b>	1,503,047
	<b>162,813,139</b>	158,022,569
Less other payables	<b>321,508</b>	172,434
<b>Fair value of plan assets</b>	<b>₱162,491,631</b>	₱157,850,135

As of December 31, 2025 and 2024, equity securities included in the plan assets include shares from the other related parties amounting to ₱33.9 million and ₱21.7 million, respectively (see Note 25).

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Possible fluctuations	Increase (Decrease)	
		2025	2024
Discount rates	+1.0%	<b>(8,127,451)</b>	(8,899,656)
	-1.0%	<b>8,894,391</b>	9,715,797
Turnover rate	+2.0%	<b>(2,003,096)</b>	(2,112,420)
	-2.0%	<b>2,232,303</b>	2,324,639
Future salary increase rate	+1.0%	<b>9,976,286</b>	10,839,426
	-1.0%	<b>(9,305,060)</b>	(10,119,617)

The Company expect to contribute ₱32.3 million to its defined benefit pension plan in 2026.

The average duration of the defined benefit retirement liability at the end of the reporting period is 5.63 years.

## 21. Service Charges, Fees and Commissions

### Service Charges, Fees and Commissions

The table below presents the disaggregation of service charges, fees and commission by type of fee:

	2025	2024	2023
Underwriting and loan syndication	<b>₱452,037,101</b>	₱103,738,763	₱133,261,552
Advisory fees	<b>526,316</b>	11,633,020	81,459,378
Commission and selling fees	<b>396,689</b>	8,746,932	14,833,268
Others	<b>6,723,960</b>	27,603,500	49,785,857
	<b>₱459,684,066</b>	₱151,722,215	₱279,340,055



‘Others’ pertains to management fees, incentive fees and other service fees.

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## 22. Lease

The Company has lease contracts for its office premises for a period of 3 years renewable by mutual agreement of the parties at the end of term of the lease.

During the financial year ended 2024, the Company reassessed the lease arrangement for its office premises. Leases previously classified as finance leases were reclassified as operating leases following the expiry of the original lease contract on June 30, 2024, as the arrangement no longer met the criteria for finance lease classification. The lease agreement was renewed on January 1, 2025, and upon reassessment, was determined to meet the criteria for finance lease classification.

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

	2025	2024
Depreciation expense of right-of-use assets included		
in property and equipment (Note 9)	<b>₱19,681,737</b>	₱11,063,683
Expenses relating to short-term leases	<b>2,201,001</b>	13,533,231
Interest expense on lease liabilities (Note 19)	<b>3,300,778</b>	88,521
<b>Total amount recognized in the statements of income</b>	<b>₱25,183,516</b>	₱24,685,435

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	<b>₱-</b>	₱11,890,739
Additions	<b>59,045,210</b>	
Interest expense	<b>3,300,778</b>	88,521
Payments	<b>(21,334,489)</b>	(11,979,260)
<b>Balance at end of year</b>	<b>₱41,011,499</b>	₱-

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2025

1 year	<b>₱21,334,489</b>
more than 1 year to 2 years	<b>22,401,213</b>

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## 23. Miscellaneous Income and Expense

### Miscellaneous Income

In 2025, this account includes ₱19.8 million clawback premium received from the buyer of Axelum shares sold.



Miscellaneous Expense

This account consists of:

	2025	2024	2023
Insurance	<b>₱6,242,905</b>	₱8,242,069	₱8,336,778
Membership dues	<b>4,926,477</b>	6,437,501	5,722,603
Security, messengerial and janitorial	<b>4,567,754</b>	6,419,977	8,489,081
Repairs and maintenance	<b>3,352,628</b>	1,694,459	1,467,925
Fuel and lubricants	<b>3,091,445</b>	4,984,020	5,066,197
Transportation and travel	<b>2,506,795</b>	2,840,681	3,781,775
Referral and service fees	<b>725,865</b>	277,697	2,000,000
Stationery and supplies used	<b>264,525</b>	535,745	682,767
Custodianship, collateral agent, and maintenance fees	<b>194,808</b>	504,872	269,835
Research and other technical cost	<b>175,000</b>	2,100,000	2,275,000
Litigation/asset-acquired expenses	<b>148,697</b>	892,181	892,181
Bank service charges and other service fees	<b>96,279</b>	4,329,226	4,059,391
Online trading, transfer and exchange fees	–	2,669,052	10,375,575
Donations	–	100,000	459,856
Others	<b>6,966,250</b>	13,419,987	5,734,107
	<b>₱33,259,428</b>	₱55,447,467	₱59,613,071

Others consist mostly of expenses for company sponsorships, corporate social responsibility initiatives, corporate giveaways, maintenance and administrative costs.

**24. Income and Other Taxes**

The provision for income tax consists of:

	2025	2024	2023
Current			
Final tax	<b>₱72,688,135</b>	₱80,680,372	₱55,686,949
Corporate	<b>7,060,182</b>	447,435	2,420,895
	<b>₱79,748,317</b>	₱81,127,807	₱58,107,844

Under Philippine tax laws, the Company are subject to various taxes, including income taxes and gross receipts tax (GRT). The taxes are presented as 'Taxes and licenses' in the statements of income, with gross receipts tax (GRT) being the principal component.

Income taxes include regular corporate income tax (RCIT), as discussed below, as well as final withholding taxes paid at the rates of 20% of gross interest income from peso-denominated debt instruments and other deposit substitutes, 15% of gross interest income from foreign currency deposits in a depository bank under the expanded foreign currency deposit system and a 15% final tax imposed on net capital gains realized during the taxable year from the disposition of shares of stock in a domestic corporation not traded in the stock exchange.

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 30.0% to 25.0% depending on the criteria set by the law effective July 1, 2020. With the implementation of this Act, interest expense allowed as deductible expenses shall be reduced by 20.0% of the interest income subject to final tax, compared to the 33.0% reduction prior to the Act.



The regulations also stipulate an MCIT of 2.0% (prior to CREATE) and 1.0% from July 2020 to June 30, 2023, before reverting to 2.0% on gross income, along with the provision for a Net Operating Loss Carryover (NOLCO). Both the MCIT and NOLCO can be applied against the Company's income tax liability and taxable income, respectively, over a three-year period from the year of inception. However, 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. Additionally, starting July 1, 2023, the MCIT rate revert to 2%.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Company and its subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.0% of net revenue.

The Company's outstanding deferred tax liabilities on initial recognition of investment property at fair value amounting to ₱2.47 million in 2025 and 2024.

The Company did not set up deferred tax assets on the following:

	2025	2024
Temporary differences on:		
NOLCO	<b>₱643,105,068</b>	₱968,114,410
Retirement liability	<b>68,883,268</b>	67,164,351
Allowance on investment property	<b>25,355,922</b>	25,355,922
Carryforward benefits of MCIT	<b>9,928,512</b>	4,665,574
Unamortized past service cost	<b>6,468,678</b>	6,052,897
Unrealized loss on FVOCI	-	2,236,404
	<b>₱753,741,448</b>	₱1,073,589,558

The Company believes that it is not probable that these temporary differences will be realized before the three-year expiration.

As of December 31, 2025 and 2024, deferred tax liabilities have not been recognized on the undistributed earnings of certain subsidiaries and associates (Note 10).

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 (bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2025, the Company has incurred NOLCO as follows:

Year Incurred	Availment Period	NOLCO Applied Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2020	2021-2025	₱115,410,235	₱35,414,156	₱79,996,079	₱-	₱-
2022	2023-2025	253,722,260	-	253,722,260	-	-
2023	2024-2026	290,907,244	-	-	-	290,907,244
2024	2025-2027	343,488,827	-	-	-	343,488,827
2025	2026-2028	8,708,997	-	-	-	8,708,997
		<b>₱1,012,237,563</b>	<b>₱35,414,156</b>	<b>₱333,718,339</b>	<b>₱-</b>	<b>₱643,105,068</b>



Details of MCIT for the Company as of December 31, 2025 are as follows:

Inception Year	Amount	Used	Expired	Balance	Expiry Year
2022	₱1,797,244	₱-	₱1,797,244	₱-	2025
2023	2,420,895	-	-	2,420,895	2026
2024	447,435	-	-	447,435	2027
2025	7,060,182	-	-	7,060,182	2028
	<b>₱11,725,756</b>	<b>₱-</b>	<b>₱1,797,244</b>	<b>₱9,928,512</b>	

A reconciliation between the statutory income tax and effective income tax follows:

	2025	2024	2023
Statutory income tax rate	<b>25.0%</b>	25.0%	25.0%
Tax effects of:			
Equity in net earnings of subsidiaries and associates	<b>(14.1)</b>	(30.8)	(41.28)
Non-deductible expenses	<b>(6.1)</b>	7.1	31.12
Tax-exempt and tax-paid income	<b>(1.4)</b>	(1.8)	(16.10)
Change in unrecognized deferred tax assets	<b>0.1</b>	9.2	10.83
Effective income tax rate	<b>3.5%</b>	8.7%	9.6%

## 25. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities.

The Company have transactions with its subsidiaries, associated companies, affiliates, and with certain related interests collectively referred to as directors, officers, stockholders and other related interests. These transactions consist primarily of loan transactions, management contracts, outright purchases and sales of trading and investment securities, business and development support and other regular banking transactions.

The Company settles its related party transactions in cash.

The following table provides the total amounts of transactions that have been entered into with related parties during the year 2025 and 2024:

	2025				
	Deposits	Withdrawals	Purchase of securities		
Ultimate Parent Company	<b>₱80,012,504,005</b>	<b>₱79,892,923,251</b>	<b>₱-</b>		
Subsidiaries	-	-	<b>3,071,991,963</b>		
Affiliates	<b>4,850,626,839</b>	<b>4,898,626,839</b>	-		
	<b>₱84,863,130,844</b>	<b>₱84,791,550,090</b>	<b>₱3,071,991,963</b>		
	2024				
	Deposits	Withdrawals	Sale of securities	Purchase of securities	Borrowings
Ultimate Parent Company	₱158,919,831,974	₱157,280,338,593	₱13,221,709,645	₱12,735,312,682	₱683,322,000
Subsidiaries	-	-	517,035,442	1,142,163,480	-
Associates	-	-	908,287,901	357,913,306	-
Affiliates	5,770,998,563	6,170,745,630	607,100,152	-	-
	<b>₱164,690,830,537</b>	<b>₱163,451,084,223</b>	<b>₱15,254,133,140</b>	<b>₱14,235,389,468</b>	<b>₱683,322,000</b>



The following are the balances of the Company's related party transactions as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 (amounts in thousands):

Category	As of and for the year ended December 31, 2025		
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Ultimate Parent Company</b>			
Cash and other items	₱-	₱1,845,114	Peso and US dollar-denominated demand, savings and time deposit accounts. Peso deposits carry interest from 0.1% to 1.25%, time deposits carry interest from 5.1% to 5.2%, while US dollar deposits carry interest from 0.0% to 1.25%
Loans and receivables	-	3,842	Accrued interest receivables from time deposits
Other assets	-	176,087	Escrow account and lease deposits
Accounts payable and other liabilities	-	3,852	Internal audit fees
Other liabilities	-	2,978,297	Dividends payable
Interest income	48,467	-	From savings and time deposit accounts
Professional fees	4,516	-	Internal audit fees
Miscellaneous	78	-	Service fees and bank charges
<b>Subsidiaries</b>			
Accounts receivable	-	4	Management fee
Service charges, fees and commissions	3,826	-	Management fees and advisory fees for services rendered to subsidiaries
Professional fees	2,704	-	Ceded fees
Broker's commission	1,341	-	Broker's commission for government securities and stock transaction
<b>Associates</b>			
Other assets	-	175	Various prepaid expenses
Accounts payable	-	19	Life insurance
Miscellaneous expense	1,197	-	Insurance expenses
<b>Other Related Parties</b>			
Cash and other cash items	-	188,000	Savings, current and time deposits with interest rate ranging from 0.05% to 4.7% per annum
Loans and receivables	-	549	Accrued interest receivables from time deposits
Property and equipment	-	1,730	Company vehicles
Other assets	-	7,174	Rent deposits
Accounts payable and other liabilities	-	937	Rent payable and accounts payable
Interest income	34,149	-	Interest income from investment in debt securities; unquoted debt securities, savings and time deposits and fringe benefit loans
Interest expense	3,301	-	From lease liability
Service charges, fees and commissions	26,814	-	Arranger fees
Rent, light and water	1,467	-	Rental payments for office premises
Depreciation of property and equipment and investment properties	19,682	-	Depreciation of right-of-use asset
Information technology and related expenses	2,124	-	Information security services
Taxes and licenses	8	-	
Miscellaneous expense	6,318	-	Insurance expense, membership dues, maintenance fee and other service fees
<b>Key Management Personnel</b>			
Loans and receivables	-	11,137	Fringe benefit loans with terms ranging from 3.0 years to 5.0 years and interest rate of 8.0%
Interest income	276	-	Interest income from fringe benefit loans
Miscellaneous expense	10,680	-	Per diems given to directors during board meetings



As of and for the year ended December 31, 2024

Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Ultimate Parent Company</b>			
Cash and other items	₱-	₱1,725,533	Peso and US dollar-denominated demand, savings and time deposit accounts. Peso deposits carry interest from 0.1% to 1.25%, time deposits carry interest from 0.1% to 4.3%, while US dollar deposits carry interest from 0.0% to 1.25%
Loans and receivables	-	4,699	Accrued interest receivables from time deposits
Other assets	-	209,890	Escrow account and lease deposits
Accounts payable and other liabilities	-	4,661	Internal audit fees
Interest income	25,241	-	From savings and time deposit accounts
Interest expense	232	-	From dollar term borrowings
Service charges, fees and commissions	14,332	-	Arranger and selling fees
Trading and securities gain	1,695	-	Realized gain from investments in debt securities
Professional fees	4,663	-	Internal audit fees
Miscellaneous	275	-	Service fees and bank charges
<b>Subsidiaries</b>			
Accounts payable	-	392	Ceded fees
Service charges, fees and commissions	29,385	-	Management fees and advisory fees for services rendered to subsidiaries
Trading and Securities Gain/(Loss)	16	-	Realized gain from sale of debt securities
Other Income	203	-	Service fees
Broker's commission	3,313	-	Broker's commission for government securities and stock transactions
Professional fees	470	-	Research and analyst fees
<b>Associates</b>			
Other assets	-	211	Various prepaid expenses
Accounts payable	-	31	Life insurance
Miscellaneous expense	1,144	-	Insurance expenses
<b>Other Related Parties</b>			
Cash and other cash items	-	236,000	Savings, current and time deposits with interest rate ranging from 0.05% to 5.8% per annum
Loans and receivables	-	743	Accrued interest receivables from time deposits
Property and equipment	-	2,450	Company vehicles
Other assets	-	6,112	Rent deposits
Accounts payable and other liabilities	-	2,859	Rent payable and accounts payable
Interest income	44,120	-	Interest income from investment in debt securities; unquoted debt securities, savings and time deposits and fringe benefit loans
Interest expense	89	-	From lease liability
Service charges, fees and commissions	30,797	-	Arranger and financial advisory fees; brokering fees
Trading and securities loss	18	-	Realized and unrealized gain/(loss) on investments in debt and equity securities
Rent, light and water	15,765	-	Rental payments for office premises
Depreciation of property and equipment and investment properties	11,064	-	Depreciation of right-of-use asset
Taxes and licenses	15	-	
Miscellaneous expense	5,058	-	Insurance expense, membership dues, maintenance fee and other service fees
<b>Key Management Personnel</b>			
Loans and receivables	-	507	Fringe benefit loans with terms ranging from 2.0 years to 11.0 years and interest rate ranging from 8.0% to 9.0%
Interest income	91	-	Interest income from fringe benefit loans
Miscellaneous expense	11,320	-	Per diems given to directors during board meetings



<b>As of and for the year ended December 31, 2023</b>			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Ultimate Parent Company</b>			
Cash and other items	P-	P86,040	Peso and US dollar-denominated demand, savings and time deposit accounts. Peso deposits carry interest from 0.1% to 1.25%, time deposits carry interest from 0.1% to 4.3%, while US dollar deposits carry interest from 0.0% to 1.25%
Loans and receivables	-	121	Accrued interest receivables from Time Deposits
Other assets	-	204,395	Escrow account and lease deposits
Accounts payable and other liabilities	-	14,190	Consist of payables arising out of trading transactions in behalf of customers; and internal audit fees
Interest income	15,158	-	From savings and time deposit accounts
Interest expense	64	-	From term borrowings
Service charges, fees commissions	8,864	-	Arranger and selling fees
Professional fees	604	-	Internal audit and retainer's fee for the current year
Miscellaneous expense	806	-	Bank charges
<b>Subsidiaries</b>			
Loans and receivables	-	2,705	Accounts receivables from management/advisory fees and advances for various expenses
Accrued taxes, interest and other expenses	-	6	Ceded fee for trading participants
Other liabilities	-	9,375	Subscriptions payable
Service charges, fees and commissions	29,815	-	Management fees and advisory fees for services rendered to subsidiaries
Trading and Securities Gain/(Loss)	20	-	Realized gain from sale of debt securities
Other Income	676	-	Service fees
Professional fees	12,865	-	Research and analyst fees
<b>Associates</b>			
Trading and securities gains	824	-	Realized gain from sale of debt securities
Miscellaneous expense	2,328	-	Insurance expenses
<b>Other Related Parties</b>			
Cash and other cash items	-	635,747	Savings, current and time deposits with interest rate ranging from 0.05% to 5.8% per annum
Loans and receivables	-	2,817	Accrued interest receivables from Time Deposits
Property and equipment	-	23,450	Right-of-use Asset
Other assets	-	8,485	Rent deposits
Accounts payable and other liabilities	-	126	Rent payable and accounts payable
Other liabilities	-	9,643	Lease liability
Interest income	31,880	-	Interest income from time deposits
Interest expense	800	-	From lease liability
Service charges, fees and commissions	38,057	-	Arranger and financial advisory fees
Trading and securities loss	(647)	-	Realized loss on sale of investments in debt securities
Rent, light and water	2,127	-	Rental payments for office premises
Depreciation of property and equipment and investment properties	22,127	-	Depreciation of right-of-use asset
Information technology and related expenses	1,385	-	Information technology project
Miscellaneous expense	6,666	-	Insurance expense, membership dues, maintenance fee and other service fees
<b>Key Management Personnel</b>			
Loans and receivables	-	990	Fringe benefit loans with terms ranging from 3.0 years to 5.0 years and interest rate of 8.0%
Interest income	86	-	Interest income from fringe benefit loans
Miscellaneous expense	11,135	-	Per diems given to directors during board meetings

As of December 31, 2025 and 2024, undrawn commitments/facilities is nil for the Company.



## Terms of Transactions with other related parties

### *Ultimate Parent Company's Trust Banking Group (TBG)*

#### *Transactions with retirement plans*

Under PFRS, certain post-employment benefit plans are considered as related parties. The Company's retirement plans are being managed by the Ultimate Parent Company's Trust Banking Group (TBG). The total carrying amount and fair value of the retirement plan amounted to ₱162.5 million as of December 31, 2025, and ₱157.9 million as of December 31, 2024. The details of the assets of the fund as of December 31, 2025 and 2024 are disclosed in Note 20. The Company's retirement funds may hold or trade its related parties' shares or securities.

The following are the balances of the retirement fund's related party transactions as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025:

Counterparty		Elements of Transactions				
		Statements of Financial Position		Statements of Income		
		2025	2024	2025	2024	2023
Metrobank	Cash and other cash items	<b>₱61,098</b>	₱4,417	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>
	Accrued trust fee payable	<b>258,267</b>	251,834	-	-	-
	Interest income	-	-	<b>1,145</b>	705	219,700
	Trust fee expense	-	-	<b>898,570</b>	1,103,748	1,957,489
MBTC-UITF	Investment in UITF	<b>33,942,178</b>	21,707,442	-	-	-
	Realized trading gain	-	-	<b>851,672</b>	253,347	181,601
	Unrealized trading gain	-	-	<b>(4,617,382)</b>	55,125	160,929

The President of the Company exercises the voting rights for their equity shares in its subsidiaries and Metrobank.

#### *Stock and transfer agent*

TBG is the stock and transfer agent of the Company. It records changes of ownership and maintain the security holder records, cancel and issuer certificates, and distribute dividends.

#### *Compensation of key management personnel*

The compensation of key management personnel are as follows:

	2025	2024	2023
Short-term employee benefits	<b>₱134,375,712</b>	₱159,323,319	₱169,476,822
Post-employment benefits	<b>12,905,413</b>	13,941,515	12,411,124
	<b>₱147,281,125</b>	₱173,264,834	₱181,887,946

## Transactions with Subsidiaries

### *Management fees*

The Company and its subsidiaries executed a management contract for a monthly fee. Management fee represents payments for services rendered by the employees from the Company such as accounting, taxation, financial control, legal and related services, administrative services and government reportorial requirements.



Management fee charged by the Company to the subsidiaries amounted to ₱3.8 million and ₱15.5 million in 2025 and 2024, respectively.

The following table shows the breakdown of loans and receivables from related parties as of December 31, 2025 and 2024:

	2025	2024
Accrued interest receivable	₱4,391,308	₱5,441,724
Accounts receivable	4,250	-
Others	13,888,437	5,327,439
	<b>₱18,283,995</b>	<b>₱10,769,163</b>

Accrued other expenses payable to related parties amounted to ₱4.8 million and ₱7.5 million as of December 31, 2025 and 2024 (see Note 10), respectively.

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## 26. Commitments and Contingent Accounts

### Commitments

As of December 31, 2025, the Company has no outstanding contingent liability from legal cases.

### Contingencies

In the normal course of business, the Company are involved in various contingencies which, in the opinion of the management, will not have a material effect on the financial statements.

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## 27. Earnings Per Share

As a result of the reverse stock split by the Company, which was included in the Articles of Incorporation filed with the SEC on September 15, 2023, the weighted average number of outstanding common shares have been adjusted retrospectively for the effect of the reverse stock split as required under PFRS.

EPS are computed as follows:

	2025	2024	2023
a. Net income attributable to equity holders of the Company	₱2,020,009,355	₱854,709,597	₱551,884,906
b. Weighted average number of common shares	7,448,625	7,448,659	7,449,121
c. Basic/Diluted EPS (a/b)	₱271.2	₱114.8	₱74.1

In 2025, 2024 and 2023, there are no potential shares that have a dilutive effect on the basic EPS of the Company.



## 28. Offsetting of Financial Assets and Liabilities

PFRS 7 requires the Company to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements.

As of December 31, 2025 and 2024, the Company has no similar arrangements.

## 29. Notes to Statements of Cash Flows

The table below provides for the changes in liabilities arising from financing activities of the Company:

	2025				
	January 1, 2025	Additions	Cash flows	Amortization of discount/ Others	December 31, 2025
Dividends payable	₱88,373,690	₱3,000,000,000	₱-	₱9,065,200	₱3,097,438,890
Lease liability	-	59,045,210	(21,334,489)	3,300,778	41,011,499
<b>Total liabilities from financing activities</b>	<b>₱88,373,690</b>	<b>₱3,059,045,210</b>	<b>(₱21,334,489)</b>	<b>₱12,365,978</b>	<b>₱3,138,450,389</b>

	2024				
	January 1, 2024		Cash flows	Amortization of discount	December 31, 2024
Dividends payable	₱89,399,586		(₱1,025,896)	₱-	₱88,373,690
Lease liability	11,890,739		(11,979,260)	88,521	-
<b>Total liabilities from financing activities</b>	<b>₱101,290,325</b>		<b>(₱13,005,156)</b>	<b>₱88,521</b>	<b>₱88,373,690</b>

## 30. Other Matters

The Company has no significant matters to report in 2025 on the following:

- Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.
- Explanatory comments about seasonality or cyclical nature of operations.
- Issuance, repurchase and repayments of debt and equity securities.
- Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows; and
- Effect of changes in the composition of the Company during the year, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

## 31. Approval of the Financial Statements

The accompanying financial statements were authorized for issue by the Company's BOD on February 25, 2026.



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### 32. Supplementary Information Under Revenue Regulations (RR) No. 15-2010

On November 25, 2010, the BIR issued RR 15-2010 to amend certain provisions of RR 21-2002. RR 15-2010 provides that starting 2010 the notes to financial statements shall include information on taxes and licenses paid or accrued during the taxable year.

The Company reported and/or paid the following types of taxes for the year:

#### GRT

Under the Philippine tax laws, financial institutions are subject to percentage and other taxes as well as income taxes. Percentage and other taxes paid by the Company consist principally of GRT.

#### Taxes and Licenses

This includes all other taxes, GRT, assumed tax, local tax including licenses and permit fees in 2025:

GRT	₱42,527,192
Assumed tax	1,926,278
Local taxes	1,575,596
Real estate tax	1,120,607
Others	288,591
	<hr/>
	₱47,438,264

#### Withholding Taxes

Details of total remittances and balances as of December 31, 2025 are as follows:

	Total remittances	Outstanding balance
Withholding taxes on compensation and benefits	₱48,138,489	₱2,771,290
Expanded withholding taxes	6,106,664	1,114,273
Final withholding tax - others	1,162,399	1,149,425
	<hr/>	<hr/>
	₱55,407,552	₱5,034,988

#### Tax assessment

As of December 31, 2025, the Company did not have outstanding preliminary or final assessment.

#### Tax cases

As at reporting date, the Company has no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.



## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
First Metro Investment Corporation  
45<sup>th</sup> Floor, GT Tower International  
Ayala Avenue corner. H.V. Dela Costa Street  
Makati City

We have audited the accompanying financial statements of First Metro Investment Corporation (the Company) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated February 25, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 115 stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

*Glenda C. Anisco-Niño*  
Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

Tax Identification No. 225-158-629

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

SEC Partner Accreditation No. 114462-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028

PTR No. 10765006, January 2, 2026, Makati City

February 25, 2026





SyCip Gorres Velayo & Co.  
6760 Ayala Avenue  
1226 Makati City  
Philippines

Tel: (632) 8891 0307  
Fax: (632) 8819 0872  
sgv.ph

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
First Metro Investment Corporation  
45<sup>th</sup> Floor, GT Tower International  
Ayala Avenue corner. H.V. Dela Costa Street  
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of First Metro Investment Corporation (the Company) 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 February 25, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration and the Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, included in the Index to the Supplementary Schedules are the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. This has been subjected to the auditing procedures applied in the audit of the 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 financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

*Glenda C. Anisco-Niño*

Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

Tax Identification No. 225-158-629

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

SEC Partner Accreditation No. 114462-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028

PTR No. 10765006, January 2, 2026, Makati City

February 25, 2026



STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS


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

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

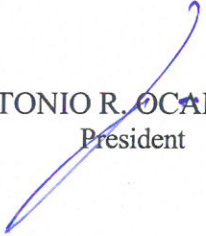
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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



MARY MYLENE A. CAPARAS  
Chairman



ANTONIO R. OCAMPO JR.  
President



GANINE C. OLMEDO  
AVP / Controller

Signed this 7th day of March 2026

SUBSCRIBED AND SWORN to before me this MAR 25 2026 day of CITY OF MAKATI, affiants exhibiting to me their identification, as follows:

Name	Identification	Place of Issue	Date of Expiry
Mary Mylene A. Caparas	Passport No. P2598524B	DFA Manila	07/17/2029
Antonio R. Ocampo Jr.	Passport No. P3661130B	DFA NCR East	10/27/2029
Ganine C. Olmedo	Passport No. P4098682C	DFA Manila	05/10/2033

Notary Public


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Page No. 49  
Book No. 11  
Series of 2026

**ATTY. ADONAI JAN R. ASLARONA**  
Notary Public  
Until December 31, 2026  
IBP O.R No. 591537/01-07-2026/Pampanga  
Appointment No. M-30 (2025-2026)  
Roll of Attorney No. 84603  
MCLE Compliance No. VIII-0033436  
PTR No. 10769145/1-06-2026/Makati City  
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat  
Avenue Corner, Tondolo Street, Makati City 1206

**FIRST METRO INVESTMENT CORPORATION**  
**45th Floor GT Tower International, Ayala Ave., cor. H.V. Dela Costa St., Makati City**  
**Computation of Retained Earnings Available for Dividend Declaration**  
**As of December 31, 2025**

Unappropriated Retained Earnings (RE), <i>beginning of reporting period</i>	P	3,868,514,219
<b>Less: Items that are directly debited to Unappropriated Retained Earning</b>		
Dividend declaration during the reporting period		(3,000,000,000)
Realized loss on disposal charged against retained earnings		(2,117,437)
		(3,002,117,437)
<b>Unappropriated Retined Earnings, as adjusted</b>		<b>866,396,782</b>
<b>Add: Net Income for the period</b>		<b>2,020,009,355</b>
<b>Less: Unrealized income recognized in profit or loss during the reporting period (net of tax)</b>		
Equity in net income from investments in subsidiaries and associates, net of dividends declared		(378,897,838)
		(378,897,838)
<b>Adjusted Net income</b>		<b>1,641,111,517</b>
<b>Less: other items that should be excluded from the determination of the amount of available for dividend distribution</b>		
Net movement in treasury shares (except for reacquisition of redeemable shares)		-
		-
<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<b>P</b>	<b>2,507,508,299</b>

*Certified correct by:*

  
**GANINE C. OLMEDO**  
 AVP / Controller

**FIRST METRO INVESTMENT CORPORATION****SUMMARY OF UNDERWRITING ACTIVITIES**

For the year ended December 31, 2025

*( In Thousand Pesos )*

<b>Underwriting Activity</b>	<b>Client / Issuer</b>	<b>Nature of Commitment</b>	<b>Amount of Issue</b>	<b>Fees Earned</b>	<b>Basis of Computation</b>
Debt Underwriting					
	SM Prime Holdings, Inc.	Firm	25,000,000	₱11,797	based on the percentage of underwritten amount
	Filinvest Land Inc.	Firm	12,000,000	7,023	based on the percentage of underwritten amount
	Petron Corporation	Firm	32,000,000	21,208	based on the percentage of underwritten amount
	Aboitiz Power Corporation	Firm	30,000,000	19,992	based on the percentage of underwritten amount
	Ayala Land Inc.	Firm	15,000,000	8,065	based on the percentage of underwritten amount
	SM Prime Holdings, Inc.	Firm	17,000,000	8,975	based on the percentage of underwritten amount
	Metro Pacific Tollways Corporation	Firm	20,000,000	14,494	based on the percentage of underwritten amount
Equity Underwriting					
	Ayala Corporation	Firm	20,000,000	9,475	based on the percentage of underwritten amount
	Maynilad Water Services, Inc.	Firm	34,300,000	9,868	based on the percentage of underwritten amount

*Certified correct by:*



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**Ganine C. Olmedo**  
AVP | Controller


**FIRST METRO INVESTMENT CORPORATION**  
**45<sup>th</sup> Floor GT Tower International, Ayala Ave., cor. H.V. Dela Costa St., Makati City**  
**Transactions with DOSRI**

In the ordinary course of business, the Company has transactions with its directors, officers, stockholders and other related interests (DOSRI). The following table shows information on loans to DOSRI as of December 31, 2025:

Counterparty	Transaction	Amount of transactions for the year		Carrying value of loan with collateral
		Additions	Collections	
Officers	Fringe Benefit Loans	₱12,340,000	₱1,510,370	₱12,185,579

Loans to officers have maturities of 1 to 15 years and are collected through salary deductions.

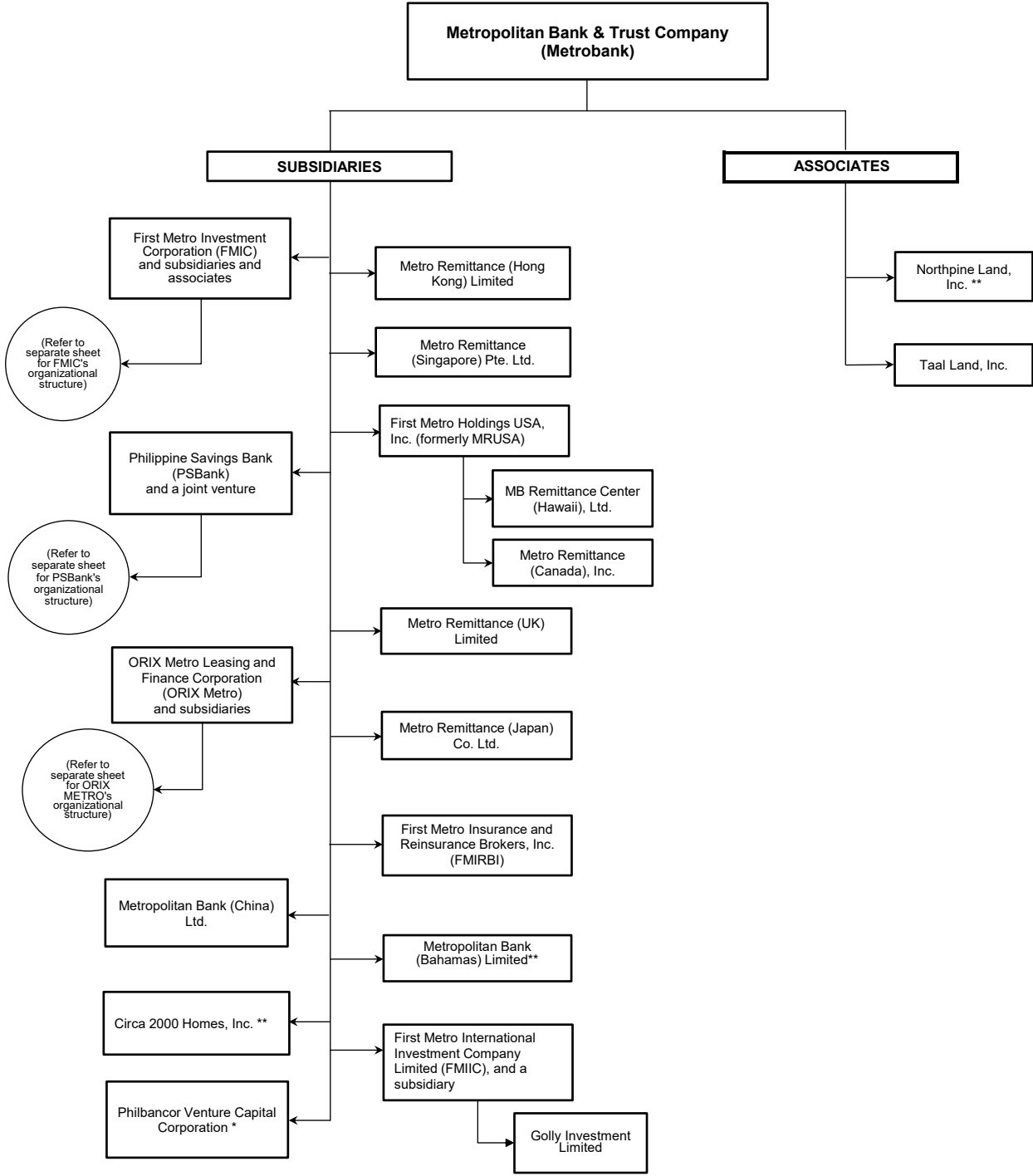
*Certified correct by:*

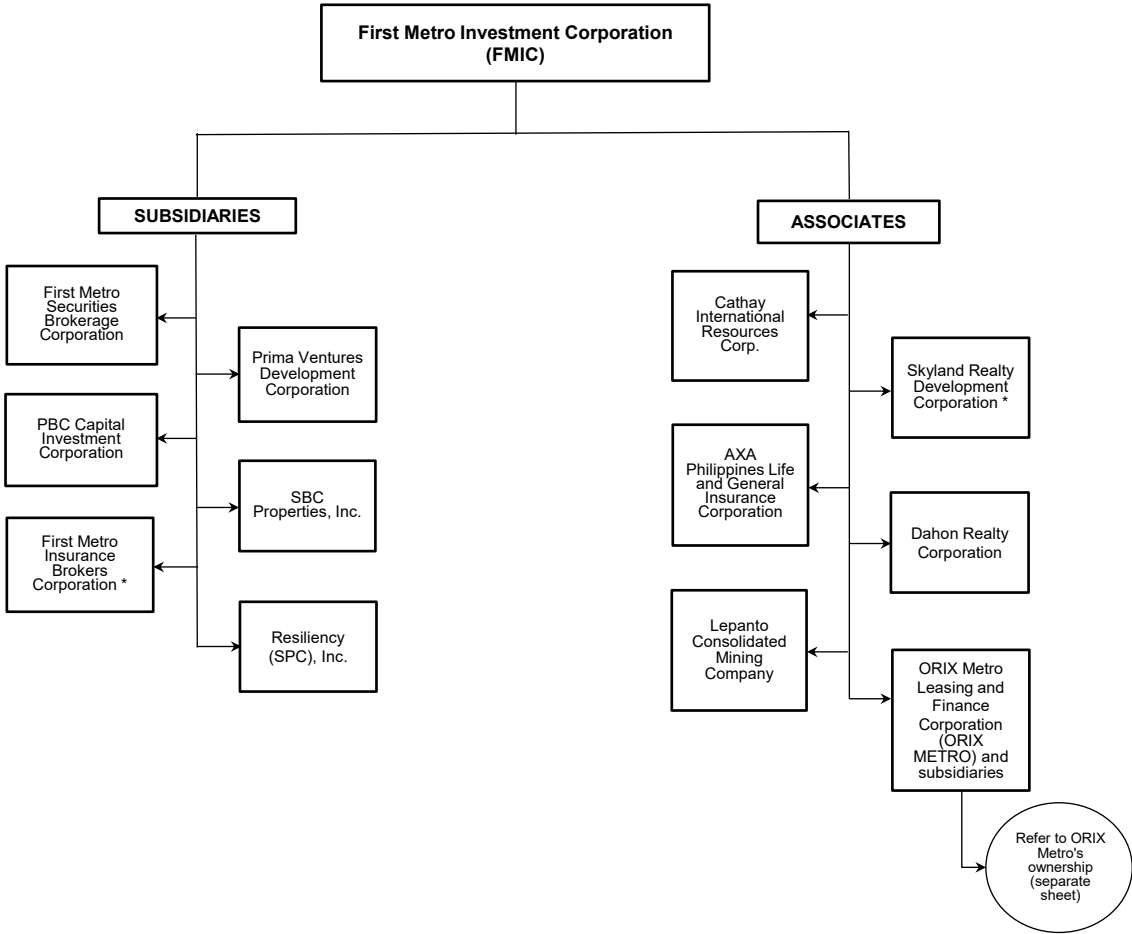

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**Ganine C. Olmedo**  
 AVP | Controller

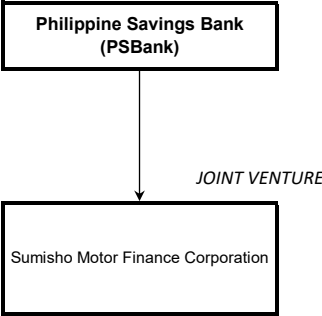
**Metropolitan Bank & Trust Company  
Subsidiaries and Associates  
As of December 31, 2025**

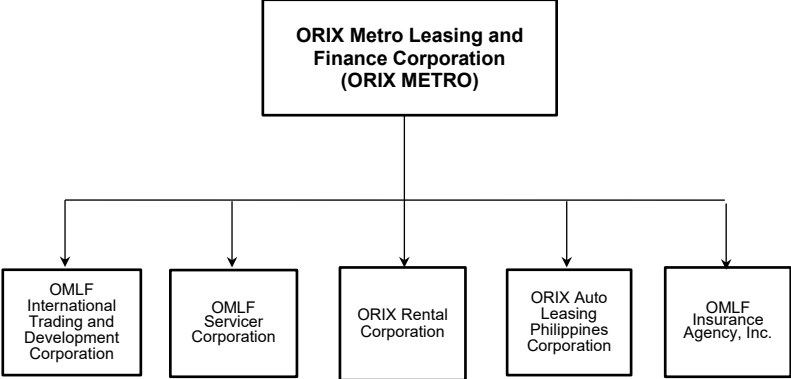


\* In process of dissolution  
\*\* In process of liquidation



\* In process of dissolution





**FIRST METRO INVESTMENT CORPORATION**  
**FINANCIAL SOUNDNESS INDICATORS**

Performance Indicator	Formula	As of December 31	
		2025	2024
a. Current/Liquidity Ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	<b>159.63%</b>	630.78%
b. Solvency Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	<b>19.32%</b>	3.39%
c. Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	<b>23.95%</b>	3.51%
d. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	<b>123.95%</b>	103.51%
e. Interest Rate Coverage Ratio	$\frac{\text{Income before Interest Expense and Tax}}{\text{Interest Expense}}$	<b>12,511.35%</b>	(553.25%)
f. Return on Equity	$\frac{\text{Net Income after Tax}}{\text{Average Capital}}$	<b>13.19%</b>	5.33%
g. Return on Assets	$\frac{\text{Net Income after Tax}}{\text{Average Total Assets}}$	<b>11.63%</b>	5.15%
h. Net Profit Margin Ratio	$\frac{\text{Net Income}}{\text{Net Interest Income and Operating Income}}$	<b>235.74%</b>	195.81%
i. Risk Based Capital Adequacy (RBCA) Ratio	$\frac{\text{Net Liquid Capital}}{\text{Total Risk Capital Requirement}}$	<b>1,538.72%</b>	2,231.24%
j. Ratio of Aggregate Indebtedness to Net Liquid Capital	$\frac{\text{Aggregate Indebtedness}}{\text{Net Liquid Capital}}$	<b>88.52%</b>	9.70%

*Certified correct by:*

  
**GANINE C. OLMEDO**  
 AVP/Controller

**Form and Content of Schedules****Statements of Financial Position****1. Financial Assets**

Name of issuing entity	Number of Shares/Principal amount of bonds/notes	Amount shown in the statement of financial position	Valued based in market quotation at end of reporting period	Income/(Loss) received and accrued
<b>Loans and Receivables:</b>				
Loans and Discount:				
Other Receivables	₱13,888,437	₱13,888,437	₱13,888,437	
	59,594,822	59,594,822	58,707,572	
	73,483,259	73,483,259	72,596,009	
Allowance for Credit Losses	(887,250)	(887,250)	—	
	72,596,009	72,596,009	72,596,009	₱495,155
<b>FVOCI:</b>				
Government Securities	5,505,000,000	5,567,327,473		
Equity Securities				
Axelum Resources Corp.	126,435,577	298,387,962		
The Philippine Stock Exchange, Inc.	2,169,696	445,655,558		
First Metro Philippine Equity Exchange Traded Fund, Inc.	7	707		
Other Issuers	496,566	191,656,736		
	5,634,101,846	6,503,028,436	6,503,028,436	290,055,142
	<b>₱5,706,697,855</b>	<b>₱6,575,624,445</b>	<b>₱6,575,624,445</b>	<b>₱290,550,296</b>

Financial assets at FVOCI investments are measured in the statement of financial position at fair value.

Loans and receivables are measured in the statement of financial position at amortized cost using the effective interest rate and method, less allowance for credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate (EIR).

**2. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties) in the ordinary course of business**

Name of and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Noncurrent	Balance at end of period
Officers and staff	₱2,982,337	₱12,480,000	(₱1,573,899)	(₱—)	₱148,457	₱13,739,980	₱13,888,437

**3. Intangible Assets - Other Assets**

Movements in intangible assets follow:

	2025
Balance at beginning of year	₱2,967,404
Additions at cost (cash expenditure)	4,870,000
Charged to cost and expenses	(3,064,904)
Balance at end of the period	₱4,772,500

This account consists of First Metro's capitalized computer software.

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**4. Long Term Debt**

As of December 31, 2025, First Metro had no long-term debt.

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**5. Indebtedness to Related Parties (Long Term Loans from Related Companies)**

As of December 31, 2025, First Metro had no long-term debt to related parties.

---

**6. Guarantees of Securities of Other Issuers**

As of December 31, 2025, First Metro had no outstanding guarantees of securities of other issuers.

---

**7. Capital Stock**

	Common Stock
Authorized number of shares	16,000,000
Number of shares issued and outstanding as shown under the related statement of financial position caption	7,448,625*
Number of shares reserve for options, warrants, conversion and other rights	—
Number of shares held by affiliates	7,394,739
Number of shares held by directors, officers and employees	36

\* Net of 968,760 Treasury Shares as of December 31, 2025

*Certified correct by:*

  
**GANINE C. OLMEDO**  
AVP/Controller