

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended December 31, 2024
2. SEC Identification Number AN092002557
3. BIR Tax Identification No. 002-333-130
4. Exact name of issuer as specified in its charter THE PHILIPPINE STOCK EXCHANGE, INC.
5. Philippines  
Province, Country or other jurisdiction of  
Incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. 6<sup>th</sup> to 10<sup>th</sup> Floors, PSE Tower, 5<sup>th</sup> Avenue corner  
28<sup>th</sup> Street, Bonifacio Global City, Taguig City  
Address of principal office 1634  
Postal Code
8. (02) 8876-4888  
Issuer's telephone number, including area code
9. \_\_\_\_\_  
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding and Amount of Debt Outstanding
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<u>Common Stock</u>	<u>82,269,765</u>
<u>Preferred Stock</u>	<u>0</u>

11. Are any or all of these securities listed on a Stock Exchange.

Yes [ X ]    No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

The Philippine Stock Exchange, Inc.                      Common

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒ No ☐

13. Aggregate value of the voting stock held by non-affiliates: N/A

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## **I. BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

#### **Background**

The Philippine Stock Exchange, Inc. (the "PSE") was incorporated on July 14, 1992 as a non-stock corporation and later became a stock corporation on August 3, 2001. On December 15, 2003, pursuant to the demutualization mandate of Republic Act No. 8799, or the Securities Regulation Code (SRC), the PSE's outstanding capital stock was listed by way of introduction.

#### **Description of Registrant**

The PSE is the only stock exchange that operates and regulates the Philippine equities market in the Philippines with the objective of maintaining efficiency, fairness, and transparency. The PSE currently offers a comprehensive end-to-end roster of services which include listing, trading, market data, clearing, and settlement. The PSE has a diversified range of products in the form of shares of stock, depositary receipts, company warrants securities, Exchange Traded Fund (ETF), Dollar Denominated Securities (DDS), and Real Estate Investment Trust (REITs). It also has technology-based services that are available in both website and mobile application formats for accessibility of disclosure information (PSE EDGE), IPO subscription by retail investors (PSE EASY), online trading (PSETradex), and market data for retail investors (PSE EQUIP).

The PSE's revenues are primarily derived from listing-related and trading-related fees. The PSE charges listing fees for initial public offerings and additional listings, and for annual listing maintenance. On the other hand, trading revenues are primarily comprised of transaction fees, subscription fees, and service fees related to clearing and settlement. Other sources of revenue are membership, data feed, and miscellaneous fees.

#### **Description of Subsidiaries and Affiliates**

The Securities Clearing Corporation of the Philippines (SCCP) is a wholly owned subsidiary organized primarily as a clearing and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP is responsible for: (a) synchronizing the settlement of funds for transactions of clearing members and the transfer of securities through Delivery versus Payment (DVP) clearing; (b) the administration of the Clearing and Trade Guaranty Fund (CTGF) and guaranteeing the settlement of trades through the implementation of its Fails Management System in the event of a Trading Participant's default; and (c) performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

The Capital Markets Integrity Corporation (CMIC) is also a wholly owned subsidiary. It functions as the independent audit, surveillance, and compliance unit of the PSE, having taken over the functions of the former Market Regulation Division of the PSE. CMIC operates to ensure the integrity of the capital market and has jurisdiction to investigate all violations of the SRC and CMIC Rules by Trading Participants and investigate trading-related irregularities and unusual trading activities committed by Issuers. The SEC granted CMIC its authority to operate as the independent audit, surveillance, and compliance unit of the PSE with provisional self-regulatory organization (SRO) status on February 2, 2012.



The PSE is also the majority shareholder of the Philippine Dealing System Holdings Corporation (PDSHC), a holding company that owns the Philippine Dealing & Exchange Corporation (PDEX), otherwise known as the Fixed Income Exchange (FIE), and the Philippine Depository & Trust Corp. (PDTC). As of March 31, 2025, the PSE beneficially owns 4,992,182 shares, or 79.87%, of all of the issued and outstanding shares of PDSHC.

In April 2019, the PSE incorporated Premier Software Enterprise, Inc. (Premier), a separate IT subsidiary, to enable the PSE to meet the growing demand for technology services related to its various initiatives. Premier offers software development services focused on building innovative trading solutions and servicing the technology needs of the PSE and its stakeholders. The PSE wholly owns Premier.

In June 2024, SEC approved the incorporation of PSE Realty, Inc. ("PSE Realty"), a wholly owned subsidiary of PSE formed to own and manage the real estate assets of PSE, including the office units in the PSE Plaza along Ayala Avenue, Makati City.

## Item 2. Properties

The PSE owns office units at the PSE Tower, Bonifacio Global City, which is the PSE's current headquarters and offices.

The PSE has the following intellectual property rights:

Mark	Reg No.	Date of Registration
PSE (wordmark)	4/2018/00003105	November 11, 2018
PHILIPPINE STOCK EXCHANGE	4/2018/00003104	November 11, 2018
PSE (logo)	4/2018/00003103	November 11, 2018
BULLS AND BEARS	4/2018/00003102	November 11, 2018
THE PHILIPPINE STOCK EXCHANGE, INC.	4/2018/00003101	November 11, 2018
PSEI TRI (logo)	4/2019/00002399	February 10, 2020
PSEI Total Return Index	4/2019/00002400	February 10, 2020
PSEI TRI (wordmark)	4/2019/00002401	February 10, 2020
PSE Composite Index	4/2018/00022207	April 14, 2019
PSE 30	4/2018/00022208	April 14, 2019
PSE TOP 30	4/2018/00022209	April 14, 2019
PHILIPPINE EQUITY INDEX	4/2018/00022210	April 14, 2019
PHILIPPINE STOCK INDEX	4/2018/00022211	April 14, 2019
PSEI	4/2018/00022212	April 14, 2019
PSEI 30	4/2018/00022213	June 27, 2019
PHILIPPINE STOCK EXCHANGE COMPOSITE INDEX	4/2018/00022214	June 27, 2019
PSE EASY	4/2019/00001807	June 2, 2019
PHISIX	4/2018/00022200	May 23, 2019
PSEI (logo)	4/2018/00022201	May 23, 2019
PHILIPPINE STOCK EXCHANGE INDEX	4/2018/00022202	May 23, 2019
PSE INDEX	4/2018/00022203	May 23, 2019

### Item 3. Legal Proceedings

During the past five (5) years and until the present, the PSE, its directors, and executive officers in their official capacities have not been involved in any other legal proceedings that will have a material adverse effect on the PSE's operations or financial condition except the following:

**Philippine Association of Securities Brokers and Dealers, Inc. (PASBDI), Ma. Vivian Yuchengco, Ismael G. Cruz, Nestor S. Aguila and Marita A. Limlingan vs. PSE, PSE NOMELEC and SEC**  
*[Filed with the Court of Appeals as CA G.R. SP No. 103548.]*

This is an appeal filed by the SEC assailing the *Decision* dated April 23, 2014 of the Regional Trial Court of Pasig City, Branch 159 which granted PASBDI, et al.'s petition in Civil Case No. 10-139 and enjoined the SEC, PSE and PSE Nomelec from imposing any limitation or restriction on the right of PASBDI and the individual petitioners to vote their entire shareholdings and declared permanent the writs of preliminary injunction.

On January 24, 2019, the Court of Appeals denied the appeal and affirmed the decision of RTC-159, Pasig City.

**SEC vs. Hon. Bonifacio, Philippine Association of Securities Brokers and Dealers, Inc. (PASBDI), Ma. Vivian Yuchengco, Ismael G. Cruz, Nestor S. Aguila and Marita A. Limlingan, PSE, PSE NOMELEC.**  
*[Filed with the Supreme Court as G.R. No. 198425.]*

This is a Petition for Certiorari and Prohibition filed by the SEC. It seeks to reverse the *Decision* dated 11 April 2011 of the Court of Appeals which dismissed the SEC's petition filed with the Court of Appeals and affirmed the issuance of a writ of preliminary injunction by the Regional Trial Court of Pasig City, Branch 159 in Civil Case No. 10-139. The writ of preliminary injunction issued by the trial court enjoined SEC, PSE and PSE Nomelec from imposing any limitation or restriction on the right of PASBDI and the individual petitioners to vote their entire shareholdings and declared permanent the writs of preliminary injunction.

This case was consolidated with G.R. No. 201174, which is discussed below. On March 17, 2015, PSE filed its Consolidated Memorandum. Both petitions remain pending.

**SEC vs. Hon. Bonifacio, Philippine Association of Securities Brokers and Dealers, Inc. (PASBDI), Ma. Vivian Yuchengco, Ismael G. Cruz, Nestor S. Aguila and Marita A. Limlingan, PSE, PSE NOMELEC.**  
*[Filed with the Supreme Court as G.R. No. 201174.]*

This is a Petition for Certiorari (with application for TRO and/or writ of preliminary injunction) filed by the SEC directly with the Supreme Court, seeking the reversal and nullification

of the Orders dated May 5, 2011 and February 8, 2012 of the RTC-159, Pasig City in Civil Case No. 10-139. The SEC also prayed for an order dismissing PASBDI's and the individual petitioners' petition for injunction in the trial court for lack of jurisdiction.

The case was consolidated with G.R. No. 198425. On March 17, 2015, PSE filed its Consolidated Memorandum. Both petitions remain pending.

**DW Capital, Inc. vs. The Philippine Stock Exchange, Inc.**

*[Filed with the Court of Appeals as CA-G.R. No. 153973]*

This is a Petition for Review filed by DW Capital, Inc. ("DWCI"), seeking to reverse and set aside the December 5, 2017 Order of the Securities and Exchange Commission ("SEC") which directed the PSE to take over the operations of DWCI ("Take-over Order").

In a Decision promulgated on October 8, 2018, the Court of Appeals denied the Petition and affirmed the Take-over Order issued by the SEC. DWCI filed a Motion for Reconsideration, which was likewise denied by the Court of Appeals in a Resolution dated February 22, 2019. In the Court of Appeals' Resolution dated July 4, 2019, the Court ruled that the October 8, 2018 Decision had attained finality and directed the Clerk of Court to issue the corresponding Entry of Judgment.

**DW Capital, Inc. vs. Securities and Exchange Commission, et al.**

*[Pending with the Supreme Court as G.R. No. 245845.]*

On June 5, 2023, the PSE received notice that DWCI filed a Petition for Review with the Supreme Court. The case remains pending.

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

No matter was submitted to a vote of security holders, through the solicitation of proxies or otherwise during the fourth quarter of 2024.

## II. OPERATIONAL AND FINANCIAL INFORMATION

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

#### 1) Principal market where the registrant's common equity is traded:

The common stock of the PSE is listed in The Philippine Stock Exchange, Inc.

#### **Stock Prices**

The high and low prices of the PSE's shares in the stock exchange for each quarter of fiscal years 2022, 2023, and 2024 are as follows:

2022	High	Low
Q1	P225.00	P197.00
Q2	P214.40	P185.00
Q3	P188.00	P151.20
Q4	P168.80	P152.00
2023	High	Low
Q1	P190.00	P160.00
Q2	P174.00	P156.00
Q3	P177.80	P158.10
Q4	P177.80	P167.00
2024	High	Low
Q1	P200.00	P171.10
Q2	P204.00	P186.00
Q3	P195.00	P170.00
Q4	P194.90	P158.20

*In 2024, the highest and lowest prices of the PSE's shares were Php 200.00 and Php 158.20, respectively. The stock price of the PSE closed at Php 181.10 on 31 March 2025.*

The number of shareholders of record as of 31 March 2025 is 309. The total number of shares outstanding as of 31 March 2025 is 82,269,765 with a par value of P1.00.

The top twenty (20) holders as of 31 March 2025 are as follows:

	Stockholder No.	Name of Stockholder	Nationality	Number of Outstanding Shares	Amount Paid-Up (Php)	Percentage of the Total Outstanding Shares (%)
1		PCD NOMINEE CORP - FILIPINO		52,998,030	52,998,030.00	64.419814

2	0000201014	SAN MIGUEL CORPORATION RETIREMENT PLAN	FILIPINO	7,555,200	7,555,200.00	9.183447
3		PCD NOMINEE CORP - NON-FILIPINO		6,994,089	6,994,089.00	8.501409
4	2400310141	SM INVESTMENTS CORPORATION	FILIPINO	3,535,169	3,535,169.00	4.297045
5	1800300726	FREEMAN TRADING LIMITED	HONG KONG	1,000,000	1,000,000.00	1.215513
6	2400310200	SYBASE EQUITY INVESTMENTS CORP.	FILIPINO	883,145	883,145.00	1.073475
7	1800300451	RAYMOND M. MORENO	FILIPINO	500,000	500,000.00	0.607757
8	1800300452	RAYMOND JOHN L. MORENO	FILIPINO	500,000	500,000.00	0.607757
9	0000227949	THE FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION	FILIPINO	321,360	321,360.00	0.390617
10	0000197138	ANSALDO GODINEZ & COMPANY INC.	FILIPINO	240,000	240,000.00	0.291723
11	0000197162	CHAN, VICKY L.	FILIPINO	240,000	240,000.00	0.291723
12	0000197163	CHIA KIM TECK	SINGAPOREAN	240,000	240,000.00	0.291723
13	0000197167	CHRISTFUND SECURITIES (PHILS.) INC.	FILIPINO	240,000	240,000.00	0.291723
14	0000197184	DBS VICKERS SECURITIES (PHILS.) INC.	FILIPINO	240,000	240,000.00	0.291723
15	0000197198	FIVE KARATS PROPERTY HOLDINGS, INC.	FILIPINO	240,000	240,000.00	0.291723
16	0000197207	GO, GENEVIEVE W.J.	FILIPINO	240,000	240,000.00	0.291723

17	0000197215	HIGHLAND SECURITIES PHILS. INC.	FILIPINO	240,000	240,000.00	0.291723
18	0000197227	JSG SECURITIES, INC.	FILIPINO	240,000	240,000.00	0.291723
19	0000197251	MARIAN SECURITIES, INC.	FILIPINO	240,000	240,000.00	0.291723
20	0000197252	MARK SECURITIES CORPORATION	FILIPINO	240,000	240,000.00	0.291723

As of 31 March 2025, the PSE's public float level is at 65.72%.

### Cash Dividends

2021				
Total	Regular	Special	Record Date	Payable Date
P8.00	P3.77	P4.23	22 March 2021	15 April 2021
2022				
Total	Regular	Special	Record Date	Payable Date
P11.00	P4.00	P7.00	9 March 2022	4 April 2022
2023				
Total	Regular	Special	Record Date	Payable Date
P10.00	P4.75	P5.25	5 April 2023	5 May 2023
2024				
Total	Regular	Special	Record Date	Payable Date
P10.00	P5.65	P4.35	8 March 2024	5 April 2024

### Dividend Policy

The PSE adopts a policy for the declaration of regular cash dividend out of the unrestricted retained earnings equivalent to fifty percent (50%) of the PSE's audited net income. However, the PSE can also declare special dividends, which it has done so for the past few years, in addition to the regular dividend policy. The declaration of regular and special dividends is dependent on the cash flow, business plan and financial condition of the PSE.

### 2) Recent Sale of Unregistered/Exempt Securities

The common shares granted to eligible employees pursuant to the Employee Stock Purchase Plan ("ESPP") is an exempt transaction under Section 10.2 of the Securities Regulation Code, as stated under Resolution No. 179 Series of 2008 of the Securities and Exchange Commission.

At the annual meeting of the stockholders of the PSE held on 6 July 2024, the Stockholders approved the renewal of the Employee Stock Purchase Plan for 2024 to 2026, pursuant to



Resolution No. 6, Series of 2024 of the Board of Directors, with the following terms and conditions:

Number of Shares	300,000 common shares
Term	Three years from January 1, 2024 to December 31, 2026
Offer schedule	100,000 shares annually
Administration	ESPP Committee
Purpose	<ul style="list-style-type: none"> <li>• Encourage employees to become part owners of the PSE and align their interests with those of stockholders</li> <li>• Enhance employees' loyalty and performance</li> <li>• Employee retention</li> <li>• Investment opportunity</li> </ul>
Eligible participants	Employees of PSE and SCCP with at least 1 year of continuous service and in good standing (not under any disciplinary action or no infractions within the last 12 months)
Price	20% discount to 30-day VWAP
Vesting	33.3% in year 1, 66.7% in year 2, and 100% in year 3
Payment	Salary deduction for 3 years, with an option to fully pay on the 24 <sup>th</sup> month
Holding Period	3 years, but may be shortened to 2 years subject to full payment on the 24 <sup>th</sup> month
Voting rights and dividends	Participants are entitled upon becoming stockholders of record
Issuance of stock certificates	Upon full payment of shares
Payment of taxes and administration costs	Shouldered by PSE
Subscription limit	Such number of shares as shall be covered by the lower of: 50% of annual net pay, or; 20% of annual gross salary

## Item 6. Management's Discussion and Analysis of Results of Operations

### 2024 vs. 2023

For the year ended December 31, 2024, operating revenues amounted to ₱1,398.09 million, 0.26% or ₱3.67 million lower than the 2023 level.

- Listing-related fees, which comprised 39.12% of operating revenues, decreased by ₱29.48 million or 5.11% in 2024 primarily due to 6.29% or ₱19.77 million lower listing fees. This included the amortized portion of prior year's deferred listing fees, three IPOs, 59 additional listings, forfeited and delisting fees during the period.
- Revenue from trading-related fees, which made up 31.42% of operating revenues, went up by ₱28.44 million or 6.92%. This was brought about by the increase in transaction fees from regular and block sales due to higher total turnover value by 1.36% or ₱20.12 billion, from last year's ₱1,475 billion (an average daily of ₱6.09 billion) to ₱1,495 billion (an average daily of ₱6.10 billion). In addition, market data revenue was likewise higher by 9.71% or ₱17.79 million due to index licensing fees collected pursuant to newly signed

agreements. This was further supplemented by the 10.78% or ₱8.64 million higher subscription fees for access to the trading system and RSA security tokens.

- Service fees, 19.09% of operating revenues, went up as well by ₱3.59 million or 1.36% due to a similar percentage increase in turnover value.
- Other income was lower by ₱5.73 million or 3.80% because of lower fines and penalties collected during the period for violation of disclosure and trading rules of the Exchange.

Total expenses (cost of services and administrative expenses) of the PSE increased by 14.85% to ₱861.67 million from ₱750.22 million in 2023. The following were the significant changes in expense items:

- compensation and other related staff costs, 30.57% of total expenses, went up by 3.51% or ₱8.94 million mainly due to the filling-up in 2024 of vacancies for managerial positions;
- depreciation expenses, 26.27% of total expenses, went up by 46.87% or by ₱72.23 million. The increase was mainly due to the depreciation of PSE's front-end system and computer software and hardware and SCCP's clearing and settlement system;
- repairs and maintenance, 17.99% of total expenses, went up by ₱10.32 million or 7.14% on account of higher maintenance costs of PSE's front-end system and back office computer software and SCCP's computer software and hardware;
- professional fees, 11.06% of total expenses, went up by ₱10 million or 11.72% due to the consultancy fees related to the market design of the proposed trading engine and CMIC's cost of assurance transformation services, tax lawyer's fee and digital forensics audit;
- occupancy costs, 5.71% of total expenses, was higher by 9.72% or by ₱4.36 million mainly due to increase cost of utilities and condominium dues;
- taxes and licenses, 2.18% of total expenses, went up by 137.61% or ₱10.87 million primarily due to documentary stamp tax associated with the acquisition of PDSHC;
- travel and transportation expenses went up by ₱1.26 million or 42.57% mainly due to higher gasoline expenses for company vehicles and ₱0.92 million higher costs incurred for various foreign travels;
- public relations expenses went up by ₱1.89 million or 41.62% mainly due to higher expenses for representation, club memberships and advertisements;
- trading participants' development was lower by ₱0.88 million or 22.44% mainly due to lower Christmas celebration expenses;
- insurance expense was higher by ₱0.51 million or 16.22% due to higher premiums for building insurance and director's liability insurance;
- communication expense was higher by ₱1.55 million or 11.60% mainly due to additional registered domains and increase in rate of Bloomberg terminal;
- meetings and conferences increased by ₱0.07 million or 7.55% on account of higher expenses incurred for meals during board and committee meetings;
- market development expenses went up by ₱0.54 million mainly because of expenses for business planning and data analytics for new products; and
- Other expenses went down by 52.63% or ₱10.29 million because of lower outsourced services for CMIC's audit and compliance functions.

Other income amounted to ₱836.32 million, reflecting a 166% increase or ₱521.95 million compared to last year's ₱314.37 million mainly because of the following: 1) ₱462.86 million gain from the remeasurement of a previously held 20.98% equity interest in PDSHC (formerly an investment in an associate) at acquisition-date fair value; 2) ₱26.02 million higher equity share in the net income of PDSHC prior to acquisition of an additional 32.36% of its outstanding shares;



3) ₱11.35 million or 109.39% improvement in fair value of the investments in equity funds and US dollar-denominated government and corporate bonds; and 4) ₱19.66 million higher foreign exchange translation gain in 2024.

The above net changes resulted to a net income after tax amounting to ₱1,207.22 million, higher by 57.54% or ₱440.91 million from previous year's net income of ₱766.31 million.

Total assets as of December 31, 2024 amounted to ₱8,537.56 million, higher by 19.52% or ₱1,394.28 million from its previous year's level. The analyses of its components follow:

Cash and cash equivalents amounted to ₱1,891.70 million, representing 22.16% of total assets, increased by 26.77% or ₱399.50 million. This increase was primarily driven by the inclusion of PDSHC (following the business combination on December 31, 2024) in the consolidated financial position, partially reduced by lower time deposit placements.

Financial assets at fair value through profit or loss of ₱1,229.14 million, 14.40% of total assets and 40.78% of total investments, increased by ₱171.15 million or 16.18%. The account pertained to the equity funds and US dollar-denominated bonds managed by external professional fund managers under purely discretionary mandates and likewise included PDSHC's account amounting to ₱81.45 million.

Short-term financial assets at FVOCI of ₱195.85 million, 2.29% of total assets and 6.50% of total investments, pertained to government securities and corporate bonds with interest rates ranging from 2.375% to 6.25% which will mature within 2025.

Short-term financial assets at amortized cost of ₱675.76 million, 7.92% of total assets and 22.42% of total investments, pertained to the investments in government securities of PDSHC that earn effective interest rate ranging from 5.15% to 6.16%.

Short-term investments of ₱950.75 million in 2023 pertained to time deposits with over 90 days tenor and which already matured in the first quarter of 2024.

Receivables increased by 135.96% or ₱148.95 million primarily by the addition of balances from PDSHC following the business combination.

Other current assets went up by ₱160.83 million or 143.34% mainly due to ₱109.83 million higher prepaid expenses mostly related to maintenance costs and inclusion of ₱60.65 million restricted cash and short-term investments arising from the business combination, as well as additions to prepaid expenses during period, mostly related to maintenance costs.

Long-term financial assets at FVOCI of ₱907.64 million, 10.63% of total assets and 30.11% of total investments, consisted of investments in retail treasury bonds, fixed income treasury notes, and corporate bonds which will mature starting 2026 until 2032 with interest rates ranging from 3.325% to 8.008%.

Long-term financial assets at amortized cost of ₱5.66 million, 0.07% of total assets and 0.19% of total investments, pertained to the corporate debt securities that earn an interest rate of 4%.

Property and equipment, 13.75% of total assets, went up by ₱17.49 million or 1.51% primarily due to acquisitions resulting from the business combination and additions to front-end system, reduced by disposals and depreciation.

Right-of-use assets of ₱100.93 million pertained to the unamortized portion of the present values of the lease contracts for the data recovery sites of the Parent Company and office spaces of Premier Software Enterprise, Inc. and PDS Holdings Corporation in compliance with PFRS 16 on Leases. The assets are depreciated on a straight-line basis over their respective lease terms. The account increased by ₱32.37 million or 47.21% mainly due to the business combination.

Investment property of ₱128.34 million pertained to the condominium units at Exchange Plaza, Ayala Triangle, Makati City. The Board authorized the Exchange's management to lease out the Exchange Plaza and engage, negotiate and discuss with prospective lessees the terms and conditions of the lease beneficial to the Exchange.

On June 18, 2024, the Securities and Exchange Commission approved the incorporation of PSE Realty, Inc. (PRI), where PSE subscribed to 9.58 million shares of PRI in exchange for the above-described property in Ayala Triangle valued at ₱958 million with a carrying value of ₱131 million. As of December 31, 2024, title to the property has not yet been transferred by PSE to PRI and correspondingly, PRI shares are not yet issued to PSE since the latter has not yet secured a Certificate Authorizing Registration from the Bureau of Internal Revenue. The transaction though has no impact on the consolidated financial statements.

Investment in an associate pertained to the 20.98% ownership-share in PDSHC. Following the acquisition of the additional 32.36% stake in PDHSC, the account amounting to ₱323.91 million was transferred to equity investment account in 2024.

Pension asset amounting to ₱57.69 million, as at December 31, 2024, pertained to the fair value of the assets of the Parent Company's retirement plan, net of the present value of retirement obligation and asset ceiling under Amended PAS 19(R). The assets are being held by a trustee bank pursuant to a trust agreement dated August 10, 2011. The Parent Company has a funded noncontributory defined benefit retirement plan while SCCP has an unfunded noncontributory defined benefit retirement plan covering all regular employees. The benefits are accumulated based on years of service and compensation per year of credited service. CMIC, on the other hand, does not have an established retirement fund and only conforms to the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which is of the defined benefit type and provides a retirement benefit equal to 22.5 days' Pay for every year of credited service. In addition, PDSHC has a funded noncontributory defined benefit retirement plan covering substantially all of its officers and regular employees. The Group does not have transactions with its retirement plan other than the normal contributions and benefits payment coming from the retirement plan. Pension liability amounted to ₱54.28 million and ₱25.54 million in 2024 and 2023, respectively, or an increase of 112.51% or ₱28.74 million.

Goodwill amounting to ₱1,230.90 million, 14.42% of total assets, pertained to the difference between the total identifiable net assets of PDSHC of ₱1,442.42 million and the sum of ₱1,213.52 million paid for the 32.36% ownership-shares acquired by PSE, ₱673.03 million proportionate share of 46.66% non-controlling interest and ₱786.76 million PSE previously held interest of 20.98% at acquisition-date fair values. The goodwill of ₱1,230.90 million comprises the

value of expected synergies arising from the acquisition, which is entirely allocated to the PDSHC group.

Investment in an associate of ₱289.51 million in 2023 pertained to the 20.98% interest in PDSHC, a domestic corporation whose principal activity is to provide platform for the issuance, trading, dealing and exchange of fixed income securities and monetary instruments.

Deferred tax assets of ₱299.68 million, decreased by 1.65% or ₱5.01 million because of lower contract liabilities.

Current liabilities, which accounted for 9.17% of total liabilities and stockholders' equity, went up by ₱132.42 million or by 20.35% from ₱650.64 million to ₱783.05 million. Of the latter amount, 54.90% or ₱429.87 million represented trade and other payables while 28.48% or ₱223.03 million represented the current portions of contract and lease liabilities.

Noncurrent liabilities of ₱1,140.01 million went up by 18.64% or by ₱179.12 million mainly because of the increase in contract and lease liabilities. Of the total noncurrent liabilities, ₱1,025.72 million or 89.97% pertained to contract liabilities while ₱60.02 million or 5.26% pertained to lease liabilities.

The PSE remained liquid with a working capital of ₱3,740.94 million or a current ratio of 5.78:1.

Total retained earnings amounted to ₱2,595.78 million. This included the net income of ₱1,207.22 million, donated capital of ₱221.60 million and appropriated retained earnings of ₱151.40 million.

#### *Capital Expenditures*

For the year 2024, the PSE's capital expenditures totaled ₱142.72 million, with ₱99.89 million spent on trading system equipment, ₱37.84 million on computer software and hardware, and ₱4.99 million on building improvements, furniture and other equipment.

#### *Liquidity*

The PSE has been paying its trade payables within the stated trade terms. As of December 31, 2024, the PSE had no note, loan, or other indebtedness or financing arrangement requiring the PSE to make payments.

#### **2023 vs. 2022**

For the year ended December 31, 2023, operating revenues amounted to ₱1,401.26 million, 8.83% or ₱135.77 million lower than the 2022 level.

- Listing-related fees, which comprised 41.14% of operating revenues, decreased by ₱97.56 million or 14.48% in 2023 primarily due to 22.72% or ₱92.37 million lower listing fees. This includes amortized portion of prior year's deferred listing fees, portion of listing fees recognized at point in time on the respective listing dates of three IPOs and 60 additional listings, forfeited and delisting fees during the period.

- Revenue from trading-related fees, which made up 29.32% of operating revenues, went down by ₱1.13 million or 0.27%. This was brought about by the decrease in transaction fees by 17.55% or ₱31.39 million due to a similar percentage decline in total turnover value to ₱1,474.79 billion (an average daily of ₱6.09 billion) from last year's ₱1,788.69 billion (an average daily of ₱7.30 billion). In addition, market data revenue was likewise lower by 6.58% or ₱12.91 million since the 2022 figure included index licensing fees retroactive from April 1, 2019 when the index licensing policy was initially implemented. Such decrease was offset by 116.79% or ₱43.17 million higher subscription fees for access to the trading system and RSA security tokens.
- Service fees, 18.79% of operating revenues, went down as well by ₱56.05 million or 17.55% due to a similar percentage decline in turnover value.
- Other income was higher by ₱18.98 million or 14.41% because of the fines and penalties imposed by CMIC on trading participants for non-compliance with securities laws.

Total expenses (cost of services and administrative expenses) of the PSE increased by 6.07% or ₱42.94 million to ₱750.22 million from ₱707.29 million in 2022. The following were the significant changes in expense items:

- compensation and other related staff costs, 33.92% of total expenses, went up by 5.57% or ₱13.43 million mainly due to employees' salary adjustments and higher starting base pay of new hires;
- depreciation expenses, 20.54% of total expenses, went up by 8.28% or by ₱11.79 million. Such increase was mainly due to the depreciation of the new SCCP clearing and settlement system that was launched in March 2023;
- repairs and maintenance, 19.29% of total expenses, went up by ₱9.89 million or 7.34% mainly because of higher software and hardware maintenance costs of the new clearing and settlement system;
- professional fees, 11.37% of total expenses, went up by ₱4.67 million or 5.79% was due to increase in directors' per diem;
- occupancy costs, 5.98% of total expenses, was lower by 7.29% or by ₱3.52 million mainly due to decreased costs of utilities and security services;
- office supplies increased by ₱1.76 million or 269.07% on account of higher printing services and consumption of office supplies;
- trading participants' development was higher by ₱1.20 million or 43.97% mainly due to bigger Christmas expenses during the year;
- travel and transportation expenses went up by ₱0.74 million or 33.32% mainly due to higher gasoline expenses for company vehicles and higher costs incurred for international travels;
- taxes and licenses, 1.05% of total expenses, went down by 27.67% or ₱3.02 million primarily due to higher base figure on account of fringe benefit tax paid in 2022 related to employee stock purchase plan;
- market development expenses went up by ₱1.19 million mainly because of PSE's participation in SEC roadshows and cost of data analytics for new products;
- Other expenses went up by 27.83% or ₱4.26 million due to higher cost of CMIC's outsourced services for its audit and compliance function.

Other income amounting to ₱314.37 million went up by 125.22% or by ₱174.79 million from last year's ₱139.58 million largely due to 109.75% or ₱116.82 million higher fair value of financial assets at fair value through profit and loss (FVTPL) and 77.09% or ₱93.43 million higher



interest income on account of higher interest rates and increased placements during the year, partially reduced by P42.68 million negative impact of P2.02 million foreign exchange loss at year-end from P40.66 million foreign exchange gain in 2022.

The above net changes resulted to a net income after tax amounting to P766.30 million, higher by 3.67% or P27.15 million from previous year's net income of P739.15 million.

Total assets as of December 31, 2023 amounted to P7,143.28 million, higher by 1.44% or P101.17 million from its previous year's level. The analyses of its components follow:

Cash and cash equivalents amounting to P1,492.20 million represented 20.89% of total assets.

Short-term investments of P950.75 million, 13.31% of total assets and 26.01% of total investments, pertained to time deposits with maturity of more than 90 days but less than one year.

Financial assets at FVTPL of P1,057.99 million, 14.81% of total assets and 28.95% of total investments, pertained to the equity funds and US dollar-denominated bonds managed by external professional fund managers under purely discretionary mandates.

Short-term financial assets at fair value through other comprehensive income (FVOCI) of P349.50 million, 4.89% of total assets and 9.56% of total investments, pertained to government securities and corporate bonds with interest rates ranging from 2.375% to 6.25% which will mature within 2024.

Receivables and other current assets amounted to P109.55 million and P112.20 million, respectively.

Long-term financial assets at FVOCI of P1,006.92 million, 14.10% of total assets and 27.55% of total investments, consisted of investments in retail treasury bonds, fixed income treasury notes, and corporate bonds which will mature starting 2025 until 2032 with interest rates ranging from 3.325% to 7.53%.

Property and equipment valued at P1,156.07 million represent 16.18% of total assets.

Right-of-use assets of P68.56 million pertained to the unamortized portion of the present values of the lease contracts for the data recovery sites of the Parent Company and office space of Premier Software Enterprise, Inc. in accordance with PFRS 16 on Leases. The assets are depreciated on a straight-line basis over their respective lease terms.

Investment property of P134.30 million pertained to land rights, building and building improvements of Exchange Plaza which was reclassified to this account from Property and equipment in 2018 due to the change in use of the property as evidenced by the end of owner-occupation.

Investment in an associate, 4.05% of total assets and 7.92% of total investments, pertained to the 20.98% equity of PSE in PDS Holdings Corporation (PDSHC).

Pension asset amounting to ₱52.14 million, as at December 31, 2023, pertained to the fair value of the assets of the Parent Company's retirement plan, net of the present value of retirement obligation and asset ceiling under Amended PAS 19(R). The assets are being held by a trustee bank pursuant to a trust agreement dated August 10, 2011. The Parent Company has a funded noncontributory defined benefit retirement plan while SCCP has an unfunded noncontributory defined benefit retirement plan covering all regular employees. The benefits are accumulated based on years of service and compensation per year of credited service. CMIC, on the other hand, does not have an established retirement fund and only conforms to the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which is of the defined benefit type and provides a retirement benefit equal to 22.5 days' Pay for every year of credited service. Pension liability amounted to ₱56.81 million and ₱19.96 million in 2023 and 2022, respectively.

Deferred tax assets amounted to ₱304.69 million.

Current liabilities, which accounted for 9.10% of total liabilities and stockholders' equity, amounted to ₱650.64 million. Of the latter amount, 37.40% or ₱243.33 million represented trade and other payables while 57.94% or ₱376.98 million represented the current portions of contract and lease liabilities.

Noncurrent liabilities of ₱960.89 includes ₱878.54 million to contract liabilities, or 91.43% of its total amount.

The PSE remained liquid with a working capital of ₱3,421.57 million or a current ratio of 6.26:1.

Total retained earnings amounted to ₱2,199.41 million. This included the net income of ₱766.30 million, donated capital of ₱211.60 million and appropriated retained earnings of ₱136.40 million.

#### *Capital Expenditures*

For the year 2023, the PSE's capital expenditures amounted to ₱11.94 million and ₱84.39 million for transportation equipment and computer software and hardware, respectively, and ₱34.41 million for building improvements.

#### *Liquidity*

The PSE has been paying its trade payables within the stated trade terms. As of December 31, 2023, the PSE had no note, loan, or other indebtedness or financing arrangement requiring the PSE to make payments.

#### **Financial Statements**

- \* The Statement of Management's Responsibility for Financial Statements, the Audited Consolidated Financial Statements, and the Audited Parent Financial Statements of the PSE as of December 31, 2024, 2023, and 2022 are attached hereto as **Annexes "A," "B," and "C,"** respectively.

## Key Performance Indicators

### Financial Performance

				% Change	
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024 vs.</u> <u>2023</u>	<u>2023 vs.</u> <u>2022</u>
Revenues	₱1,398,089,806	₱1,401,264,617	₱1,537,030,746	-0.26	-8.83
Cost of Services	437,854,884	399,745,263	337,282,484	9.53	18.52
Administrative Expenses	423,810,748	350,478,152	370,002,920	20.92	-5.28
Other Income	836,320,412	314,372,288	139,581,976	166.03	125.22
Net Income	1,207,217,494	766,305,160	739,151,639	57.54	3.67
Basic Earnings Per Share	14.75	9.47	9.12		
Diluted Earnings Per Share	14.75	9.47	9.11		

For the year ended December 31, 2024, operating revenues amounted to ₱1,398.09 million. The PSE's operating revenues, sourced mainly from listing-related, trading-related and service fees, decreased by 0.26% or ₱3.67 million from the 2023 level. Listing-related fees, which comprised 39.12% of operating revenues, included listing fees, annual listing maintenance fees and processing fees. This revenue source went down by ₱29.48 million or 5.11%. Trading-related fees, which comprised 31.42% of operating revenues, increased by 6.92% or ₱28.44 million. This included transaction fees, subscription and data feed fees. Transaction fees from regular and block sales and SCCP service fees, which both went up by 1.36%, increased by ₱2.01 million and ₱3.59 million, respectively. Subscription likewise increased by 10.78% or ₱8.64 million while data feed also increased by 9.71% or ₱17.79 million.

Cost of services of ₱437.85 million, expenses which were directly related to the core operations of the PSE Group, included compensation and other related staff costs, depreciation, office expenses, communications, repairs and maintenance and amortization of computer software. This account rose by 9.53% or ₱38.11 million from previous year's ₱399.75 million. Administrative expenses of ₱423.81 million went up by ₱73.33 million or 20.92% compared to last year's ₱350.48 million. Combined total cost and expenses of ₱861.67 million posted an increase of ₱111.44 million or 14.85% from last year's ₱750.22 million. Compensation and other related staff expenses represented 30.57% of the total. On the other hand, depreciation, repairs and maintenance, professional fees and occupancy costs made up 26.27%, 17.99%, 11.06% and 5.71% of total expenses, respectively.

Other income of ₱836.32 million was higher by 166.03% or by ₱521.95 million from last year's ₱314.37 million mainly due to ₱462.86 million gain on remeasurement of previously held equity interest supplemented by higher equity share in net income of an associate and fair value of financial assets at FVTPL by ₱26.02 million and ₱11.35 million, respectively.

For the year ended December 31, 2023, operating revenues amounted to ₱1,401.26 million. The PSE's operating revenues, sourced mainly from listing-related, trading-related and service fees, decreased by 8.83% or ₱135.77 million from the 2022 level. Listing-related fees, which comprised 41.14% of operating revenues, included listing fees, annual listing maintenance fees and processing fees. This revenue source went down by ₱97.56 million or 14.48%. Trading-related fees, which comprised 29.32% of operating revenues, decreased by 0.27% or ₱1.13 million. This included transaction fees, subscription and data feed fees. Transaction fees from regular and block sales and SCCP service fees, which both went down by 17.55%, decreased by ₱31.39 million and ₱56.05 million, respectively. Subscription, on the other hand, increased by 117% or ₱43.17 million while data feed, on the other hand, decreased by 7% or ₱12.91 million.

Cost of services of ₱399.75 million, expenses which were directly related to the core operations of the PSE Group, included compensation and other related staff costs, depreciation, office expenses, communications, repairs and maintenance and amortization of computer software. This account rose by 18.52% or ₱62.46 million from previous year's ₱337.28 million. Administrative expenses of ₱350.48 million went down by ₱19.52 million or 5.28% compared to last year's ₱370 million. Combined total cost and expenses of ₱750.22 million posted an increase of ₱42.94 million or 6.07% from last year's ₱707.29 million. Compensation and other related staff expenses represented 33.92% of the total. On the other hand, depreciation, repairs and maintenance, professional fees and occupancy costs made up 20.54%, 19.29%, 11.37% and 5.98% of total expenses, respectively.

Other income amounting to ₱314.37 million went up by 125.22% or by ₱174.79 million from last year's ₱139.58 million largely due to ₱116.82 million higher fair value of financial assets at fair value through profit and loss (FVTPL) and ₱93.43 million higher interest income in view of higher interest rates and additional placements during the year, partially reduced by the decrease in foreign exchange gain by ₱42.68 million.

For the year ended December 31, 2022, operating revenues amounted to ₱1,537.03 million. The PSE's operating revenues was sourced mainly from listing-related, trading-related and service fees. Listing-related fees, which comprised 43.85% of operating revenues, included listing fees, annual listing maintenance fees and processing fees. Trading-related fees which comprised 26.80% of operating revenues, includes transaction fees, subscription and data feed fees.

Cost of services amounting to ₱337.28 million, included expenses which directly related to the core operations of the PSE Group. These expenses comprised of compensation and other related staff costs, depreciation, office expenses, communications, repairs and maintenance and amortization of computer software. Meanwhile, administrative expenses amounted to ₱370 million. The combined total cost and expenses is ₱707.29. Compensation and other related staff expenses represented 34.08% of the total. On the other hand, depreciation, repairs and maintenance, professional fees and occupancy costs made up 20.12%, 19.06%, 11.40% and 6.84% of total expenses, respectively.

Other income amounting to ₱139.58 million includes interest income, equity in net income of an associate, dividend income, mark-to-market loss on FTVPL and other non-operating accounts.



Basic and Diluted Earnings Per Share are computed as follows:

	2024	2023	2022
Net income (a)	<b>P1,207,217,494</b>	<b>P773,685,724</b>	<b>P744,214,392</b>
(b)Adjusted weighted average shares	<b>81,849,113</b>	81,665,408	81,640,030
(c)Adjusted weighted average shares – diluted	<b>81,849,113</b>	81,665,408	81,659,184
EPS: Basic (a/b)	<b>P14.75</b>	<b>P9.47</b>	<b>P9.12</b>
Diluted (a/c)	<b>P14.75</b>	<b>P9.47</b>	<b>P9.11</b>

### ***Development of New Products and Services***

#### **PSE EQUIP**

In January 2025, PSE launched a subscription-based premium version of its PSE Equities Information Platform (EQUIP), a data analytics tool designed to provide retail investors with comprehensive and reliable insights into the Philippine stock market.

The premium version includes key features such as real-time data on all PSE-listed securities, full market depth, unlimited access to company research reports, unlimited filters for the Stock Screener, and a complete list of market movers, active, gainers, and losers. Subscribers also gain access to TradingView Advanced Charts, past five years and six interim periods of company fundamentals, complete and customizable list for broker transactions, and the ability to add up to 50 stocks for watchlist and portfolio, providing deeper insights and allowing them to invest confidently.

#### **Implementation of VWAP trading**

PSE opened Volume Weighted Average Price (VWAP) trading on March 1, 2024, following the Securities and Exchange Commission (SEC) approval of PSE's VWAP Trading Rules, the briefing of trading participants (TPs), and the onboarding of authorized traders of TPs interested in this facility. VWAP trading may be done within a 15-minute window after the market's run-off period, or from 3:00 to 3:15 p.m., using the price computed by the PSE.

#### **PSE EASy rolls out new features**

In April 2024, PSE added new features to its PSE Electronic Allocation System (PSE EASy) website, a platform that enables Local Small Investors (LSIs) to participate in initial public offerings and follow-on offerings. The new features included an integrated electronic payment system that enables LSIs to pay for subscribed shares online. Aside from the e-payment function,

PSE EASy also allowed modification of the payment method and IPO share subscription. On the latter, the LSI may choose to add, reduce, or cancel the subscribed shares provided that the subscription has not been paid. The platform also has a Single Sign-On authentication that allows users to access other Exchange platforms like PSE EQUIP and PSE Academy.

### ***Fostering Partnerships and Collaboration***

#### **Invest ASEAN Conference 2024**

The ASEAN Exchanges hosted the Invest ASEAN Conference 2024 on March 7, 2024 in Melbourne, Australia with the theme "Gateway to ASEAN Investment: Empowering Opportunities for Sustainable Growth". The Invest ASEAN Conference was held to provide institutional investors deeper insights into the macroeconomic outlook, market trends, and investment potential within the ASEAN region, reinforcing its position as a key investment destination. The conference attracted a total of 160 delegates including fixed income, equity, and private equity investors.

#### **37th ASEAN Exchanges CEOs Meeting**

On July 12, 2024, CEOs from the six major exchanges in ASEAN gathered for the 37th ASEAN Exchanges CEOs Meeting in Penang, Malaysia to discuss initiatives aimed at enhancing the region's competitiveness. Key focus areas included sustainability and regional market connectivity. The ASEAN Exchanges agreed to jointly pursue the collaboration to offer Depository Receipts (DRs) in their respective exchanges, expanding access for domestic investors to investment opportunities in neighboring countries. On the sustainability front, the ASEAN-Interconnected Sustainability Ecosystem (ASEAN-ISE) initiative expanded to include PSE in July 2024. This significant development underscores the ASEAN bloc's commitment to adopting and implementing common ESG metrics within their respective ESG data infrastructures, hence significantly improving transparency, comparability, and exemplary ESG practices across the region.

#### **Memorandum of Understanding with Taiwan Stock Exchange**

PSE and Taiwan Stock Exchange (TWSE) entered into a Memorandum of Understanding (MOU) to formalize and strengthen the relationship between the two bourses. PSE and TWSE led the MOU signing ceremony on August 20, 2024, at TWSE Headquarters in Taipei, Taiwan. Under the MOU, PSE and TWSE will collaborate on product development and market promotion and share best practices in areas such as regulations, ESG practices, and market trends, among others.

#### **Development of a Centralized ASEAN ESG Data Infrastructure**

On November 18, 2024, a workshop centered on the development of an ASEAN-level ESG Data Infrastructure was conducted in Kuala Lumpur to enable accurate, efficient, and standardized ESG data collection, analysis and reporting, towards promoting sustainable investment in the region. To move forward, ASEAN-ISE members collectively agreed to issue a 'Request for Information' (RFI) to identify fit-for-purpose solutions that will support the initiative in achieving its target outcome over the next three years. Key representatives from ASEAN Exchanges, including Bursa Malaysia, Indonesia Stock Exchange, PSE, The Stock Exchange of Thailand, and Singapore Exchange participated in the workshop to discuss and shape the RFI

requirements. The RFI outlines the proposed framework for the ASEAN-ISE unified data infrastructure, emphasizing the development of an interconnected ecosystem to facilitate seamless ESG data exchange, and ensuring a sustainable operating model that can promote market accessibility through an ESG lens.

#### ASEAN Exchange Leaders Sign MOU to Boost Regional Growth

The ASEAN Exchanges signed an MOU on November 21, 2024 to collaborate on offering DRs on their respective exchanges, marking a significant milestone in promoting ASEAN as an attractive investment hub. This collaboration aims to develop market and regulatory frameworks for issuing and trading of DRs, information sharing, engagement with market regulators and participants, and profiling of listed companies. A panel discussion was held after the MOU signing where the leaders shared the role of ASEAN Exchanges in supporting the region's growth with members of the World Federation of Exchanges (WFE). Each exchange highlighted recent developments in improving capital raising efficiency, attracting foreign participants, and expanding investment options for the retail segment. The ASEAN Exchanges also discussed common initiatives aimed at making the region more competitive, highlighting the focus on sustainability and regional market connectivity.

#### MOU with Department of Migrant Workers

On February 29, 2024, PSE signed a Memorandum of Understanding with the Department of Migrant Workers (DMW) for collaboration on financial literacy initiatives for Overseas Filipino Workers (OFWs), including the conduct of learning sessions for OFWs and their families. The program aims to increase the knowledge of OFWs and their families about personal finance and the fundamentals of investing in the stock market, and equip them with relevant information to protect their hard-earned money against investment scams.

#### MOU among ASEAN Exchanges on Depositary Receipts

On November 21, 2024, Bursa Malaysia, Indonesia Stock Exchange, PSE, the Stock Exchange of Thailand, Singapore Exchange Limited, and Vietnam Exchange signed a Memorandum of Understanding to collaborate on offering Depositary Receipts in their respective exchanges. The collaboration includes information sharing on regulatory framework and facilitating engagements with market regulators and participants.

#### ***Issuer Related Marketing Initiatives***

##### Listing Engagement and Assistance Program

The PSE continued to expand the number of companies that are part of its Listing Engagement and Assistance Program (LEAP), a free handholding program established in 2021 wherein potential initial public offering (IPO) applicants would undergo one-on-one sessions with the PSE to discuss its growth and listing roadmap. As part of LEAP, participants can get free access to reference materials that they may use to assess if their company is ready to go public. The PSE also assists these companies by connecting them with IPO advisers and professionals who can help them in preparation for their IPO. The PSE aims to encourage more companies to list by easing the barriers of entry through this free program offered to potential issuers.

On October 22, 2024, PSE hosted The Road to IPO 2024 forum, co-hosted by MOBILIST and co-presented by the SEC, to guide PSE LEAP clients and potential listing applicants through the IPO process. The event opened with a market outlook presentation by PhilEquity Management, Inc. Vice President Miguel A. Agarao, followed by a session, entitled "Beyond the Ticker: Lessons Learned from Successful IPOs." Discussions also highlighted the first MOBILIST-supported maiden offering in "Empowering Sustainable Development: An Introduction to MOBILIST." The final panel focused on "Igniting Investor Interest: Crafting a Compelling Narrative for Your Company." Attendees engaged directly with investment house representatives at designated booths, with participation from BDO Capital, China Bank Capital, First Metro Investment, Investment & Capital Corporation of the Philippines, PNB Capital, and SB Capital Investment, who also served as event sponsors.

Companies enrolled in PSE LEAP attended the LEAP Insights entitled "Philippines Rising: Exploring Avenues for Growth" on July 23, 2024. LEAP Insights are sessions designed to give potential listing applicants a preview of what it entails to be a publicly listed company. The event was co-hosted by S&P Global and tackled sustainability and ESG reporting. It featured talks on sustainability disclosure trends in the region and how to start a company's sustainability reporting journey. The event featured a panel discussion on key sustainability reporting topics. Overall, the event was attended 29 participants, 12 LEAP clients, and 5 listed companies.

As of March 19, 2025, a total of 80 companies are enrolled in the program, comprising 22 Main Board and 58 SME Board applicants. These companies are at various stages of IPO readiness, with six deemed ready to go public within the next 12 months.

#### Corporate Connect

This is a collaborative campaign between the PSE, partner advisors, and key government and business groups which aims to spark interest in IPO listings among SMEs and other companies which are ready to go public.

On March 22, 2024, PSE participated in FINEX Cebu's 1st General Membership Meeting at Casino Español de Cebu which was attended by over 30 CFOs and senior finance executives. The PSE held the second Corporate Connect event last June 28, 2024, in partnership with Straton Management and the Cebu Chamber of Commerce. The event saw around 20 business owner attendees.

#### STAR Investor Day

PSE held three runs of the PSE STAR: Investor Day in 2024. The first quarter run was held on May 15 to 16; the second run was held on August 14 to 16; while the final run for the year was held on November 19 to 20. Publicly listed companies (PLCs) presented their financial results before an audience comprised of investment professionals, portfolio managers, stock market analysts, and investors. Aside from their income performance, executives from the featured PLCs discussed corporate developments and short to mid-term plans, while also addressing questions from participants. Meanwhile, Bloomberg analysts discussed their outlook on the economy and select sectors.

PSE STAR was co-hosted by Bloomberg LP, with the Fund Managers Association of the Philippines and the Trust Officers Association of the Philippines as partners. There was a total of 35 PLCs which participated in the 2024 PSE STAR series.

#### Partnership with Mobilising Institutional Capital Through Listed Product Structures (MOBILIST)

On October 23, 2024, PSE hosted the Capital Markets Policy Dialogue organized by the UK Foreign, Commonwealth & Development Office (FCDO) and MOBILIST. The event featured opening remarks from British Ambassador to the Philippines, Laure Beaufils, and a keynote address from Special Advisor for Investment and Economic Affairs Secretary Frederick D. Go, who highlighted government reforms for capital market development. PSE President and CEO Ramon S. Monzon provided updates on the stock market and PSE's initiatives, while Albay 2nd District Representative Joey S. Salceda, through a recorded message, discussed House Bill 9227 or the Capital Markets Efficiency Promotion Act. His policy chief, Christian Dy, further elaborated on legislative reforms.

The dialogue also emphasized sustainability, with Maharlika Investment Corporation (MIC) President and CEO Rafael Jose Consing, Jr. outlining MIC's clean energy investment strategy and UK FCDO MOBILIST Program Lead Ross Ferguson discussing MOBILIST's role in supporting sustainability-focused investments. Panel discussions covered initiatives to deepen the capital market and accelerate the clean energy transition, with SEC Director Leonardo delivering the closing remarks.

#### Investor Relations (IR) Workshop

A series of hybrid workshops, which commenced in 2022 and jointly hosted by PSE and Bloomberg L.P., seeks to provide the investor relations community a platform for networking and dialogue on strategies to enhance stakeholder value and explore emerging industry trends.

On May 9, 2024, PSE hosted a workshop called "Foreign Interest in ASEAN Markets and opportunities and challenges in the IR space," which delved into contemporary IR trends, challenges, and unexplored prospects in IR. This workshop was attended by 17 participants, 12 of whom were PSE-listed companies.

#### ***Investor Related Marketing Initiatives***

##### PSE Exchange Visits

An Exchange Visit is an on-site initiative designed for both academic institutions and corporate organizations, featuring a guided tour of the PSE Museum, PSE Library, and PSE Ceremonial Hall. The visit concludes with a brief seminar on personal finance and stock market fundamentals, which includes a presentation by a guest stockbroker. The primary objective of the program is to educate participants about the capital markets. In 2024, a total of 24 Exchange Visits were conducted, attracting 896 attendees. Notably, the PSE's Market Education Department also facilitated Exchange Visits for international students with an interest in the capital markets.



### PSE Academy

The PSE Academy is a comprehensive, interactive, web-based platform designed to enhance investor education for market participants, equity investors, and the public. Serving as the PSE's primary investor education platform, the PSE Academy caters to individuals with varying levels of knowledge and experience in stock trading and investing.

Key features of the PSE Academy include an E-Learning section, offering video and reading materials ranging from beginner to advanced topics. It also has an events calendar which keeps users informed about upcoming market education programs and users can register directly for events. The platform also provides an investment calculator to help users compute various investment figures such as capital gains, transaction costs, and financial ratios.

Additionally, the website offers access to information on PSE products and services, a glossary of stock market terms, as well as PSE's library selection. The "Ask a Librarian" feature enables users to request for library visits or specific materials. Users may also book an exchange visit through the website.

The PSE is also developing two new features for the Academy: a self-paced online course with 18 episodes covering basic to advanced topics, as well as the PSE Stock Trading Game, a gamified simulation for new investors. Both are expected to be launched in 2025. As of March 21, 2025, the PSE Academy has over 2,000 subscribers.

### Webinars

The PSE aims to enhance the stock market knowledge of both prospective and current investors through a series of free webinars. In 2024, it organized seven webinars in partnership with four brokers, covering a broad range of topics tailored to different interests and experience levels, including investing for retirement, the impact of monetary policy on the stock market, and dividend investing.

Collectively, these webinars engaged 2,368 participants, with each session attracting an average of 300 to 400 attendees.

### Participation in Investment Literacy Fairs

The PSE actively participated in the SEC Investor Protection Fair 2024, held on November 19 to 22, 2024—an esteemed annual event dedicated to advancing financial literacy, fostering prudent investment practices, and raising awareness about investment scams. The fair brought together partners from both the public and private sectors who collaboratively promoted investor education and protection through a variety of engaging activities, including quizzes, games, and interactive sessions aimed at attendees across diverse age groups. The PSE's booth attracted a total of 256 participants. Furthermore, the PSE was given an opportunity to deliver a presentation, offering valuable insights on when and where to invest.

### Ring the Bell for Financial Literacy

The PSE reaffirmed its commitment to investor education by participating in the global "Ring the Bell for Financial Literacy" initiative, organized by the World Federation of Exchanges.

On October 4, 2024, Exchange officers rang the closing bell in a ceremony supporting the World Investor Week, an initiative of the International Organization of Securities Commissions (IOSCO). During the event, videos showcasing PSE's Market Education initiatives were displayed.

Additionally, PSE's Market Education Department, in collaboration with COL Financial Group, Inc., hosted a free webinar focused on building a reliable income stream through dividends. The session covered income-paying stocks and funds, along with practical strategies for dividend investing to help participants achieve their financial goals. The webinar was attended by 665 individuals. Online quizzes on PSE trivia were also made available to the public, with winners selected.

#### Collaboration with Department of Migrant Workers

Recognizing the unique financial needs of OFWs and their families, the PSE partnered with DMW to create and implement a Financial Education Program designed to equip OFWs with the necessary knowledge to make sound financial decisions. A key initiative in this collaboration is the "Kapital Kabayan" webinar series, which was launched on July 27, 2024, attracting close to 300 attendees. The webinar series is designed specifically for OFWs and their families, addressing their unique financial requirements and investment opportunities. This webinar was participated by OFWs from 36 countries and 2 overseas territories, with a significant portion of the participants being family members of OFWs or reintegrated former OFWs based in the Philippines.

Additionally, the PSE participated in Migrant Fairs organized by the Inter-Agency Council on Migrant Workers and Overseas Filipinos (IAC-MOF) last September 19, 2024 in Tacloban City, and last December 18, 2024 in Pasay City. These fairs aim to provide various services to OFWs, including educational programs and livelihood opportunities.

#### Certified Securities Specialist Course

The Certified Securities Specialist Course (CSSC) is a flagship initiative of PSE designed to provide continuing education for market participants and those aspiring to pursue careers in the stock market. The program emphasizes key topics such as capital markets, fundamental analysis, valuation techniques, practical portfolio management, and real-world applications of finance principles. Developed by the PSE in collaboration with a distinguished team of academicians and market practitioners, the CSSC is a comprehensive training ground for future capital market professionals.

In 2024, PSE conferred the title of "Certified Securities Specialist" to 28 successful participants who completed the 15th run in collaboration with the Ateneo De Manila Graduate School of Business Center for Continuing Education. Currently, there are 14 students for the 7<sup>th</sup> run in partnership with De La Salle College of Saint Benilde School of Professional and Continuing Education.

#### PSE's Growing Online Community

The PSE actively promotes financial literacy and inclusivity through easily accessible investor education channels. Its diverse array of social media accounts consistently keeps the public informed about the PSE's activities and provides real-time updates on the stock market. As

of end-2024, PSE's Facebook account garnered more than 408,000 followers, while its X, YouTube, and Instagram accounts accrued over 98,900, 14,300, and 11,600 followers, respectively.

Facebook stands out as the primary social media platform for the PSE, boasting a significant reach of 8.9 million for all posts in 2024—a 3% increase from the previous year. In terms of posted content, there were a total of 92.2K content interactions, including reactions, saves, shares, and comments. The page also received 409.8K page visits—a 67.37% increase from last year.

#### PSE Corner

Published by the Daily Tribune every Monday, PSE Corner includes a brief article highlighting one of PSE's activities or initiatives, the previous week's stock market performance and key corporate disclosures, as well as earnings results and dividend information.

In 2024, 51 PSE Corner issues were printed. The first edition of PSE Corner was published on December 4, 2023.

#### PSE Viber Channel

The PSE Viber channel was launched in October 2024 during PSE's Ring the Bell for Financial Literacy ceremony. It complements existing social media accounts of the PSE for information dissemination. Among the materials posted on the channel include index updates and other market data, select corporate disclosures, PSE news releases, and relevant PSE announcements and advisories.

As of end-March, 2025, PSE Viber channel has over 1,600 subscribers.

### ***Regulatory Updates***

#### Rules on VWAP Trading

The PSE implemented the VWAP Trading Rules beginning February 1, 2024. The trading schedule was adjusted to allot fifteen (15) minutes after Run-Off/Trading-at-Last and before Market Close for execution of transactions based on a security's full-day VWAP.

#### Revised PSE Criteria for Accreditation of Property Appraisal Companies

The PSE implemented the Revised Criteria for Accreditation of Property Appraisal Companies ("Revised Guidelines") effective February 5, 2024. The Revised Guidelines requires, among others, that the appraisal company be an SEC-accredited property appraiser. The requirement to submit a certification from the Bangko Sentral ng Pilipinas ("BSP") that the appraisal company has rendered services to BSP has also been removed.

#### Amended Guidelines for Fairness Opinions and Valuation Reports

The Amended Guidelines for Fairness Opinions and Valuation Reports ("Amended Guidelines"), which took effect on March 22, 2024, extended the period of accreditation of firms



providing fairness opinion and valuation reports from one year to three years. The accreditation fees were adjusted accordingly. The Amended Guidelines also set out the fee for obtaining Confirmation of Independence, which is required prior to the issuance of a fairness opinion and valuation report, and prior to the communication of any work output, to listing applicant.

#### Amendments to the Rule on Follow-on Offerings

On April 16, 2024, the PSE implemented the amendments to Article V, Part F of the PSE Consolidated Listing and Disclosure Rules. The amendments made allocation of offer shares to local small investors mandatory, instead of discretionary, in follow-on offerings ("FOOs"), prohibited the offering, during FOOs, of secondary shares subscribed, acquired, or availed of at a discount 180 days before the FOO, and included express reference in the rules to certain provisions of the Small, Medium and Emerging ("SME") Board initial listing rules which are also applicable to FOOs undertaken by SME companies.

#### Removal of Minimum Commission

On April 17, 2024, the Securities and Exchange Commission ("SEC") issued SEC Memorandum Circular No. 7, series of 2024 ("SEC MC 7-2024") dated April 16, 2024 which removed the minimum amount of commission charged by stockbrokers to its customers for each transaction. SEC MC 7-2024 also provides that all rules and regulations or parts thereof, including those approved for implementation by regulated entities, which are inconsistent with SEC MC 7-2024 are repealed, amended or modified. Consequently, the PSE Amended Rule on Minimum Commission Rates and Interpretative Guidelines of the Rule on Minimum Commission Rates ceased to be in force upon the effectivity of SEC MC 7-2024 on April 18, 2024.

#### Amendments to BIR Revenue Regulations on Securities Borrowing and Lending

On June 5, 2024, the Bureau of Internal Revenue (BIR) issued BIR Revenue Regulations No. 10-2024 ("RR 10-2024"), which further amended RR No. 10-2008, as amended by RR No. 1-2008, or the guidelines and conditions for the tax treatment of securities borrowing and lending ("SBL") transactions involving shares of stock or securities listed in PSE. RR 10-2024 provides, among others, that a valid Master Securities Lending Agreement ("MSLA") shall be deemed registered with the BIR upon issuance of a Certificate of Registration, but the approval shall retroact to the date of complete submission to the BIR of the duly signed MSLA or Global MSLA ("GMSLA") pre-cleared and favorably endorsed by PSE and payment of the BIR registration fee. The registration shall be valid until revoked by the BIR. The acceptance of other forms of collateral allowed by the SEC and acceptance of GMSLA for registration if either or both parties to an SBL transaction are foreign nationals were also codified in RR No. 10-2024.

#### ***Ongoing Plans and Programs for 2025***

On the second year of its Strategic Plan for 2024 to 2026, the PSE remained focused on initiatives to increase market liquidity, advance regional competitiveness, and enhance its digital infrastructure.

The priority for the year is completing the acquisition of the Philippine Dealing System Holdings Corp. (PDSHC). The PSE continues to engage with the shareholders of PDSHC and aims to close the transaction by the second quarter of 2025. The PSE is actively developing an

integration plan with PDSHC focused on optimizing operations and identifying synergies for shared services. The acquisition also paves the way for expanded product development, including plans to introduce bond ETFs as well as FX and bond derivatives, to encourage greater retail participation. Additionally, this consolidation strengthens investor education initiatives by harnessing the combined resources of both Exchanges and leveraging PSE's partnerships with brokers and digital platforms.

PSE's collaboration with ASEAN Exchanges continued with its hosting of the 38<sup>th</sup> ASEAN Exchanges CEOs Meeting in Boracay Island, Philippines, on February 21, 2025. The meeting focused on priority initiatives to promote the region as an asset class and highlight its unique investment qualities. A key discussion point was the ongoing development of a unified ecosystem for sustainability solutions among publicly listed companies and capital market stakeholders. As part of this effort, the ASEAN-ISE participating Exchanges issued an RFI and held a briefing gathering over 120 representatives from 35 organizations, including solution providers, credit bureaus, technology firms, information vendors, and consultants. The RFI aims to gather market insights to support the development of a regional ASEAN sustainability ecosystem, featuring a Centralized Sustainability Data Infrastructure and a Digital Marketplace for technology-driven sustainability solutions.

In its efforts to expand the Exchange's investor base, PSE hosted the inaugural Philippine investor conference, "Invest PH" from March 19 to 21, 2025. As the largest investor conference focused on the Philippine stock market, it showcased the country as a prime investment destination. The three-day event, co-hosted by HSBC Philippines and in partnership with Bloomberg L.P. and Maybank Securities Philippines, Inc., presented a unique and engaging platform to promote the Philippines' robust economic landscape through informative discussions with key government leaders and policymakers as well as industry leaders on the renewable energy infrastructure and telecommunications sectors. Global and local investors also had the opportunity to connect with a total of 46 listed and private companies through one-on-one meetings and learn more about the companies' performance and future prospects.

To further diversify the PSE's product and service portfolio, PSE plans to introduce Global Philippine Depositary Receipts (GPDRs) and derivative products in the medium term. The PSE submitted its proposed regulations to the SEC's Markets and Securities Regulation Department last January 2025, incorporating the feedback received from the public and various interested stakeholders. The launch of GPDRs is targeted for the second quarter of 2025.

Other products in the pipeline include derivatives and improvements to regulations on Exchange Traded Funds (ETF). The PSE is also working on establishing a derivatives market with index futures as its first product. This is slated to be launched in 2026. Meanwhile, the PSE is also set to amend some of its regulations to revitalize the market which includes the ETF rules, market making rules, board lot system, as well as the sponsor model regulations.

In terms of enhancing its digital infrastructure, the PSE is strengthening its data architecture and establishing a robust data governance framework. These efforts aim to enhance data management, improve decision-making, and support the growing demand for real-time, high-quality market information.

## **Compliance**

### **Compliance with Data Privacy Act of 2012**

The PSE's Data Protection Officer conducted departmental privacy impact assessments in accordance with the PSE's Data Privacy Manual. This annual exercise ensures that the PSE keeps up-to-date records pertaining to its data processing systems and data mapping registry, verifies the absence or existence of personal data security incidents and breaches which are reported to the National Privacy Commission, as applicable, and identifies areas for improvement of the PSE's data protection measures.

In addition, the NPC Seal of Registration, which contains information on the validity period of the PSE's registration with the NPC, among others, was displayed prominently at the main entrance of the PSE Tower and uploaded across PSE's online platforms such as the market and corporate portals of the PSE website, PSE Electronic Disclosure Generation Technology (PSE EDGE), PSE Electronic Allocation System (PSE EASy) and PSE Equities Information Platform (PSE EQUIP).

PSE was notified of the renewal of its registration with the NPC on July 25, 2024, in compliance with the Data Privacy Act of 2012.

### **Item 7. Financial Statements**

The Statement of Management's Responsibility for Financial Statements, the Audited Consolidated Financial Statements, and the Audited Parent Financial Statements of the PSE as of December 31, 2024, 2023, and 2022 are attached hereto as **Annexes "A," "B," and "C,"** respectively.

### **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure/Independent Public Accountant**

The external auditors of the PSE is the accounting firm of Sycip, Gorres, Velayo & Co. (SGV & Co.) The engagement of SGV & Co. as external auditor was approved during the Annual Stockholders' Meeting on 6 July 2024. Mr. Sherwin V. Yason is currently the Engagement Partner. The appointment of the external auditor and the engagement partner is consistent with SRC Rule 68. The engagement partner or signing partner is rotated after every seven (7) years of engagement. A two-year cooling-off period is observed in the re-engagement of the same signing partner.

The PSE has not had any disagreements on accounting and financial disclosures with SGV & Co. during their engagement in 2024.

As regards the previous year, the PSE did not have any disagreements on accounting and financial disclosures with SGV & Co. during their engagement.

### III. CONTROL AND COMPENSATION INFORMATION

#### Item 9. Directors and Executive Officers of the Issuer

##### Directors

Name	Age	Citizenship	Position/Committee Membership
Jose T. Pardo	84	Filipino	Chairman of the Board Independent Director Corporate Governance Committee (Chairman) Nominations and Elections Committee
Ramon S. Monzon	75	Filipino	President Chief Executive Officer Capital Markets Development Committee (Chairman) Membership Committee
Diosdado M. Arroyo	49	Filipino	Capital Markets Development Committee Investments Committee
Ferdinand K. Constantino	73	Filipino	Audit and Related Party Transactions Committee Corporate Governance Committee
Teresita J. Leonardo-De Castro	75	Filipino	Independent Director Nominations and Elections Committee (Chairman) Corporate Governance Committee
Eddie T. Gobing	69	Filipino	Risk Management Committee Membership Committee
Jose Arnulfo A. Veloso	58	Filipino	Risk Management Committee Investments Committee Capital Markets Development Committee Membership Committee Non-Broker Director – Investor
Vicente L. Panlilio	75	Filipino	Independent Director Audit and Related Party Transactions Committee Risk Management Committee Corporate Governance Committee Nominations and Elections Committee
Wilson L. Sy	69	Filipino	Investments Committee (Chairman) Capital Markets Development Committee Membership Committee
Anthony M. Te	54	Filipino	Broker Director Capital Markets Development Committee
Edgardo G. Lacson	81	Filipino	Investments Committee
Ma. Vivian Yuchengco	74	Filipino	Membership Committee (Chairman) Corporate Governance Committee Capital Markets Development Committee
Andrew Jerome T. Gan	61	Filipino	Independent Director Audit and Related Party Transactions Committee (Chairman)

			Risk Management Committee Nominations and Elections Committee Investments Committee Capital Markets Development Committee
Peter B. Favila	76	Filipino	Independent Director Risk Management Committee (Chairman) Audit and Related Party Transactions Committee Nominations and Elections Committee
Marilyn A. Victorio-Aguino	69	Filipino	Audit and Related Party Transactions Committee

#### Key Officers

Name	Age	Citizenship	Position
Ramon S. Monzon	74	Filipino	President Chief Executive Officer
Ornelita J. Tiangco	71	Filipino	Treasurer
Aissa V. Encarnacion	60	Filipino	Corporate Secretary
Roel A. Refran	51	Filipino	Senior Vice President and Chief Operating Officer
Veronica V. Del Rosario	43	Filipino	Vice President and General Counsel / Compliance Officer
Philip A. Driz	56	Filipino	Vice President and Head, Technology Division
Marigel B. Garcia	42	Filipino	Vice President and Head, Issuer Regulation Division
Roel M. Villanueva		Filipino	Assistant Vice President and Head, Market Operations Division
Mark V. Visda		Filipino	Assistant Vice President and Head, Markets Development Division
Roberto Jose R. Jimenez <sup>1</sup>		Filipino	Assistant Vice President and Head, Finance Division

A brief profile of each of the PSE's Directors and Officers follows:

#### **BOARD OF DIRECTORS**

##### **Jose T. Pardo Chairman**

84. Mr. Pardo became an Independent Director of the PSE on January 26, 2011, and has been its Chairman since May 2011. He is the Chairman of the Corporate Governance Committee of the PSE. He is also the Chairman of the Securities Clearing Corporation of the Philippines, a subsidiary of the PSE. He is an Independent Director and the Chairman of the Board of Philippine Seven Corporation and Independent Director of Robinson's Land Corporation, League One Finance and Leasing Corporation, Araneta Hotels, Inc. and Del Monte Philippines. He is likewise

<sup>1</sup> Retired as of 1 January 2025



the Chairman, Board of Advisers of Bank of Commerce, and Director of National Grid Corporation of the Philippines, and Director and Board of Trustees of Bayaning Pulis Foundation. Mr. Pardo held various positions in government including Secretary of the Department of Finance and Secretary of the Department of Trade and Industry. Mr. Pardo is Chairman of the Council of Business Leaders of the Employers Confederation of the Philippines, Philippine Chamber of Commerce, Inc., and Director of Radio Veritas Global Broadcasting System, Inc. Mr. Pardo obtained his Bachelor of Science in Commerce and his Master's Degree in Business Administration at the De La Salle University in Manila. In February 2018, he was conferred an Honorary Doctorate in Finance by the De La Salle University.

*\*publicly listed company*

**Ramon S. Monzon**  
**President and CEO**

75. Mr. Monzon is the President and CEO of The Philippine Stock Exchange, Inc. (PSE) and the Securities Clearing Corporation of the Philippines and the Chairman of PSE's Capital Markets Development Committee. He is the concurrent President of the PSE Foundation and a Trustee of the Securities Investors Protection Fund, Inc. He served as an Independent Director and Chairman of the Audit Committee of PSE from 2015 to 2017. Mr. Monzon is also a Director and President and CEO of Philippine Dealing System Holdings Corporation (PDSHC) and Board Director of Philippine Dealing & Exchange Corporation (PDEX), Philippine Depository & Trust Corporation (PDTC), and PCD Nominee Corporation. He is the Chairman of the IT Steering Committee and Member of the Executive, Risk Oversight, Audit, and the Nomination and Remuneration Committees of PDSHC, PDEX and PDTC. Mr. Monzon actively participates and holds key leadership roles in various stock exchange industry groups. He is part of the ASEAN Exchanges CEOs collaboration that steers several cross-border initiatives to promote investments in the region. He also currently serves as the Vice Chairman of the World Federation of Exchanges Emerging Markets Working Group and Co-Chairman of the United Nations Sustainable Stock Exchanges (UN SSE) Advisory Group on SMEs and Sustainability. Mr. Monzon holds a Master of Business Administration degree from the Chicago Booth School of Business, a Bachelor of Arts degree major in Political Science from the Ateneo de Manila University, and a Bachelor of Science degree major in Accounting from the Manuel L. Quezon University. He is a Certified Public Accountant and a Fellow of the Institute of Corporate Directors.

**Diosdado Macapagal Arroyo**

49. Mr. Arroyo was elected as broker-director of the PSE in 2020. He is a member of the Committees on Investments and Capital Markets Development, and also serves on the Board of the Securities Clearing Corporation of the Philippines. Mr. Arroyo is the President of Securities Specialists, Inc., an Exchange-accredited stockbrokerage firm that has been around since the 1970s. He is also currently on the Board of various companies and foundations, such as Lourdes T. de Arroyo Holdings Inc., PayNet International Technology, Link2Progress Microfinance, LTA Foundation Inc., and the Amigo Foundation. Mr. Arroyo was also a member of Congress, serving in the Lower House as a representative of Camarines Sur from 2007-2016. He is a proud alumnus of the Ateneo de Naga University, where he graduated with a degree in Business Administration, minor in Legal Management.

### **Ferdinand K. Constantino**

73. Mr. Constantino was elected to the PSE Board in 2020. He is a member of the PSE's Audit and Related Party Transaction and Risk Management Committees and sits on the Board of PSE's wholly owned subsidiary, the Securities Clearing Corporation of the Philippines. A 50-year veteran in San Miguel Corporation (SMC)\*, Mr. Constantino has been the company's Group Chief Finance Officer and Treasurer since 2001. He also sits on the Board of several SMC subsidiaries and affiliates. SMCGP Philippines Power Foundation, Inc., SMC Stock Transfer Service Corporation and San Miguel Integrated Logistics Services, Inc. A recipient of numerous accolades, he was named The Asset's Triple A Awards 2019 CFO of the Year Philippines and the ING-FINEX 2018 CFO of the Year. He also received a Golden Wheel Award from the Rotary Club of Quezon City in 2021, and a Distinguished Alumni Awardee for Corporate Governance-UP Alumni Association in 2019. Mr. Constantino obtained his degree in Economics from the University of the Philippines and attended IMD - Switzerland for a Finance and Control course.

*\*publicly-listed company*

### **Hon. Chief Justice Teresita J. Leonardo-De Castro (ret.) Independent Director**

75. Chief Justice Teresita J. Leonardo-De Castro (ret.) was elected as an Independent Director of the PSE in 2020. She is the Chairman of the PSE's Nominations and Elections Committee and a member of the Corporate Governance Committee. She also sits on the Board of the Securities Clearing Corporation of the Philippines, Top Frontier Investment Holdings, Inc. and San Miguel Corporation as Independent Director and Trustee of PSE Foundation, Inc. and serves as Consultant of the Supreme Court Committee on Family Courts and Juvenile Concerns. Chief Justice De Castro's career in public service, which spanned over four decades, was spent with the judiciary and executive branches of government. She started at the Supreme Court as a law clerk. She was transferred to the Department of Justice, where her 19-year stint culminated with her appointment as Assistant Chief State Counsel. Chief Justice De Castro rejoined the judiciary in 1997 when she was appointed to the Sandiganbayan as Associate Justice and eventually promoted to Presiding Justice. A decade later, her career came full circle with her return to the Supreme Court as Associate Justice. Her illustrious career was capped with her appointment as Chief Justice of the Supreme Court in 2018. Chief Justice De Castro was Vice-President, President-elect and President consecutively of the International Association of Women Judges (IAWJ) from 2010 to 2016, with each elected position having a two-year tenure. She was a member of the IAWJ Executive Council from 2016 to 2018. She was also elected President of the Philippine Women Judges Association from 2009 to 2018. She was designated Chairperson of the Special Committee for the 2015 Bar Examinations. Chief Justice De Castro was awarded the Presidential Medal of Merit in 1998 by then Philippine President Fidel V. Ramos and the Chief Justice Hilario G. Davide Judicial Reform Award in 2005. Chief Justice De Castro graduated from the University of the Philippines with a Bachelor of Arts, cum laude, and Bachelor of Law on the top four of her class. She was elected to lifetime membership in the Phi Kappa Phi International Honor Society and the Pi Gamma Mu International Honor Society in the Social Sciences for outstanding academic accomplishments in her Bachelor of Arts and Bachelor of Laws courses. She attended law courses in the International Law Institute in Washington D.C. and Harvard Law School's Program of Instruction for Lawyers in Massachusetts, USA. She was awarded a Certificate of Recognition by the International Association of Women Judges (IAWJ) for her exemplary leadership in the implementation of an IAWJ Program in three countries to combat

sextortion. She was conferred the distinguished Arline Pacht Global Vision Award by IAWJ during the 16th International Association of Women Judges Biennial Conference in Marrakesh, Morocco on 14 May 2023. She was the 2009 University of the Philippines Alumni Association (UPAA) Distinguished Awardee in Championing Justice, Judiciary and among other awards, Ulirang Ina 2008 for Law and Judiciary.

*\*publicly-listed company*

#### **Eddie T. Gobing**

69. Mr. Gobing has been a PSE Director since 2001 and has held various positions in the PSE since 1998. He is a member of the PSE's Risk Management Committee. He is also the Director of the Securities Clearing Corporation of the Philippines, a subsidiary of the PSE since 2008. Mr. Gobing is a Trustee of the PSE Foundation. He is the Treasurer of the Manila Stock Exchange Foundation. Mr. Gobing is the President of Lucky Securities, Inc., and E.G. & Sons Insurance Agency Inc.; Chairman of Jacqui Foods Corp., G.G. Food Chain Corp., and J.G. Food Corp.; and President of Teishoku Dining Concepts, Inc. Mr. Gobing graduated with a Bachelor of Science degree in Management from the University of Santo Tomas.

#### **Atty. Marilyn A. Victorio-Aquino<sup>3</sup>**

69. Ms. Marilyn A. Victorio-Aquino was elected to the PSE Board in June 2023. She is a member of the Board of Directors of PLDT Inc. ("PLDT"), PLDT's Chief Legal Counsel, Head of Legal and Regulatory and Strategic Affairs Group, Head of Supply Chain, Head of Risk and Privacy, and Corporate Secretary. She joined First Pacific Company Limited ("First Pacific") in 2012 as an Assistant Director and currently holds various positions in Philippine subsidiaries and affiliates of First Pacific and Metro Pacific Investments Corporation (an affiliate of First Pacific), including President of First Coconut Manufacturing Inc., and director of Philex Mining Corporation ("Philex") and PXP Energy Corporation ("PXP"). She is also a director of Lepanto Consolidated Mining Company ("Lepanto"). Philex, PXP, and Lepanto are PSE-listed companies. She also serves as a director of Philex Gold Philippines, Inc., Silangan Mindanao Mining Company, Inc., and Maya Bank, Inc. Prior to joining First Pacific, Atty. Victorio-Aquino retired as a Senior Partner at SyCip Salazar Hernandez and Gatmaitan Law Offices (SyCipLaw). Atty. Victorio-Aquino graduated cum laude (class salutatorian) from the University of the Philippines with a Bachelor of Laws Degree in 1980, placed second in the Philippine Bar Examinations, and was admitted to the Philippine Bar in 1981. She obtained her Bachelor of Arts degree from the University of Santo Tomas. She is a member of the International Pacific Bar Association, Women Lawyers Circle, Federacion Internacional de Abogadas, Philippine Bar Association, and Integrated Bar of the Philippines.

#### **Andrew J. Gan Independent Director**

61. Mr. Gan was elected to the Board of Directors of the Philippine Stock Exchange as an Independent Director in August 2023. He Chairs the Audit Committee and is a member of the Investment, Risk Management, Nominations and Election and Capital Markets Development Committees. Mr. Gan was appointed by the President of the Republic of the Philippines to the Board of Directors of Maharlika Investment Corporation/Fund as an Independent Director in

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<sup>3</sup> Effective 14 June 2023



December 2023. Maharlika is the Philippines' Sovereign Wealth Fund. At MIC he chairs the Investment Committee and is a member of the Audit, Risk Management and Related Party Transactions Committees. Mr. Gan was elected to the Board of Directors of Capital Markets Integrity Corporation in May 2014. At CMIC he chairs the Audit and Special Projects Committees. He is also founder and principal of Beacon Holdings Inc., an independent financial advisory firm which he founded in 1998. From 2000 to the present Mr. Gan has invested in and been involved with various businesses including Fifi L'Amour, a sparkling wine business; Nuovo Moda, the Philippine franchisee of the Italian fashion group Stefanel in partnership with the SM group; Globo Land Development in partnership with the Madrigal-Vazquez family as well as private equity work in Cambodia in partnership with the Cambodia Fund. Mr. Gan began his banking career at Citibank in 1985 as a management trainee and in 1987 went on to set up and run the Philippine office of the Private Banking and Investment Management Group of Manufacturers Hanover Trust Company and its successor banks Chemical Bank and Chase Manhattan through to 1996. He subsequently served as an Advisor to Pictet & Cie Banquiers. Concurrent to his stint at MHT Gan taught in the Business Management Department of the Ateneo de Manila University. Mr. Gan graduated from the University of Notre Dame in 1985 with a BBA in Finance and Business Economics with honours. He graduated from Xavier School in 1981. In 2000 he began an MSc in Public Policy and Management at the School of Oriental and African Studies, University of London.

**Peter B. Favila**  
**Independent Director**

76. Mr. Peter B. Favila, elected to the PSE Board in August 2023, has a distinguished career in banking and finance, having served as President of renowned institutions such as Security Bank, Philippine National Bank, and Allied Banking Corporation. He was also President (2004) and later Chairman (2005) of the Philippine Stock Exchange, Inc. and the Securities Clearing Corporation. His government career began in 1995 when former President Fidel V. Ramos appointed him as President/CEO of the then government-owned Philippine National Bank. During former President Gloria Macapagal-Arroyo's administration, he was named Economic Adviser to the House of Representatives and Presidential Adviser on infrastructure finance. He made a strong mark in government service during his tenure as Secretary of the Department of Trade and Industry for over five years. He also served as National Government Representative to the Monetary Board of the Bangko Sentral ng Pilipinas and was later appointed as a full-time member representing the private sector. Reappointed by former President Rodrigo R. Duterte, he served a second term from 2017 to 2023, bringing diverse sectoral experience to develop sound and stable monetary policies. He also fulfilled roles as Chair of the Board Risk Oversight Committee, member of the Corporate Audit Committee, and adviser to the MSME Committee. Among his accolades are those from his alma maters, including the Most Outstanding Thomasian Award from the University of Santo Tomas and Outstanding Bedan from San Beda College. Additionally, he received prestigious awards from heads of states, such as the Order of Lakandula, Rank of Bayani from former President Gloria Macapagal-Arroyo, the Gran Cruz Orden de Isabel la Catolica from former King Juan Carlos I of Spain, and the Order of the Rising Sun, Gold and Silver Star from former Emperor Akihito of Japan. Presently, he serves as a Consultant to the Bangko Sentral ng Pilipinas.

### **Edgardo G. Lacson**

81. Edgardo G. Lacson was reelected to the PSE Board in July 2024 after serving the PSE's Board from May 2011 to May 2018 and from May 2019 to July 2021. He is also a member of the Board's Investments Committee. Mr. Lacson is the Chairman of the Employers Confederation of the Philippines, past President and current Honorary Chairman of the Philippine Chamber of Commerce and Industry. He likewise serves as independent director of PSE subsidiary Capital Markets Integrity Corporation and listed firms The Keepers Holdings, Inc.,\* DDMP REIT Inc. \*, and Global Ferronickel Holdings,\* Inc., and Kareila Management Corporation, and Manila House, Inc. He is the President of MIS Maritime Corporation, and the Chairman of Greenergy Holdings Inc.,\* Safe Seas Shipping Agency and of Metrostore Corporation. He is the Private Sector Representative in the Board of Regents of University of Makati and a trustee of ADR Institute Stratbase, PNP NCR Advisory Council, and the PNP Makati Advisory Council. He was a former independent director of Puregold Price Club, Inc., and a former trustee of Philippine Petroleum Sea Transportation Association. He finished his Bachelor of Science in Commerce degree major in Accounting from De La Salle College.

*\*publicly-listed company*

### **Vicente L. Panlilio Independent Director**

78. Mr. Panlilio has been an Independent Director of PSE since 2017. He is currently a member of the Audit and Related Party Transactions, Nominations and Elections, Corporate Governance and Risk Management Committees. He also served as PSE Independent Director partially in 2009. Mr. Panlilio was formerly the Chief Operating Officer and a member of the Advisory Board of Far East Bank and Trust Company, and a Board Director at the Philippine National Bank, Equitable-PCI Bank and Bank of Commerce. He also served as a Director of Manila Electric Company\* and is an incumbent Director of San Fernando Electric Light and Power Company and Balibago Water Systems. Mr. Panlilio graduated from the University of the Philippines and also attended the Asian Institute of Management for the Advanced Bank Management Program.

### **Wilson L. Sy**

72. Mr. Sy is a stock market veteran with close to five decades of professional experience. He served as the Chairman of the Manila Stock Exchange from 1994 to 1999 and the Philippine Stock Exchange from 1996 to 1998. He was re-elected as PSE Director in 2016. He is the Chairman of PSE's Investment Committee and is a member of the Capital Markets Development Committee. He is currently the Chairman of the Manila Stock Exchange Foundation. Mr. Sy is the Chairman of Wealth Securities, Inc. and is a director for various companies such as Philequity Management and Vantage Equities. He is the fund manager of Philequity Fund, one of the most successful and longest running mutual funds in the country. Mr. Sy is a columnist for the business section of The Philippine Star and is the author of the book "Opportunity of a Lifetime."

*\*publicly-listed company*

#### **Anthony M. Te**

54. Anthony M. Te is the Nominee of Armstrong Securities, Inc. He is a member of the Capital Markets Development Committee (CMDC) and also sits on the Board of PSE's wholly owned subsidiary, the Securities Clearing Corporation of the Philippines. Currently, Mr. Te is a Director at Manila Standard Today Management, Inc., Marcventures Mining and Development Corp., Marcventures Holdings Inc., Benguet Corp., EEI Corporation, Media Quest Holdings Inc., Philippine Veterans Bank, Media Serbisyo Production Corp., Armstrong Capital Holdings Corp., and Strong Built (Mining) Development Corporation. He is the Chairman of Amalgamated Project Management Services, Inc., AE Proteina Industries, Inc., Asian Asset Insurance with Brokerage Corp. (also serves as Soliciting Official), Asian Appraisal Company Inc. Mr. Te also sits as the Chairman and President of Cymac Holdings Corporation. Since 1999, he has been the Chairman and Chief Financial Officer at Mactel Corp. In 2021, he became the Principal in MNM Capital OPC. From 2004 to 2006, Mr. Te was an Independent Director at Equitable PCI Bank. He was also a Director and Treasurer at PAL Holdings, Inc. from 2000 to 2003. Mr. Te was also a Director at Balabac Resources & Holdings Co., Inc., EBECOM Holdings, Inc., MRC Allied Industries, Inc., Oriental Petroleum & Minerals Corp., PGA Cars, Inc., and Phoenix Energy Corp. Mr. Te obtained his Bachelor of Arts in Business Management at De La Salle University.

#### **Jose Arnulfo A. Veloso**

58. Jose Arnulfo "Wick" A. Veloso is the President and General Manager and Vice Chairman of the Board of Trustees of the Government Service Insurance System (GSIS). He is also currently a Director of the Metro Pacific Investments Corporation (MPIC), Philippine Crop Insurance Corporation (PCIC) and Philippine Aerospace Development Corporation (PADC). He is a member of the Board of the Employees Compensation Commission (ECC), National Disaster Risk Reduction and Management Council (NDRRMC) and the Center for International Trade Expositions and Missions (CITEM). Mr. Veloso is the 2024-2025 Chairman of the ASEAN member countries, working to advance social security through shared knowledge, best practices, and cooperative research. He was previously the President and CEO of the Philippine National Bank. During his tenure at PNB, the Bank was recognized with multiple awards such as the ASEAN Asset Class Award from the ASEAN Capital Markets Forum, the ACGS Golden Arrow, the Best Managed Bank during COVID-19, and the Best CEO Response to COVID-19 in the Philippines from The Asian Banker. He was the first Filipino CEO in HSBC'S 144 YEARS OF OPERATION, a position he held from 2012 to 2018, during which HSBC was named the Best Global Bank by The Asset. In 2021, Mr. Veloso was the President of the Bankers Association of the Philippines. He also served as Director of the European Chamber of Commerce of the Philippines; Allianz PNB Life Insurance, Inc.; Philippine Dealing System Holdings Corp., Philippine Dealing and Exchange Corp., Philippine Securities Settlement Corp., BancNet, Inc., Philippine Payments Management, Inc., and ASEAN Bankers Association; Chairman of the Rafael B. Buenaventura Foundation; and a Member of the CIBI Foundation, Inc. and Management Association of the Philippines. Mr. Veloso earned a Bachelor of Science in Marketing Management, De La Salle University (1982-1986).

#### **Ma. Vivian Yuchengco**

74. Ms. Yuchengco has been a Director of the PSE since 2004. Previously, she was a Director during these periods: 1993-1994, 1996, 1998, and 2000-2001. She is a member of the Corporate Governance, Capital Markets Development, and Membership Committees of the PSE. She

served as PSE Chairman from 2002 to 2003. In 1989, Ms. Yuchengco became the first woman to be elected as President of the Makati Stock Exchange. In 2000, serving as one of the Board of Trustees of the Securities Investors Protection Fund, she co-chaired the committee that worked towards the demutualization of the PSE. She is currently the Chairperson of The Philippine Association of Securities Brokers and Dealers, Inc. Ms. Yuchengco studied Economics in Newton College of Sacred Heart in Boston, Massachusetts. She has her own brokerage firm, The First Resources Management and Securities Corporation, which she manages and has been in operation for 45 years.

**Omelita J. Tiangco**  
**Treasurer**

71. Ms. Tiangco has been the Treasurer of the PSE since May 2010. She was a Director of the PSE from August 2006 to March 2010 and from May 2010 to April 2011, and was a member of the PSE's Corporate Governance and Audit Committees. She has likewise been the Treasurer of Securities Clearing Corporation of the Philippines and Capital Markets Integrity Corporation since June 2010 and June 2013, respectively, and Director and Treasurer of Premier Software Enterprise, Inc. since March 2019. She served as Executive Vice-President & Chief Finance Officer of the Government Service Insurance System (GSIS) from September 2004 to February 2010. Prior to that, she held various positions in GSIS such as Senior Vice President-Fund Management Group, Senior Vice-President-Internal Audit Group and Vice-President & Controller. She likewise served as President of the GSIS Mutual Fund, Inc., Director and Treasurer of GSIS Family Bank and Controller of GSIS Properties, Inc. Ms. Tiangco holds a Master's degree in Business Administration from the De La Salle University and a Bachelor of Science in Commerce degree from Arellano University. She is a Certified Public Accountant and is a fellow of the Institute of Corporate Directors.

**Aissa V. Encarnacion**  
**Corporate Secretary**

60. Atty. Encarnacion has been the Corporate Secretary of the PSE and SCCP since February 2004. She is a Partner of Zamora and Poblador Law Offices. She is a professorial lecturer at the University of the Philippines College of Law and Cesar Virata School of Business. Before she assumed her present PSE post, she was the Assistant Corporate Secretary of the PSE from 2000 to 2003 and Acting Corporate Secretary from 2003 to February 2004. She is a member of the Board of Directors of various private companies, a Trustee of Empowering Brilliant Minds Foundation, Inc. and acts as Corporate Secretary for various companies. Prior to joining her present law firm, she was a Senior Associate of the Bengzon Narciso Cudala Jimenez & Liwanag Law Offices. She received her Bachelor of Laws and Bachelor of Science in Business Administration degrees from the University of the Philippines.

**EXECUTIVE OFFICERS**

**Atty. Roel A. Refran**  
**Executive Vice President and Chief Operating Officer**

51. Atty. Refran is the Executive Vice President and Chief Operating Officer of the PSE since 2012. A certified public accountant (CPA) and lawyer, Atty. Refran started as General Counsel of the PSE in 2005 and was the concurrent head of the Issuer Regulation Division in 2010. He was



an associate at SyCip Salazar Hernandez & Gatmaitan Law Offices from 1999 to 2001. Prior to joining the PSE in 2004, he was an associate at Angara Abello Concepcion Regala & Cruz Law Offices. He was chief of staff of Senator Ralph G. Recto from 2001 to 2004. He is the Chairman and President of Philippine Fulbright Scholars Association. Atty. Refran earned his degree in Bachelor of Science in Business Administration and Accountancy (BSBAA), Magna Cum Laude, from the University of the Philippines and obtained his Juris Doctor (JD) degree, Second Honors, from Ateneo de Manila University School of Law. He placed in the top 20 of the May 1995 CPA board examinations. Atty. Refran placed fourth highest in the 1999 bar examinations. He obtained his MBA degree, with specialization in capital markets and finance, from the Goizueta Business School at Emory University (USA) as a Fulbright scholar. While at Emory University, he worked as an associate in the Emory Center for Alternative Investments and dealt with private equity, venture capital and other alternative investments. Atty. Refran has been inducted lifetime member of the Beta Gamma Sigma (international honor society in business), and Pi Gamma Mu (international honor society in social sciences). He was recognized as the 2014 Distinguished Alumni Awardee by the University of the Philippines Virata School of Business. Atty. Refran is a member of the Department of Commercial Law and a Professorial Lecturer 1 in the Corps of Professors of the Commercial Law Department of the Philippine Judicial Academy of the Supreme Court. In 2024, Atty. Refran was recognized as the 2024 Distinguished Alumni Award for the Academe by the Ateneo de Manila Law Alumni Association, Inc. for his commitment to legal education and the development of the capital markets.

**Veronica V. Del Rosario**

**Vice President and General Counsel/Compliance Officer**

43. Atty. Del Rosario was promoted to Vice President from Assistant Vice President in June 2019. She has been PSE's General Counsel since May 2016 and Compliance Officer since 2020. Atty. Del Rosario joined the PSE in September 2010 as Legal Officer and later on appointed as the OIC of the Office of the General Counsel in 2015. She was recognized as one of 20 World Federation of Exchanges' Women Leaders for 2024. Prior to joining the PSE, she was the Head of the Legal Department and the Division Manager of the Administrative & General Services Department at the Aurora Special Economic Zone Authority. She served as Associate at Jones & Associates, New York. She also worked as a Junior Associate at Ocampo & Manalo Law Firm in Makati City. Atty. Del Rosario earned her Bachelor of Laws and Bachelor of Science in Business Economics degrees at the University of the Philippines. She is a member of the Philippine Bar and New York Bar.

**Philip A. Driz**

**Vice President and Head of Technology Division**

56. Mr. Driz has been Vice President since June 2019. He was Assistant Vice President when he joined PSE in October 2015 to head Technology Division. He has more than two decades of experience in project management, application development, infrastructure management, information security, IT risk management, IT helpdesk, data center operation and vendor management. Before joining PSE in October 2015, Mr. Driz was a Delivery Lead at Accenture where he held various positions including Technology Service Delivery Head for Asia Pacific. He also served as Assistant Vice President of the Information Management Division at RCBC Savings Bank. He held various executive positions such as Chief Information Technology Officer at Fiji National Provident Fund, and Senior Assistant Vice President - Infrastructure Management



Group at Philippine National Bank, among others. He graduated from the Manuel L. Quezon University with a Bachelor of Science Degree in Computer Science.

**Marigel M. Baniqued-Garcia**

**Vice President and Head, Issuer Regulation Division**

42. Atty. Garcia is the Vice President and Head of the Issuer Regulation Division. She has been the Head of the Issuer Regulation Division since August 2020, initially as Officer-in-Charge until her appointment was confirmed in 2021.

A lawyer by profession, Atty. Garcia worked as an associate at Puyat Jacinto & Santos Law Offices from 2009 to 2011, a Legal Officer under the PSE's Office of the General Counsel from 2011 to 2014, an associate and later senior associate at Romulo Mabanta Buenaventura Sayoc and Delos Angeles Law Offices from 2014 to 2020, before returning to the PSE in May 2020 as Senior Legal Officer primarily assigned to handle listing and disclosure-related matters. She has also been teaching the Securities Regulation module of the Certified Securities Specialist Course, a certification program run by the PSE in partnership with leading schools and universities in the Philippines since 2022. In 2023, Atty. Garcia was among those included in the Legal 500's GC Powerlist (Philippines) as one of the top corporate counsels in the Philippines.

Atty. Garcia earned her Juris Doctor degree from the Ateneo de Manila University – School of Law and her Bachelor of Arts, Major in Public Administration degree from the National College of Public Administration and Governance in the University of the Philippines.

**Roel M. Villanueva**

**Assistant Vice President and Head, Market Operations Division**

Mr. Villanueva started as an encoder with Telerate, a company that focuses in providing market information. In 1987, he was hired by REUTERS for the same position until 1988. After REUTERS, Mr. Villanueva was then hired by the Makati Stock Exchange, Inc. (MKSE) and served as a Boardman until MKSE shifted from manual to automated trading. After the computerization of trading in MKSE, he was then assigned in the Disclosure Department until the unification of the two Exchanges. In 1994, the Philippine Stock Exchange, Inc. (PSE) hired Mr. Villanueva for the same position before he was assigned to handle the Market Regulator Terminal (MRTERM) under PSE's Surveillance Department, and eventually under the Trading and Settlement Department. In 2010, Mr. Villanueva was appointed as head of the Market Control Department (MCD), a department under the Market Operations Division. He headed MCD until 2021 and in the same year, he was appointed to head the Market Operations Division up to present.

**Mark Frederick V. Visda**

**Assistant Vice President and Head, Markets Development Division**

Mr. Visda is currently the Head of the Capital Markets Development Division (CMDD) of the PSE. He has been with the PSE for 18 years, starting his career as a Research Analyst and eventually holding multiple roles including Head of the Corporate Planning and Research Department and OIC Division Head of CPRD and the Business Development and Market Data Business Departments. As head of CMDD, he oversees a broad range of responsibilities in the areas of strategy, business development and innovation, issuer and investor marketing, stakeholder partnerships, and market data and index management. In addition to these, Mr. Visda also

represents PSE in various international associations and industry groups such as the World Federation of Exchanges, Asia and Oceania Stock Exchanges Federation, and the ASEAN Exchanges collaboration. Mr. Visda obtained his Economics degree from the Ateneo de Manila University and completed his coursework for MA in Economics from the same university.

**Roberto Jose R. Jimenez<sup>3</sup>**

**Assistant Vice President and Head, Finance Division**

Mr. Jimenez joined the PSE in February 2019. He has been in the field of finance for close to two decades. He was the Director of Engineering Fleet Management Commercial and Finance of Cebu Air, Inc. from August 2010 to January 2019. From 2002 to 2010, he served as Finance and Administration Head of various Citadel Holdings subsidiaries including Textron Corporation, Citadel Shipping Services, Inc., and Rapid, Inc., where he concurrently served as the Group Comptroller for Citadel Holdings port area group of companies. Prior to handling the Finance Departments of the subsidiaries, he was a Business Development Manager for Citadel Holdings, Inc. He obtained his Master's in Business Management degree from the Asian Institute of Management. He graduated with a Bachelor of Science in Industrial Engineering degree from the University of the Philippines.

**Involvement in Legal Proceedings**

The directors or officers of the PSE are not parties to any case or proceeding involving the following:

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

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<sup>3</sup> Retired as of 1 January 2025

## Item 10. Executive Compensation

### (a) Compensation of Directors and Executive Officers

The Chairman receives a per diem of P250,000.00 a month. The other directors receive a per diem of P100,000.00 for each board meeting attended. The Corporate Secretary receives a per diem of P12,500.00 for each meeting attended.

The Chairman of the Board and the Corporate Secretary are not entitled to receive any salary or other annual compensation from the PSE. The President, being a full-time officer, receives a fixed monthly compensation.

In 2024, the directors as a group received total aggregate per diem of Php 17,595,000.

In 2023, the directors as a group received total aggregate per diem of Php 15,050,000.

The Corporate Governance Committee studies, sets and reviews the compensation structure of the entire organization of the PSE including the Board of Directors. During the Organizational Meeting on July 6, 2024, the following were appointed as members of the Committee: Jose T. Pardo (Chairman), Teresita Leonardo-De Castro, Vicente L. Panlilio, Ferdinand K. Constantino, and Ma. Vivian Yuchengco.

### (b) Summary Compensation Table

The following table summarizes the actual aggregate compensation of the directors and officers of PSE in 2023 and 2024, and an estimate for 2025.

SUMMARY OF ANNUAL COMPENSATION (In Pesos)					
NAME AND POSITION	YEAR	SALARY	BONUS	OTHER COMPENSATION (Per Diem)	TOTAL
	2023 (Actual)				
Directors				Php 15,050,000.00	Php 15,050,000.00

<b>CEO and 4 most highly compensated officers</b>  Monzon, Ramon S. <i>President and Chief Executive Officer</i> (May 6, 2017 – present)  Refran, Roel A. <i>Executive Vice President</i> (Promoted eff: January 3, 2023)  Driz, Philip A. <i>Vice President</i> (Promoted eff: April 1, 2019)  Del Rosario, Veronica V. <i>Vice President</i> (Promoted eff: April 1, 2019)  Garcia, Marigel B. <i>Vice President</i> (Promoted eff: July 1, 2024)		Php 41,324,916.44	Php20,681,849.69	Php 0.00	Php 62,006,766.13
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All other officers and directors as a group unnamed		7,314,000.00	3,297,000.00	0.00	10,611,000.00
Total		Php 48,638,916.44	Php 23,978,849.69	Php 15,050,000.00	Php 87,667,766.13
Note:					

SUMMARY OF ANNUAL COMPENSATION (in Pesos)					
NAME AND POSITION	YEAR	SALARY	BONUS	OTHER COMPENSATION (Per Diem)	TOTAL
	2024 (Actual)				
Directors				Php 17,595,000.00	Php 17,595,000.00
<b>CEO and 4 most highly compensated officers</b>  Monzon, Ramon S. <i>President and Chief Executive Officer</i> (May 6, 2017 – present)  Refran, Roel A. <i>Executive Vice President</i> (Promoted eff: January 3, 2023)  Driz, Philip A. <i>Vice President</i> (Promoted eff: April 1, 2019)		Php 52,575,152.89	Php 15,076,696.45	Php 0.00	Php 67,651,849.34



Del Rosario, Veronica V. <i>Vice President</i> <i>(Promoted eff: April 1, 2019)</i>					
Garcia, Marigel B. <i>Vice President</i> <i>(Promoted eff: July 1, 2024)</i>					
All other officers and directors as a group unnamed		10,889,50000	700,50000	0.00	11,590,000.00
Total		Php 63,464,652.89	Php 15,777,196.45	Php 17,595,000.00	Php 96,836,849.34
Note:					

SUMMARY OF ANNUAL COMPENSATION (in Pesos)					
NAME AND POSITION	YEAR	SALARY	BONUS	OTHER COMPENSATION (Per Diem)	TOTAL
	2025 (Estimate)				
Directors				Php 20,615,000	Php 20,615,000
CEO and 4 most highly compensated officers					
Monzon, Ramon S. <i>President and Chief Executive Officer</i> <i>(May 6, 2017 – present)</i>		Php 54,067,243.87	Php 15,830,531.27	Php 0.00	Php 69,897,775.14

Refran, Roel A. Executive Vice President (Promoted eff: January 3, 2023)					
Driz, Philip A. Vice President (Promoted eff: April 1, 2019)					
Del Rosario, Veronica V. Vice President (Promoted eff: April 1, 2019)					
Garcia, Marigel B. Vice President (Promoted eff: July 1, 2024)					
All other officers and directors as a group unnamed		11,433,975.00	735,525.00	-	12,169,500.00
Total		Php 65,501,218.87	Php 16,566,056.27	Php 20,615,000.00	Php 102,682,275.14
Note:					

(c) **Employment Contracts and Termination of Employment and Change in Control Arrangement**

The PSE has no special arrangements, special employment contracts, or change in control arrangements with its directors or officers. The stockholders elected all its directors and the board of directors appointed its current senior officers.

(d) **Option Warrants and Options**

The PSE has no outstanding warrants or option agreements with its directors.

The PSE has no outstanding warrants with its officers.

The renewal of the Employee Stock Purchase Plan was approved by the stockholders in the annual meeting held last 6 July 2024. The Secretary's Certificate showing the lists of officers

and employees who exercised their rights in 2024 under the ESPP and subscribed to 100,000 common shares for the 2024 offering is attached hereto as **Annex "D."**

**Item 11. Security Ownership of Certain Beneficial Owners and Management**

**a) Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of 31 March 2025.**

There are no record and beneficial owners of more than 5% of the PSE's securities as of 31 March 2025 except the following:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Depository Participants	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Total No. of Shares	Percent
Common	*PCD Nominee Corporation - 37th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City (no relationship)		PCD Participants acting for themselves or for their customers	Filipino		52,998,030	64.419%
	*PCD Nominee Corporation - 37th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue,		PCD Participants acting for themselves or for their customers	Foreign		6,994,089	8.501%

	Makati City (no relationshi p)						
Common	San Miguel Corporatio n Retirement Plan - San Miguel Avenue, Ortigas, Pasig City (no relationshi p)		San Miguel Corporation Employees	Filipino		7,555,200	9.183%

\*PCD Nominee Corporation (PCNC) is a wholly owned subsidiary of Philippine Depository and Trust, Inc. (PDTC) and is the registered owner of the shares in the books of the PSE's transfer agent. PDTC participants deposit eligible securities in PCD through a process called lodgment, where legal title to the securities is transferred and held in trust by PCNC and trading participants.

There are no other individuals or corporations who are the beneficial owners of more than 5% of the PSE's securities.

The PSE has no knowledge of the specific persons who will be designated as the representatives of the foregoing during the annual stockholders' meeting.

**(b) Security Ownership of Management as of 31 March 2025.**

As of 31 March 2025, the following represent the security ownership of members of the PSE's Board of Directors and Management:

Title of Class	Name of Beneficial Owner	Amount of Beneficial Ownership	Nature	Citizenship	Percent of Class
Common	Marilyn A. Victorio-Aquino	1	Direct	Filipino	**
Common	Diosdado M. Arroyo	1	Direct	Filipino	**
Common	Ferdinand K. Constantino	1	Direct	Filipino	**

Common	Peter B. Favila	1	Direct	Filipino	n.a.
Common	Andrew Jerome T. Gan	1	Direct	Filipino	n.a.
Common	Eddie T. Gobing	2	Direct	Filipino	**
Common	Teresita J. Leonardo-De Castro	1	Direct	Filipino	**
Common	Edgardo G. Lacson <sup>4</sup>	1	Direct	Filipino	**
Common	Ramon S. Monzon	90,929 185,146	Direct Indirect	Filipino	**
Common	Vicente L. Panlilio	1	Direct	Filipino	**
Common	Jose T. Pardo	1	Direct	Filipino	**
Common	Wilson L. Sy	100	Direct	Filipino	**
Common	Anthony M. Te	110	Direct	Filipino	**
Common	Jose Arnulfo A. Veloso	1	Direct	Filipino	**
Common	Ma. Vivian Yuchengco	2,400	Direct	Filipino	**
n.a.	Aissa V. Encarnacion	0	n.a.	Filipino	n.a.
Common	Omelita J. Tiangco	50	Direct	Filipino	**
Common	Roel A. Refran	139,619 11,723	Direct Indirect	Filipino	**
Common	Veronica Vicedo-Del Rosario	4,280 660	Direct Indirect	Filipino	**
n.a.	Phillip A. Driz	4,237	Direct	Filipino	n.a.
n.a.	Roel M. Villanueva	0	n.a.	Filipino	n.a.
Common	Mark Frederick V. Visda	15,015 4,609	Direct Indirect	Filipino	n.a.
Common	Roberto Jose R. Jimenez <sup>5</sup>	8,523	Direct	Filipino	n.a.
Common	Marigel B. Garcia	17,937 4,427	Direct Indirect	Filipino	n.a.
	<b>Aggregate Amount</b>	<b>283,212 206,565</b>	<b>Direct Indirect</b>		

Note:

"d" – direct ownership

<sup>4</sup> Effective 6 July 2024

<sup>5</sup> Retired as of 1 January 2025



<sup>\*\*\*</sup> - indirect ownership

<sup>\*\*\*\*</sup> - less than 1%

**(c) Voting Trust Holders of 5% or more**

As of 31 March 2025, no person holds more than five percent (5%) of the PSE's outstanding capital stock under a voting trust.

**(d) Changes in Control**

There are no arrangements that may result in change in control of the PSE.

There is no provision in the PSE's Articles of Incorporation and By-Laws that may cause delay or deferment of, or in any manner, prevent a change in control of the PSE.

No change in control of the PSE has occurred since the beginning of the fiscal year.

**(e) Security Ownership of Foreigners**

As of 31 March 2025, 6,994,089 shares, which is equivalent to 8.501% of the total outstanding stock, are owned by foreigners.

**Item 12. Certain Relationships and Related Transactions**

The PSE has not had any transaction in which any director, executive officer or stockholder or a member of the immediate family of the foregoing persons had a direct or indirect interest during the last two years except the transaction fees and other fees collected from trading participants-stockholders. A detailed explanation of these transaction fees is discussed in Note 30 of the Audited Financial Statements.

## **IV. CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance Initiatives**

#### ***Corporate Governance and Sustainability Initiatives for 2024***

In support of its advocacy and market-wide efforts to raise corporate governance standards in the Philippines, the PSE conducted several initiatives and continued to pursue activities that are intended to strengthen its own corporate governance as a publicly listed company.

#### **Training on the Application of the IFRS Sustainability Disclosure Standards for Stock Exchange Employees**

Last January 9, 2024, key employees of the PSE attended a training on the application of the International Financial Reporting Standards Foundation (IFRS) S1, "General Requirements for Sustainability-related Financial Information" and IFRS S2, "Climate-related Disclosures", organized by the United Nations Sustainable Stock Exchanges (UN SSE) Initiative. The training helped stock exchange employees build their basic understanding and familiarity with the reporting requirements under the new standards.

#### **Capacity Building for Publicly-listed Companies and PSE Employees on Gender Equality**

In celebration of Women's Month, PSE co-hosted a virtual training for publicly-listed companies (PLCs) entitled "Gender Equality in Global Markets" last March 4 and 6, 2024. The training sought to build awareness on the financial implications of gender inequality and improve corporate reporting and literacy on gender equality. This training has been developed by the UN SSE, in partnership with the International Finance Corporation ("IFC"), UN Women, and Columbia University's Sustainable Investing Research Initiative.

#### **2024 Bell Ringing for Gender Equality**

The PSE joined 121 member-organizations of the World Federation of Exchanges ("WFE") in raising awareness on the importance of gender equality and women empowerment through the annual Ring the Bell for Gender Equality program, organized by the WFE, UN SSE, UN Global Compact, and IFC. During the event, Atty. Veronica V. Del Rosario, PSE General Counsel and Compliance Officer, was lauded for being recognized as one of twenty WFE Women Leaders 2024. WFE selects twenty exemplary women leaders from its member-organizations to highlight their contribution to the industry. Atty. Del Rosario is the first woman general counsel of the PSE and also the longest-serving general counsel.

#### **Nature-Based Solutions**

The PSE contributed to climate action by planting Philippine indigenous forest trees in the Sierra Madre Mountains, Siniloan, Laguna last May 18, 2024 as part of its efforts to counteract biodiversity loss and mitigate climate change. By taking part in this activity, PSE was able to contribute to the FEED Scholarship Fund. This fund is allocated to support financially challenged

graduate and post-graduate students who are pursuing studies in Agriculture, Farming, Forestry, Fisheries, Social Enterprise, and Sustainability.

#### **Board Assessment Covering 2023**

Pursuant to the requirements provided under the PSE's Manual on Corporate Governance, the PSE conducted an annual board assessment for the year 2023. The annual board assessment provides the criteria and processes for the performance evaluation of the board, individual directors, board committees, and key officers of the PSE. The PSE engaged an external facilitator for the 2023 Board Assessment to provide an in-depth analysis of the board performance in a manner that is non-intrusive and follows the strictest standards of confidentiality and professionalism.

#### **PSE Joined the Philippine Sustainability Reporting Committee (PSRC) Technical Working Group on the Implementation and Promotion of the International Sustainability Standards Board (ISSB) Standards**

In the 3<sup>rd</sup> quarter of 2023, the PSE formally became a member of the PSRC. Within the PSRC, the PSE joined the technical working group on the implementation and promotion of the ISSB's IFRS Sustainability Disclosure Standards. The working group is tasked to lead the development of the PSRC Local Implementation and Guidance and organize capacity-building seminars with relevant stakeholders to consistently educate the Philippine market on its local adoption.

#### **PSE Joined the United Nations Sustainable Stock Exchanges (UN SSE) Advisory Groups on Climate Transition Plans and SME Sustainability; PSE Appointed Co-Chair of the SME Sustainability Advisory Group**

As a member of the UN Sustainable Stock Exchanges (UN SSE) Initiative, the PSE joined advisory groups on climate transition plans and SME sustainability. The advisory group on climate transition plans will allow the PSE to contribute towards shaping how exchanges can guide its market participants in the adoption and implementation of climate transition plans within the context of an emerging economy.

Meanwhile, the SME Sustainability Advisory Group — of which PSE acts as Co-Chair — will be creating a model guidance tailored specifically for SMEs to provide exchanges with practical tools and guidance to help these enterprises integrate sustainability principles into their operations while taking into consideration their unique constraints towards unlocking opportunities in the sustainability space. The UN SSE appointed The Philippine Stock Exchange, Inc. and Amman Stock Exchange to be Co-Chairs of the Advisory Group on Sustainable SMEs. PSE President & CEO Mr. Ramon S. Monzon, PSE COO Atty. Roel A. Refran and members of the Sustainability Unit attended the virtual launch of the advisory group on July 30, 2024.

#### **June 20 – Sustainable Investing: Driving Positive Change in the Philippine Stock Market**

Last June 20, 2024, BPI Securities Corporation conducted a one and a half hour information session entitled "Sustainable Investing: Driving Positive Change in the Philippine Stock Market". The PSE, represented by Atty. Roel Refran, was invited to discuss the benefits of sustainable investing and how local investors can align their investment strategies with

sustainability goals. He also shared the initiatives and efforts of the PSE in promoting ESG practices among listed corporates.

#### **PSE Joined the Sustainability Working Group (SWG) of the World Federation of Exchanges (WFE)**

PSE joined the SWG of the WFE which gathers Chief Sustainability Officers and ESG experts across the Exchanges that sit within the WFE. Membership to the working group will allow the Exchange to learn from ESG best practices among its peers. This demonstrates the collective commitment of Exchanges to lead and guide listed companies and other market participants towards innovation and adoption of sustainable business models.

#### **PSE Signed a MOU to Join the ASEAN Interconnected Sustainability Ecosystem (ASEAN-ISE)**

The PSE signed a Memorandum of Understanding with co-members of the ASEAN Exchanges to be a part of the ASEAN Interconnected Sustainability Ecosystem at the 37<sup>th</sup> ASEAN Exchanges headquarters of Bursa Malaysia on July 12, 2024. This significant development underscores the ASEAN bloc's commitment in adopting and implementing Common ESG Metrics within their respective ESG data infrastructures, hence significantly improving transparency, comparability, and exemplary ESG practices across the region.

#### **LEAP Insights in Partnership with S&P Global**

On July 23, PSE hosted LEAP Insights in partnership with S&P Global Market Intelligence. The event had the theme "Philippines Rising: Exploring Avenues for Growth" and covered several topics on sustainability, effective investor communication, and strategies to maintain investor interest for potential issuers and listed companies. The Listing Engagement and Assistance (LEAP) Program of the Exchange is the premier engagement mechanism of the PSE with prospective IPO candidates towards guiding them through the nuts and bolts of an IPO.

#### **PSE Participated in the Gokongwei Group's Corporate Governance Webinar**

The Gokongwei Group held its Corporate Governance Webinar for directors and management on September 10, 2024. At this webinar, PSE Executive Vice President and Chief Operating Officer Atty. Roel A. Refran spoke on the challenges of adopting the IFRS Sustainability Disclosure Standards and the steps regulators may take to incentivize and facilitate the adoption of said Standards. Atty. Refran was joined by Mr. Wilson Tan from SGV & Co. and UBS' Global Head for ESG & Sustainability Research, Victoria Kalb.

#### **PSE Was Awarded Three Golden Arrows for Excellence in Corporate Governance**

The PSE received recognition from the Institute of Corporate Directors (ICD) for its 2023 ASEAN Corporate Governance Scorecard. On September 19, 2024, the ICD, along with the Securities and Exchange Commission, conferred upon the PSE an award of Three Golden Arrows for garnering an equivalent ACGS score of 100 to 109 points for its conformance with the Philippine Code of Corporate Governance for Publicly-Listed Companies and international corporate governance recommendations and practices.

### **PSE Directors and Management Attended Annual Corporate Governance Training**

On September 20, 2024, directors and management of the PSE attended annual corporate governance training. This training was conducted virtually by the Philippine Chamber of Commerce and Industry and Good Governance Advocates and Practitioners of the Philippines. The topics covered purpose-driven digital transformation, sustainable risk-driven strategy planning, and innovating for sustainable business models. The speakers for this training were Atty. Vincent Edward Festin and Ms. Rochelle Dichaves.

### **PSE Participated in an Exclusive Executive Session on ISSB Standards**

On September 24, 2024, PSE Executive Vice President and COO Atty. Roel A. Refran spoke at an Exclusive Executive Session on ISSB Standards. The session was organized by the University of Asia and the Pacific – Center for Social Responsibility (UA&P-CSR) and was attended by a select number of sustainability officers from different public and private companies. The seminar was mainly a discussion of issuers' transition to sustainable business practices and more sophisticated sustainability reporting practices.

Atty. Refran was joined by UA&P-CSR Executive Director Colin Hubo, First Philippine Holdings Corporation Chief Sustainability Officer (CSO) Agnes De Jesus, Maynilad Water Services CSO Atty. Roel Espiritu, and Fillinvest Development Corporation CSO Mark Mulingbayan.

### **Applying the IFRS Sustainability Disclosure Standards – Online Interactive Training in Partnership with the UN Sustainable Stock Exchanges Initiative**

On November 12, 2024, the PSE held an online interactive training on the application of the IFRS Sustainability Disclosure Standards. This workshop provided a high-level overview of the standards as well as technical guidance on getting started to meet its basic requirements. The training content was developed collaboratively by the United Nations Sustainable Stock Exchanges initiative, IFRS Foundation, and International Finance Corporation, through its integrated ESG program implemented in partnership with the State Secretariat for Economic Affairs of Switzerland.

### **WFE Ring the Bell for Climate**

PSE heeded the call of the World Federation of Exchanges (WFE) to highlight the importance of addressing climate and sustainability-related issues by participating in the Ring the Bell for Climate campaign. This global initiative underscores the role of financial markets in funding green initiatives and sustainable development.

This bell-ringing ceremony was conducted on November 13, 2024. Comm. Rachel Anne S. Herrera of the Climate Change Commission joined the ceremony to ring the opening bell.

### **ASEAN-ISE Workshop**

Continuing the PSE's active collaboration with ASEAN Exchanges, representatives from PSE attended a workshop on the ASEAN Interconnected Sustainability Ecosystem. Representatives from the Sustainability Unit of The Philippine Stock Exchange, Inc. attended the



workshop centered on the development of an ASEAN-level ESG Data Infrastructure. The purpose of this Data Infrastructure is to enable accurate, efficient and standardization of ESG data collection, analysis and reporting, towards promoting sustainable investment in the region.

To move forward, ASEAN-ISE members collectively agreed to issue a Request for Information (RFI) to identify fit-for-purpose solutions that will support the initiative in achieving its target outcome over the next three years. To date, the RFI process is still ongoing.

#### **11<sup>th</sup> Annual SEC-PSE Corporate Governance Forum**

The PSE collaborated with the SEC for the 11th Annual Corporate Governance Forum. The overall theme was *Sustainlympics: Corporate Governance and Sustainability through Sustainability Champions*.

The first part of the program was a panel discussion on Pivoting Board Strategies on Climate Resiliency. The second main part of the program was the discussion of *Key Regulatory Updates on Corporate Governance and Sustainability*.

#### **Sustainability Report**

The PSE submitted its 2024 Sustainability Report in compliance with the SEC Memorandum No. 4, Series of 2019 on Sustainability Reporting Guidelines which is attached to this 2024 Annual Report of the PSE. The report provides a comprehensive set of sustainability data and management response in continuously improving the PSE's ESG (environment, social and governance) performance.

#### **Statement of Compliance with PSE's Manual on Corporate Governance**

The PSE substantially adopted the provisions of its Manual on Corporate Governance for the calendar year ending 31 December 2024. A copy of the Statement of Compliance with the Manual on Corporate Governance is attached hereto as **Annex "E."**

## V. EXHIBITS AND SCHEDULES

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

Various disclosures were reported using SEC Form 17-C from January to December 2024:

Date	Particulars
15 January 2024	Certification on the number of issued, outstanding and listed shares of the PSE.
15 January 2024	No changes in the balance of the net proceeds of the PSE arising from the stock rights offering conducted last 22 March 2018 which is at P1.69 million.
15 January 2024	Application of proceeds, for the year ended 31 December 2023, from the stock rights offering of 11.50 million common shares of the PSE that were listed on 22 March 2018.
21 February 2024	Approval of the extension of the timeline for the use of proceeds of the SRO until 2026.
21 February 2024	Declaration of cash dividends equivalent to a total of P10.00 per share, broken down as follows: P5.65 regular cash dividend and P4.35 special cash dividend to stockholders of record as of 8 March 2024 payable not later than 5 April 2024.
21 February 2024	Approval of the PSE's Audited Financial Statements as of 31 December 2023.
3 April 2024	Approval of the appointment of Sycip Gorres Velayo & Company as the external auditor of the PSE for 2024.
3 April 2024	Approval of the holding of the PSE's annual stockholders' meeting on 6 July 2024.
15 April 2024	Certification on the number of issued, outstanding and listed shares of the PSE.
15 April 2024	Application of proceeds, for the first quarter of 2024, arising from the stock rights offering conducted last 22 March 2018.
8 May 2024	Decrease of 11,668 shares in the number of issued shares and outstanding shares of the PSE as of 30 April 2024 due to the cancellation of 11,668 outstanding shares (subscribed).
10 May 2024	Announcement on the PSE's holding of an analysts' briefing on its financial results for the first quarter of 2024.
17 May 2024	Announcement on the analysts' briefing where the PSE discussed its financial results for the first quarter of 2024.
24 June 2024	Promotion of Atty. Mangel Baniqued-Garcia to Vice President.
1 July 2024	Approval of the Securities and Exchange Commission on 18 June 2024 of the incorporation of the PSE's wholly owned realty company, PSE Realty, Inc. ("PRI").
6 July 2024	Approval by the stockholders of the: (1) appointment of Sycip Gorres Velayo & Co. (SGV) as the external auditor of the PSE for the year 2024; (2) acquisition of shares to own up to 100% of the total issued and outstanding capital stock of the Philippine Dealing System Holdings Corporation; (3) renewal of the Employee Stock Purchase Plan (the "ESPP"). Election of directors and officers of the PSE and appointment of chairpersons and members of the PSE's committees.
15 July 2024	Certification on the number of issued, outstanding and listed shares of the PSE.
15 July 2024	Application of the proceeds of the PSE, for the second quarter of 2024, arising from the stock rights offering conducted last 22 March 2018.
11 October 2024	Certification on the number of issued, outstanding and listed shares of the PSE.
15 October 2024	Application of the proceeds of the PSE, for the third quarter of 2024, arising from the stock rights offering conducted last 22 March 2018.

26 December 2024	Announcement on the PSE's execution of separate agreements with various shareholders of the Philippine Dealing System Holdings Corporation ("PDSHC") for the acquisition of 3,870,302 common shares of PDSHC, resulting in the PSE owning 82.90% of the total outstanding capital stock of PDSHC.
26 December 2024	Request for a halt of the trading of the PSE's shares in view of the disclosure of material information in relation to the PSE's signing of Share Purchase Agreements with the Bankers Association of the Philippines ("BAP"), Singapore Exchange Limited ("SGX"), Whistler Technologies Services, Inc. ("WTSI"), San Miguel Corporation ("SMC"), Investment House Association of the Philippines ("IHAP"), Golden Astra Capital Inc. ("Golden Astra"), and Mizuho Bank Ltd. ("Mizuho") (collectively, the "Sellers") for the purchase of shares of Philippine Dealing System Holdings Corp. ("PDSHC").
27 December 2024	Announcement that in reference to the PSE's disclosure dated 26 December 2024, that the Parties have met all closing conditions related to the transactions contemplated by the Share Purchase Agreements with SGX, WTSI, SMC and Golden Astra for the acquisition of a total of 2,022,536 common shares, representing 32.36% of the issued and outstanding shares of the Philippine Dealing System Holdings Corp. ("PDSHC"). Announcement that the PSE and FINEX Foundation signed a Share Purchase Agreement whereby the PSE agreed to purchase and FINEX Foundation agreed to sell 96,388 common shares of stock in PDSHC, equivalent to 1.54% of the total issued and outstanding stock of PDSHC.

#### Attendance of Directors

The following is the attendance of the board of directors of the Corporation in meetings from **24 January 2024 to 19 June 2024**:

Name of Director	Total Meetings	Total Absent	Total Present
Jose T. Pardo - Chairman	5	0	5
Ramon S. Monzon - President & CEO	5	0	5
Tomas I. Alcantara	5	5	0
Marlyn A. Victorio-Aguino	5	1	4
Diosdado A. Arroyo	5	2	3
Ferdinand K. Constantino	5	0	5
Teresita J. Leonardo-de Castro	5	1	4
Peter Favila	5	0	5
Andrew Jerome Gan	5	0	5
Eddie T. Gobing	5	0	5
Vicente L. Panlilio	5	0	5
Wilson L. Sy	5	0	5
Anthony M. Te	5	1	4
Jose Arnulfo A. Veloso	5	0	5
Ma. Vivian Yuchengco	5	0	5

The following is the attendance of the board of directors of the Corporation elected on 6 July 2024 in meetings from **6 July 2024 to 27 November 2024**:

<b>Name of Director</b>	<b>Total Meetings</b>	<b>Total Absent</b>	<b>Total Present</b>
Jose T. Pardo - Chairman	5	0	5
Ramon S. Monzon - President & CEO	5	0	5
Marlyn A. Victorio-Aquino	5	1	4
Diosdado A. Arroyo	5	0	5
Ferdinand K. Constantino	5	0	5
Teresita J. Leonardo-de Castro	5	0	5
Peter Favila	5	0	5
Andrew Jerome Gan	5	0	5
Eddie T. Gobing	5	0	5
Edgardo G. Lacson	5	0	5
Vicente L. Panlilio	5	0	5
Wilson L. Sy	5	0	5
Anthony M. Te	5	1	4
Jose Amulfo A. Veloso	5	0	5
Ma. Vivian Yuchengco	5	0	5

The following tables show the attendance of directors in committee meetings for the year 2024.

**AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE:**

**18 September 2023 to 25 November 2024**

<b>Director</b>	<b>Total Present</b>	<b>Total Absent</b>	<b>Total Meetings</b>
Andrew Jerome T. Gan – Chairman	9	0	9
Marilyn A. Victorio-Aquino	7	2	9
Ferdinand K. Constantino	9	0	9
Peter B. Favila	7	2	9
Vicente L. Panlilio	6	3	9

**CORPORATE GOVERNANCE COMMITTEE:****28 May 2024 to 27 November 2024**

<b>Director</b>	<b>Total Present</b>	<b>Total Absent</b>	<b>Total Meetings</b>
Jose T. Pardo	2	0	2
Vicente L. Panlilio	2	0	2
Teresita J. Leonardo-de Castro	2	0	2
Ferdinand K. Constantino	2	0	2
Ma. Vivian Yuchengco	1	1	2

**NOMINATIONS AND ELECTIONS COMMITTEE:****27 June 2023 to 17 July 2023**

<b>Director</b>	<b>Total Present</b>	<b>Total Absent</b>	<b>Total Meetings</b>
Teresita J. Leonardo-De Castro	2	0	2
Jose T. Pardo	2	0	2
Vicente L. Panlilio	1	1	2
William Ang	2	0	2
Edgardo G. Lacson	2	0	2

**15 April 2024 to 28 May 2024**

<b>Director</b>	<b>Total Present</b>	<b>Total Absent</b>	<b>Total Meetings</b>
Teresita J. Leonardo-De Castro	2	0	2
Jose T. Pardo	2	0	2
Peter B. Favila	2	0	2
Andrew Jerome T. Gan	2	0	2
Vicente L. Panlilio	2	0	2



**RISK MANAGEMENT COMMITTEE:****12 July 2023**

<b>Director</b>	<b>Total Present</b>	<b>Total Absent</b>	<b>Total Meetings</b>
Consuelo D. Garcia	1	0	1
Eddie T. Gobing	1	0	1
Vicente L. Panlilio	1	0	1
Gilberto C. Teodoro, Jr.	1	0	1
Jose Arnulfo A. Veloso	2	0	1

**8 February 2024 to 5 August 2024**

<b>Director</b>	<b>Total Present</b>	<b>Total Absent</b>	<b>Total Meetings</b>
Pater B. Favila	2	0	2
Andrew Jerome T. Gan	2	0	2
Eddie T. Gobing	2	0	2
Vicente L. Panlilio	2	0	2
Jose Arnulfo A. Veloso	1	1	2

## VI. SUSTAINABILITY REPORT

A copy of the PSE's Sustainability Report is attached as **Annex "F,"**

## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, on APR 15 2025.



RAMON S. MONZON  
President and Chief Executive Officer



JOSE T. PARDO  
Chairman



ROEL A. REFRAN  
Chief Operating Officer



OMELITA J. TIANGCO  
Treasurer



AISSA V. ENCARNACION  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 15 2025, affiants exhibiting to me their government-issued identification cards as follows:

NAMES	GOVERNMENT- ISSUED ID	DATE OF ISSUANCE/EXPIRY	PLACE OF ISSUANCE
RAMON S. MONZON	Passport No. P1152156B	Exp. 21 Mar. 2029	DFA NCR EAST
JOSE T. PARDO	TIN 116-203-637		
ROEL A. REFRAN	IBP Roll of Attorneys No. 45278		
OMELITA J. TIANGCO	Passport No. P8347970A	Exp. 13 Aug. 2028	DFA NCR SOUTH
AISSA V. ENCARNACION	IBP Roll of Attorneys No. 38589		

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Page No. 85  
Book No. II  
Series of 2025.



  
SOPHIA P. MUNOZ  
Notary Public  
IBP Roll of Attorneys No. 91971  
P.T.R. No. 10465905; 01-02-2025; Makati City  
I.B.P. No. 497264; 01-03-2023; Makati City  
Admitted to the Bar in 2023  
Notarial Commission No. M-366  
5F Montepino Bldg., 138 Amorsolo St.  
Legaspi Village, Makati City

**THE PHILIPPINE STOCK EXCHANGE, INC.**

**INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

FORM 17-A, Item 7

<b>Statement of Management's Responsibility for Financial Statements</b>	<b>Annex "A"</b>
<b>Audited Consolidated Financial Statements</b>	<b>Annex "B"</b>
Independent Auditors' Report	
Consolidated Statements of Financial Position as of December 31, 2024 and 2023	
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2024, 2023, and 2022	
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2024, 2023, and 2022	
Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, 2023, and 2022	
Notes to Consolidated Financial Statements	
<b>Audited Parent Financial Statements</b>	<b>Annex "C"</b>
Independent Auditors' Report	
Parent Company Statements of Financial Position as of December 31, 2024 and 2023	
Parent Company Statements of Comprehensive Income for the Years Ended December 31, 2024 and 2023	
Parent Company Statements of Changes in Equity for the Years Ended December 31, 2024 and 2023	
Parent Company Statements of Cash Flows for the Years Ended December 31, 2024 and 2023	
Notes to Parent Company Financial Statements	

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

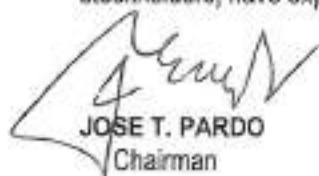
The management of The Philippine Stock Exchange, Inc. and Subsidiaries (PSE Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached herein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the (PSE Group)'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 & Co. (SGV & Co.), the independent auditors appointed by the stockholders, have audited the financial statements of the (PSE Group) in accordance with Philippine Standards on Auditing and in its report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



**JOSE T. PARDO**  
Chairman



**RAMON S. MONZON**  
President & Chief Executive  
Officer



**OMELITA J. TIANGCO**  
Treasurer

REPUBLIC OF THE PHILIPPINES  
CITY OF MAKATI

APR 15 2025

MAKATI CITY

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_\_\_ 2025 at \_\_\_\_\_ affiants presented to me the following competent evidence of their identity:

NAME	GOVERNMENT ISSUED ID	DATE AND PLACE OF ISSUANCE
JOSE T. PARDO	Passport No. P0859171B	27 February 2029 - Manila
RAMON S. MONZON	Passport No. P1152156B	22 March 2029 - Manila
OMELITA J. TIANGCO	Passport No. P8347970A	14 August 2028 - Manila

Doc. No. 416  
Page No. 15  
Book No. 1  
Series of 2025.



Notary Public  
Until December 31, 2025  
Roll of Attorneys No. 91971

P.T.R. No. 10466903; 01-02-2025; Makati City  
I.B.P. No. 497263; 01-03-2025; Makati City  
PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City 1634  
Tel. No. +632 8876 4888 Website: <http://www.pse.com.ph>  
Notarial Commission No. A1-365  
Manila Branch, 138 Amorsolo St.  
Legaspi Village, Makati City



# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	N	0	9	2	0	0	2	5	5	7
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**COMPANY NAME**

T	H	E		P	H	I	L	I	P	P	I	N	E		S	T	O	C	K		E	X	C	H	A	N	G	E	,
				I	N	C	.			A	N	D			S	U	B	S	I	D	I	A	R	I	E	S			

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

6	t	h		t	o		1	0	t	h		F	l	o	o	r	s	,		P	S	E		T	o	w	e	r	,			
				5	t	h		A	v	e	n	u	e		c	o	r	.		2	8	t	h		S	t	r	e	e	t	,	
				B	o	n	i	f	a	c	i	o		G	l	o	b	a	l		C	i	t	y	,		T	a	g	u	i	g
				C	i	t	y																									

Form Type

A	C	F	S
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Department requiring the report

	C	F	D
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Secondary License Type, If Applicable

N	/	A
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**COMPANY INFORMATION**

Company's Email Address

pird@pse.com.ph

Company's Telephone Number

(02) 8876-4888

Mobile Number

—

No. of Stockholders

312

Annual Meeting (Month / Day)

First Saturday of July

Fiscal Year (Month / Day)

12/31

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

Name of Contact Person

Ms. Omelita J. Tiangco

Email Address

omelita.tiangco@pse.com.ph

Telephone Number/s

(02) 8876-4831/4805

Mobile Number

—

**CONTACT PERSON'S ADDRESS**

8th Floor, PSE Tower, 5th Avenue cor. 28th Street, Bonifacio Global City, Taguig 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  
The Philippine Stock Exchange, Inc.  
6th to 10th Floors, PSE Tower  
5th Avenue cor. 28th Street  
Bonifacio Global City, Taguig City

### Opinion

We have audited the consolidated financial statements of The Philippine Stock Exchange, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for Opinion

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

### Key Audit Matters

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

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

#### *Information Technology Environment Supporting the Trading related Revenue Process*

The Group is highly dependent on the reliability and continuity of its information technology (IT) environment to support the automated data processing of its trading and market-related businesses. The Group continuously makes investments to further improve its IT applications and supporting IT infrastructure and IT processes. The IT environment is key to the Group's revenue generation and is relied upon for many aspects of its revenue reporting process. We therefore considered the testing of the IT controls over the IT processes as a key audit matter.

#### *Audit Response*

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

#### *PFRS 15, Revenue Contracts with Customers on Revenue from Listing Fees*

The Group applies PFRS 15, *Revenue from Contracts with Customers*, in recognizing revenue from listing fees. Revenue from listing fees is recognized using percentage of hours spent on the relevant activities of the departments performing the listing service over the listed companies' average listing life of fifteen (15) years. We consider the Group's revenue recognition of listing fees as a key audit matter because the significant areas of judgement and estimates for the Group in the revenue recognition of listing fees are in relation to the identification of performance obligations, the estimation of service period for listing services, and the determination of the timing of when the performance obligation is satisfied.

Refer to Note 3 to the consolidated financial statements for the disclosures related to the Group's revenue recognition.



### *Audit Response*

We obtained an understanding of the Group's process for revenue recognition of listing fees and tested relevant controls. On a sample basis, we reviewed contracts and checked the identification of performance obligations for new listings during the year. We performed test calculation of revenue from listing fees and reviewed the model used to calculate the revenue from listing fees including the period over which revenue is deferred and subsequently amortized and the various inputs to the model such as the average listing life of a listed entity in the stock exchange and hours spent on the relevant activities of the departments performing the listing service.

### **Other Information**

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

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

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

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

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

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

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

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

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

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

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

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





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

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

The engagement partner on the audit resulting in this independent auditor's report is Sherwin V. Yason.

SYCIP GORRES VELAYO & CO



Sherwin V. Yason

Partner

CPA Certificate No. 104921

Tax Identification No. 217-740-478

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

BIR Accreditation No. 08-001998-112-2023, September 17, 2023, valid until September 11, 2026

PTR No. 10465408, January 2, 2025, Makati City

February 26, 2025



# **THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES** **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 5, 6 and 7)	₱1,891,701,452	₱1,492,203,509
Short-term investments (Notes 5, 6 and 7)	—	950,745,826
Financial assets at fair value through profit or loss (FV-PL) (Notes 5, 6 and 8)	1,229,139,304	1,017,993,695
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 5, 6 and 9)	195,845,623	349,500,300
Financial assets at amortized cost (Notes 5, 6, and 10)	675,756,265	—
Receivables (Notes 5, 6 and 11)	250,506,969	109,554,978
Other current assets (Note 12)	273,037,528	112,204,053
<b>Total Current Assets</b>	<b>4,523,987,191</b>	<b>4,072,202,163</b>
<b>Noncurrent Assets</b>		
Long-term financial assets at FVOCI (Notes 5, 6 and 9)	907,659,759	1,076,816,137
Long-term financial assets at amortized cost (Notes 5, 6 and 10)	5,659,575	—
Property and equipment (Note 13)	1,173,556,325	1,158,069,137
Investment property (Note 14)	126,335,393	134,704,835
Rights-of-use assets (Note 28)	100,930,127	68,561,417
Goodwill (Note 15)	1,230,899,029	—
Investment in an associate (Notes 15 and 16)	—	289,509,731
Deferred tax assets - net (Note 29)	299,675,764	304,568,134
Pension assets (Note 30)	97,688,522	52,143,790
Other noncurrent assets (Notes 5 and 17)	109,191,179	58,886,077
<b>Total Noncurrent Assets</b>	<b>4,013,575,673</b>	<b>3,071,079,249</b>
	<b>₱8,537,562,864</b>	<b>₱7,143,281,412</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities (Notes 5, 6 and 18)	₱429,874,809	₱243,111,146
Dividends payable (Note 15)	90,175,488	—
Current portion of contract liabilities (Notes 5 and 19)	173,637,454	354,820,164
Income tax payable	38,831,105	29,075,194
Current portion of lease liabilities (Notes 5 and 28)	49,389,227	77,156,862
Deferred fees and others (Note 19)	1,143,793	1,290,287
<b>Total Current Liabilities</b>	<b>781,951,956</b>	<b>650,633,653</b>
<b>Noncurrent Liabilities</b>		
Contract liabilities - net of current portion (Notes 5 and 19)	1,025,719,817	878,533,645
Lease liabilities - net of current portion (Notes 5, 6 and 28)	60,016,893	56,811,620
Pension liability and others (Note 30)	54,275,517	25,540,173
<b>Total Noncurrent Liabilities</b>	<b>1,140,012,227</b>	<b>960,887,438</b>
<b>Total Liabilities</b>	<b>1,921,964,183</b>	<b>1,611,521,091</b>
<b>EQUITY</b>		
Capital stock (Notes 1, 21 and 35)	85,400,310	85,221,955
Additional paid-in capital (Notes 1, 21 and 35)	3,962,376,379	3,947,145,575
Subscribed capital stock (Notes 21 and 35)	41,063,305	49,999,463
Subscription receivable (Notes 21 and 35)	(16,462,465)	(14,695,635)
Treasury stock (Note 21)	(696,293,587)	(696,293,587)
Equity reserve (Note 15)	(10,931,628)	—
<b>Retained earnings:</b>		
Unappropriated (Note 21)	2,222,780,349	1,851,413,245
Appropriated (Note 21)	151,400,000	136,400,000
Donated capital (Notes 15 and 20)	221,597,831	211,597,811
Unrealized loss on financial assets at FVOCI - net (Note 9)	(18,705,976)	(23,259,279)
Reinsurance gain (loss) or pension benefits and others - net (Notes 16 and 16)	(789,768)	5,204,373
<b>Total Equity Attributable to Equity Holders of the Parent Company</b>	<b>5,941,465,730</b>	<b>5,542,680,949</b>
Non-controlling interest (Note 15)	673,032,951	(10,531,628)
<b>Total Equity</b>	<b>6,614,498,681</b>	<b>5,532,149,321</b>
	<b>₱8,537,562,864</b>	<b>₱7,143,281,412</b>

See accompanying Notes to Consolidated Financial Statements.



**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2024	2023	2022
<b>REVENUES</b> (Note 22)	<b>₱1,398,889,886</b>	<b>₱1,401,264,617</b>	<b>₱1,537,030,746</b>
<b>COST AND EXPENSES</b>			
Cost of services (Note 24)	437,854,884	399,745,763	337,282,484
General and administrative (Note 25)	423,810,748	350,478,152	370,002,920
	<b>861,665,632</b>	<b>750,223,915</b>	<b>707,285,404</b>
<b>OPERATING INCOME</b>	<b>536,424,174</b>	<b>651,041,202</b>	<b>829,745,342</b>
<b>OTHER INCOME (EXPENSES)</b>			
Gain on remeasurement of previously held equity interest (Note 15)	462,557,391	—	—
Interest income (Note 21)	215,066,848	214,652,064	121,199,958
Equity in net income of an associate (Note 16)	98,333,487	72,537,322	67,452,607
Dividend income (Note 8)	24,704,600	24,596,359	18,812,793
Mark-to-market gain (loss) on FVTPL (Note 8)	21,724,363	10,375,308	(106,443,389)
Interest expense on lease liabilities (Note 28)	(4,400,277)	(5,750,173)	(2,132,095)
Gain on sale of property and equipment (Note 13)	167,134	—	26,075
Others - net (Note 23)	17,642,976	(2,018,492)	40,666,026
	<b>836,320,412</b>	<b>314,372,288</b>	<b>139,581,976</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,372,744,586</b>	<b>965,413,490</b>	<b>969,327,318</b>
<b>PROVISION FOR INCOME TAX</b> (Note 29)	<b>165,527,092</b>	<b>199,108,350</b>	<b>230,175,679</b>
<b>NET INCOME</b>	<b>1,207,217,494</b>	<b>766,305,140</b>	<b>739,151,639</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Item to be reclassified to profit or loss in subsequent periods -			
Gain (loss) on change in the fair value of financial assets at FVOCI (Note 9)	4,593,303	28,751,022	(67,620,249)
Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on pension benefits - net (Note 50)	(4,766,546)	(15,157,615)	17,868,057
Share in remeasurement gain (loss) on pension benefits of an associate (Note 16)	(1,218,595)	74,332	2,287,672
	<b>(1,391,838)</b>	<b>13,647,739</b>	<b>(47,468,520)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱1,205,825,656</b>	<b>₱779,952,899</b>	<b>₱691,683,119</b>
<b>Net Income Attributable to:</b>			
Equity holders of the Parent Company	₱1,207,217,494	₱773,685,724	₱744,214,392
Non-controlling interests	—	(7,380,564)	(5,062,753)
	<b>₱1,207,217,494</b>	<b>₱766,305,160</b>	<b>₱739,151,639</b>
<b>Total Comprehensive Income Attributable to:</b>			
Equity holders of the Parent Company	₱1,205,825,656	₱787,333,463	₱696,745,872
Non-controlling interests	—	(7,380,564)	(5,062,753)
	<b>₱1,205,825,656</b>	<b>₱779,952,899</b>	<b>₱691,683,119</b>
<b>Basic Earnings Per Share</b> (Note 31)	<b>₱14.75</b>	<b>₱9.47</b>	<b>₱9.12</b>
<b>Diluted Earnings Per Share</b> (Note 31)	<b>₱14.75</b>	<b>₱9.47</b>	<b>₱9.11</b>

See accompanying Notes to Consolidated Financial Statements.



# THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

### Equity Attribution to Equity Holders of the Parent Company

	Equity Attribution to Equity Holders of the Parent Company	Attributed Capital Stock, Net of Subscriptions Payable	Additional Paid-in Capital	Retained Earnings	Decreased Capitalization (Amount in P=0.00)	Noncontrolling Interests (Amount in P=0.00)	Total	Noncontrolling Interests (Amount in P=0.00)	Total
	Equity Attribution to Equity Holders of the Parent Company	Attributed Capital Stock, Net of Subscriptions Payable	Additional Paid-in Capital	Retained Earnings	Decreased Capitalization (Amount in P=0.00)	Noncontrolling Interests (Amount in P=0.00)	Total	Noncontrolling Interests (Amount in P=0.00)	Total
Balance at January 1, 2024	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Net income									
Other comprehensive income (loss)									
Employee stock option expense									
Subscriptions receivable									
Dividends payable									
Appropriated for noncontrolling interests									
Amortization of noncontrolling interests									
Balance at December 31, 2024	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Balance at January 1, 2023	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Net income									
Other comprehensive income (loss)									
Employee stock option expense									
Subscriptions receivable									
Dividends payable									
Appropriated for noncontrolling interests									
Amortization of noncontrolling interests									
Balance at December 31, 2023	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Balance at January 1, 2022	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Net income									
Other comprehensive income (loss)									
Employee stock option expense									
Subscriptions receivable									
Dividends payable									
Appropriated for noncontrolling interests									
Amortization of noncontrolling interests									
Balance at December 31, 2022	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000

See accompanying notes to Consolidated Financial Statements

**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	₱1,372,744,586	₱965,413,490	₱969,323,318
Adjustments for:			
Gain on remeasurement of previously held interest (Note 15)	(462,857,381)	—	—
Interest income (Note 23)	(215,068,848)	(214,632,064)	(121,199,958)
Depreciation and amortization (Notes 13, 14, 17, 24, 25 and 28)	226,330,272	154,098,080	142,309,979
Equity in net income of an associate (Note 16)	(98,555,487)	(72,537,222)	(67,452,607)
Dividend income (Note 8)	(24,704,600)	(24,596,359)	(18,812,798)
Mark-to-market loss (gain) on financial assets at FVTPL (Note 8)	(21,724,363)	(10,375,308)	106,943,389
Unrealized foreign exchange losses (gains) - net	18,626,722	(697,771)	41,112,482
Net pension cost (Note 30)	10,581,651	7,314,032	13,499,168
Interest expense on lease liabilities (Note 28)	4,400,277	5,750,173	2,132,099
Share-based payment expense (Note 35)	2,653,365	4,479,155	2,501,320
Amortization of discount or premium (Note 9)	394,900	12,145,150	14,948,377
Gain on sale of property and equipment (Note 13)	(167,134)	—	(26,075)
Income before working capital changes	812,653,960	826,326,336	1,085,282,694
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	(9,191,792)	34,113,519	716,223
Other current assets	(66,374,189)	(20,625,400)	18,494,634
Increase (decrease) in:			
Accounts payable and other current liabilities	53,300,237	(14,917,766)	(27,557,542)
Contract liabilities	(48,848,236)	(14,141,762)	(31,278,969)
Deferred fees and others	(148,494)	(1,176,264)	(4,329,914)
Cash generated from operations	749,391,486	809,619,063	1,041,327,116
Income taxes paid	(172,789,682)	(162,510,239)	(359,204,696)
Interest received	215,068,848	214,632,065	108,688,803
Repefit paid out of the Pagen Company's funds (Note 30)	(269,325)	—	—
Net cash provided by operating activities	791,401,327	841,740,889	790,809,223
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received (Notes 8 and 16)	87,644,608	98,026,359	92,242,798
Acquisitions of additions to:			
Short-term investments	—	(538,652,983)	(412,092,641)
Financial assets at FVTPL (Note 8)	(67,973,806)	(27,605,826)	(40,863,621)
Financial assets at FVOCI (Note 9)	(92,160,000)	(314,305,808)	(970,073,031)
Property and equipment (Notes 13 and 37)	(154,195,034)	(145,236,857)	(40,318,217)
Acquisition through business combination (Note 15)	(1,194,771,600)	—	—
Proceeds from maturities/withdrawal/sale/redemption of:			
Short-term investments	950,745,626	—	—
Financial assets at FVOCI (Note 9)	349,289,458	1,262,312,004	2,164,174,854
Property and equipment (Note 13)	6,147,631	541,697	378,612
Net cash acquired through business combination (Note 15)	590,537,592	—	—
Contribution on retirement fund (Note 30)	(19,296,291)	(22,034,483)	(21,768,329)
Decrease (increase) in other noncurrent assets	6,137,888	9,978,699	(62,572,806)
Net cash provided by investing activities	462,105,984	463,023,608	729,107,619

(Forward)





	Years Ended December 31		
	2024	2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES (Note 37)</b>			
Payments of lease liabilities (Note 28)	(P26,557,140)	(P26,518,640)	(P18,656,389)
Share-based payment transactions (Note 35)	12,076,778	17,109,708	16,813,337
Dividend payments (Note 21)	(820,848,390)	(820,797,130)	(901,624,856)
Payment of long-term employee benefits and others	(53,894)	331,273	(1,784,630)
Proceeds from subscription of capital stock attributable to non-controlling interest	—	2,649,286	850,714
Net cash used in financing activities	(835,382,646)	(827,225,503)	(904,401,824)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>418,124,665</b>	<b>477,518,994</b>	<b>615,515,018</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(18,626,712)</b>	<b>692,771</b>	<b>(21,112,482)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 7)</b>	<b>1,492,203,509</b>	<b>1,013,971,744</b>	<b>434,569,208</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)</b>	<b>P1,891,701,452</b>	<b>P1,492,203,509</b>	<b>P1,013,971,744</b>

See accompanying Notes to Consolidated Financial Statements



## **THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **1. Corporate Information**

The Philippine Stock Exchange, Inc. (the Parent Company or the Exchange) was incorporated in the Philippines on July 14, 1992 as a non-stock corporation primarily to provide and maintain a convenient and suitable market for the exchange, purchase and sale of all types of securities and other instruments as defined under the Securities Regulation Code (SRC).

On August 8, 2001, the Parent Company was converted from a non-stock corporation to a stock corporation (demutualization) with an authorized capital stock of ₱36.80 million divided into 36,800,000 shares with a par value of ₱1.00 per share as prescribed by Republic Act (RA) No. 8799 or SRC and pursuant to a conversion plan approved by the Securities and Exchange Commission (SEC) (see Note 21).

The salient features of the demutualization plan approved by the SEC on August 3, 2001 include, among others, the following:

- a. Conversion of the Parent Company into a stock corporation by amending its Articles of Incorporation and by laws;
- b. Subscription of each member of 50,000 shares at ₱1.00 per share. The remaining balance of the Membership Contributions account of ₱277.47 million shall be treated as additional paid-in capital;
- c. Issuance of trading rights to brokers in recognition of the existing seat ownership by the brokers;
- d. Separation of ownership of shares and right to operate as a trading participant in the Exchange. The trading rights shall be transferable without time limitation; and
- e. Imposition of a moratorium on the issuance of the new trading rights.

On December 15, 2003, the Parent Company's shares of stock were listed by way of introduction of its outstanding shares to comply with the requirements mandated by the SRC, particularly the conversion of the Parent Company into a stock corporation.

On January 28, 2004, the Parent Company offered 6,077,505 unissued shares to the private sector as part of its on-going effort to comply with SRC's mandate regarding the ownership of the Exchange (see Note 19). Gross proceeds from the private placement offering amounted to ₱726.26 million, inclusive of additional paid-in capital of ₱720.18 million representing premium over the par value of the common stock. Expenses related to the offering amounting to ₱21.10 million were recorded as a reduction of the additional paid-in capital (see Note 22).

On September 10, 2008, the Parent Company's BOD approved the issuance of the 100% stock dividend declared by the Exchange to stockholders of record as of December 13, 2013. On September 12, 2008, the SEC approved to increase the authorized shares of the Company by 61,000,000 shares. The total number of shares issued in 2008 was 15,177,499 shares (see Note 19).

The total number of shares issued in 2011 was 30,504,363 shares (see Note 21).

On December 10, 2013, the Parent Company's BOD approved the issuance of the 20% stock dividend declared by the Exchange on October 22, 2008 to stockholders of record as of September 26, 2008. On November 14, 2013, the SEC approved to increase the authorized shares of the Company by 22,200,000 shares. The total number of shares issued in 2013 was 12,221,680 shares (see Note 21).



On October 25, 2017, the BOD approved the stock rights offering (SRO) to stockholders of up to 11,500,000 common shares to be issued under terms and conditions as determined by the Exchange. This is part of the compliance plan to align shareholder ownership with the 20% limit set by SRC. The proceeds from the stock rights offering will be used to fund the acquisition of PDSHC and capital requirements of the Exchange (see Note 21).

On February 23, 2018, the price of the Exchange's SRO was determined. The Exchange offered 11,500,000 shares to eligible stockholders of record as of March 1, 2018 at P252.00 per rights share. The offer period was from March 12 to 16, 2018. On March 22, 2018, the Exchange successfully listed the 11,500,000 shares in the Philippine Stock Exchange (PSE). Gross proceeds from the stock rights offering amounted to P2.90 billion, inclusive of additional paid-in capital of P2.89 billion representing premium over the par value of the common stock. Expenses related to the offering amounting to P73.35 million were recorded as a reduction of the additional paid-in capital (see Note 21).

On May 4, 2019, the stockholders of the Exchange approved the amendments of the Exchange's articles of incorporation to: (a) include in the secondary purposes, the right to lease, exchange mortgage and to exercise all other rights of ownership over its properties and (b) to create preferred shares by reclassifying 14,000,000 unissued common shares into 14,000,000 preferred shares with par value of P1.00 per share. On September 12, 2019, the SEC approved the amendments in the Exchange's articles of incorporation (see Note 21).

Securities Clearing Corporation of the Philippines (SCCP), a 100% owned subsidiary of the Exchange, is a domestic stock corporation organized to carry out and strictly implement the following functions: (1) Delivery-versus-Payment trade settlement; (2) fails management and administration of the Clearing and Trade Guaranty Fund (CTGF); and (3) risk monitoring and management. To ensure compliance of trading participants, SCCP is authorized by the SEC to impose fines and penalties and other sanctions as approved by SCCP's Board of Directors (BOD). SCCP was given a temporary license to operate by the SEC and started its commercial operations on January 3, 2000. On January 15, 2002, the SEC approved SCCP's request for a permanent license as a clearing agency subject to its compliance with the requirements of Section 42 of the SRC entitled "Registration of Clearing Agency".

Capital Markets Integrity Corporation (CMIC), a 100% owned subsidiary of the Exchange, is a domestic stock corporation organized on March 14, 2011 to function as the independent audit, surveillance and compliance unit of the Exchange with the authority to adopt, enforce, implement and interpret rules, guidelines and securities laws applicable to the operations and dealings of trading participants and other market participants of the Exchange.

Premier Software Enterprise, Inc. (Premier), a 100% and 80% owned subsidiary of the Exchange in 2024 and 2023, respectively, is a domestic stock corporation organized on May 16, 2019 to engage in the business of manufacturing, distribution, sales and marketing of all kinds of technology related products and services such as computer hardware, software, internet service providing, voice and data network integration, packet or cell switching technologies, circuit switching technology, information software services, product designing and other information technology applications and services, except telecommunications business.

PSE Realty, Inc. (PRI), a 100% owned subsidiary of the Exchange, is a domestic stock corporation incorporated on June 18, 2024 to acquire by purchase, lease, donation or otherwise, own, hold for investment or otherwise, develop, improve, use, lease, sublease, mortgage, pledge, sell, assign, transfer, exchange or otherwise dispose of, maintain, administer, manage, and operate, alone or jointly with others, real property of all kinds, classes, description, and purpose, such as but not limited



to office, commercial, residential or mixed-use properties, hotels, inns, resorts, and apartments, without however engaging in real estate subdivision business.

Philippine Dealing System Holdings Corp. (PDSHC), a 53.34% owned subsidiary of the Exchange starting December 27, 2024, is a domestic corporation incorporated in the Philippines on April 24, 2001 to invest in, purchase, or otherwise hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of shares of stock in exchanges as defined in the Securities Regulation Code or other laws, as well as in one or more corporations which will provide depository, registry, clearing, settlement, custody, securities borrowing and lending, information technology, and other support services for the exchange or for the other exchanges of securities or monetary transactions or platforms (see Note 15).

The Parent Company and its subsidiaries are collectively referred to these consolidated financial statements as the "Group". The registered office address of the Parent Company is 6th to 10th Floors, PSE Tower, 5th Avenue cor. 28th Street, Bonifacio Global City, Taguig City.

Authorization for Issuance of the Consolidated Financial Statements

The accompanying consolidated financial statements were authorized for issuance by the Parent Company's BOD on February 26, 2025.

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2. **Basis of Preparation, Statement of Compliance, Basis of Consolidation and Changes in Accounting Policies and Disclosures**

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. All values are rounded in the nearest peso, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous periods.

Statement of Compliance

The consolidated financial statements have been prepared in compliance with PFRS Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

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



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

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any gain or loss in profit or loss; and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The consolidated financial statements as at December 31, 2024 and 2023 include the accounts of the Parent Company and the following subsidiaries.

Subsidiaries	Principal Activities	Direct Ownership	
		2024	2023
SCCP	Clearing agency	100.00%	100.00%
CMIC	Audit and surveillance unit	100.00%	100.00%
Premier	Software and IT services	100.00%	80.00%
PDSHC*	Depository, registry, clearing and settlement services	53.34%	—
PRI**	Real estate	100.00%	—

\* On December 27, 2024, the Exchange acquired additional ownership interest in PDSHC (see Note 15).

\*\* Incorporated on June 18, 2024.

The principal place of business and country of incorporation of the Parent Company's subsidiaries is the Philippines.





### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended standards which were applied starting January 1, 2024. Except as otherwise indicated, the adoption of the following new and amended standards did not have any significant impact on the Group's consolidated financial statements:

- Amendments to Philippine Accounting Standard (PAS) 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral rights
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

### Future Changes in Accounting Policies

The Group did not early adopt the following new standards, amendments and improvements to PFRS Accounting Standards and Philippine Interpretations that have been approved but are not yet effective. The Group does not expect these changes to have a significant impact on its consolidated financial statements unless otherwise indicated.

*Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

*Effective beginning on or after January 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards- Volume 11
  - Amendments to 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 18, *Presentation and Disclosure in Financial Statements***

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

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation.

The Group is currently assessing the impact of this accounting standard

▪ **PFRS 19, *Subsidiaries without Public Accountability***

*Deferred effectivity*

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

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### 3. Summary of Material Accounting Policies

#### Determination of Fair Value

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Group

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities:



**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and

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

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

The Group determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

The Group recognizes transfers into and transfers out of fair value hierarchy levels by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) as at the date of the event or change in circumstances that caused the transfer.

#### 'Day 1 Difference'

Where the transaction price in a non-active market is different from the fair value based on other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1 difference') in the profit or loss unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is recognized in the profit or loss only when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1 difference' amount.

#### Recognition, Measurement, Derecognition, Impairment and Offsetting of Financial Instruments

**Date of Recognition.** The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Initial Recognition and Measurement.** Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, FVTPL and FVOCI. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial assets.

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, inclusive of directly attributable transaction costs (referred to herein as "debt issue costs").

The Group has no financial liabilities at FVTPL as at December 31, 2024 and 2023.



*Subsequent Measurement.* For purposes of subsequent measurement, financial assets and financial liabilities are classified as follows:

▪ Financial assets at FVTPL

Financial assets at FVTPL comprise of quoted equity instruments, government securities and money market funds which the Group has not irrevocably elected, at initial recognition, to classify at FVOCI. The Group has no financial asset designated at FVTPL on initial recognition.

As at December 31, 2024 and 2023, this category include investments in quoted equity securities, government securities and money market funds (see Note 8).

▪ Financial Assets at Amortized Cost

This category includes financial assets: (a) which are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (b) which contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at December 31, 2024 and 2023, this category includes cash and cash equivalents, short-term investments, receivables, deposits in bank, claims under litigation, refundable security deposits, government securities and corporate debt securities (see Notes 7, 10, 11 and 17).

▪ Financial Assets at FVOCI with recycling

This category includes financial assets: (a) which are held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets, and (b) which contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at December 31, 2024 and 2023, this category includes investments in government securities and corporate bonds (see Note 9).

▪ Financial Liabilities at Amortized Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Debt issue costs are amortized over the life of the debt instrument using the EIR method. Debt issue costs are netted against the related loans and borrowings allocated correspondingly between the current and noncurrent portion.

Gains and losses are recognized in the profit or loss when the liabilities are derecognized, as well as through the amortization process.

As at December 31, 2024 and 2023, this category includes accounts payable and other current liabilities (excluding payable to government agencies) and lease liabilities (see Notes 19 and 29).



### *Derecognition of Financial Assets and Financial Liabilities*

**Financial Assets.** An entity shall derecognize a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- the Group transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where:
  - a. the Group has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition;
  - b. the Group is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
  - c. the Group has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

When the Group transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. The transfer of risks and rewards is evaluated by comparing the Group's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The Group has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer. The Group has transferred substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset.

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

### *Impairment of Financial Assets*

The Group's accounting for impairment losses for financial assets uses a forward-looking expected credit loss (ECL) approach. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Group expects to receive. For cash in bank, cash equivalents and short-term investments, the Group has applied the General Approach and has calculated ECL based on 12-month ECL. For trade receivables, deposits and other current receivables, the Group has applied the simplified approach and has calculated ECL based on lifetime ECL. For debt financial assets at FVOCI, the Group has applied the General Approach and has calculated ECL based on either the 12-month ECL or lifetime ECL, if significant increase in credit risk (SICR) is established. The Group takes into consideration the Group's historical credit loss





experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Definition of Default and Credit-impaired Financial Assets.* The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria.* For trade receivables and all other financial assets subject to impairment, default occurs when the receivable becomes 90 days past due.
- *Qualitative Criteria.* The counterparty meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
  - a. The counterparty is experiencing financial difficulty or is insolvent;
  - b. The counterparty is in breach of financial covenant(s);
  - c. An active market for that financial assets has disappeared because of financial difficulties;
  - d. Concessions have been granted by the Group, for economic or contractual reasons relating to the counterparty's financial difficulty;
  - e. It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; or
  - f. Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the ECL models throughout the Group's expected loss calculation.

*Incorporation of Forward-looking Information.* The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Group has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group considers two or more economic scenarios and the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Group considers macro-economic factors such as GDP growth rates and inflation rates of selected countries in its analysis.

Predicted relationship between the key indicators and default and loss rates on portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that is relevant to its assessment of the risk of default occurring on the financial instrument.



*Determining the Stage for Impairment.* At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

*Grouping of Instruments for Losses Measured on Collective Basis.* For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below.

Trade receivables – Groupings for collective measurement:

- a. Trading Participants
- b. Listed Companies
- c. Data Vendors

The following credit exposures are assessed individually

- All Stage 3 assets, regardless of the class of financial assets
- The cash and cash equivalents, investment in debt securities and other long-term investments, and other financial assets

*Write-off Policy.* The financial exposures of the Group are written-off based on Management's decision of whether receivables from counterparties are still collectible or not.

#### *Offsetting of Financial Instruments*

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



#### Other Current Assets

Other current assets include prepaid expenses which are expenses paid in advance and recorded as asset before they are utilized; restricted cash and short-term investments which relate to restricted cash in bank and short-term time deposits that are not available for use in operations; and security deposits, which are given to the lessor for the faithful compliance of all the Group's obligations under the lease contract and are refundable when the lease expires, which is expected to be within the next year. These are measured at cost.

#### Value-added Tax (VAT)

Revenue, expenses and assets are recognized, net of the amount of VAT. The net amount of VAT recoverable from, or payable to, the taxable authority is included as part of "Other current assets" or "Accounts payable and other current liabilities" accounts in the consolidated statement of financial position.

#### Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are charged against current operations.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the depreciable assets:

Buildings	25 years
Building improvements	10 years
Registry, depository and custody equipment	5 to 10 years
Trading and exchange system equipment	3 to 7 years
	5 years or lease term, whichever is lower
Leasehold improvements	3 to 5 years
Computer hardware and peripherals	3 to 5 years
Transportation equipment	3 to 5 years
Office furniture, fixtures, communication equipment and others	2 to 5 years

The residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until these are no longer in use and no further depreciation is credited or charged to current operations.

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

Construction in progress represents assets under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for use.



#### Investment Property

Investment property comprises of building and building improvements. Investment property is held by the Group for capital appreciation and/or rental income purposes. Investment property is measured initially at cost, including transaction costs, less accumulated depreciation and accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful life of 25 years.

The residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Investment property is derecognized when disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the profit or loss in the year of retirement or disposal.

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

Construction in progress classified under investment property are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation. Construction-in-progress is not depreciated until such time that the relevant assets are completed and are ready for use.

#### Software and System Development Costs

Costs associated with developing or maintaining computer software programs are recognized as expense when incurred. Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Software and system development costs include cost of computer software and system development costs. These are measured on initial recognition at cost. Following initial recognition, computer software development costs are amortized using the straight-line method over their estimated useful life of five (5) to ten (10) years.

The amortization period and amortization method for computer software are reviewed at least at the end of each reporting period.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition and asset is included in the profit or loss.



#### Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. The fair value of previously held equity interest is then included in the amount of total consideration transferred.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### Investment in an Associate

An associate is an entity over which the Group 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.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in an associate is accounted for under the equity method.

Under the equity method, investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in the net asset of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

Profit or loss reflects the Parent Company's share in the result of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, where there has been a change recognized directly in the equity of the associate, the Group recognizes its share in any changes and discloses this, when applicable, in the consolidated statement of comprehensive income.



The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. If the Group's share of losses of an associate equals or exceeds its interest on the associate, the Group discontinues recognizing its share of further losses.

The financial statements of the associate are prepared for the same reporting date as the Group. The accounting policies of the associate conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognized the loss as part of "Equity in net income/loss of an associate" account in the consolidated statement of comprehensive income.

#### Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and the net assets not owned directly or indirectly, by the Group and are presented separately in profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to the Parent Company. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Acquisitions of non-controlling interests that do not result in a loss of control are accounted for as an equity transaction whereby the difference between the consideration and the fair value of the share of the net assets acquired is recognized as an equity transaction and attributed to the owners of the Parent Company.

#### Impairment of Nonfinancial Assets

The carrying values of property and equipment, investment property, right-of-use assets, computer software and investment in an associate are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amounts, the assets are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss. After such a reversal, the depreciation or amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.





Deferred Fees and Others

Deferred fees and others include deferred output VAT which is reported as output VAT upon collection of related receivable and fees for the "Bull Run" and other sponsorship events which are collected but not yet earned as at reporting date.

Capital Stock and Additional Paid-in Capital

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

Subscribed Capital Stock / Subscription Receivable

Subscribed shares are the shares of stock that will be issued upon completion of an installment purchase contract with an investor. Subscribed shares are presented net of subscription receivable.

Treasury Shares

The Parent Company's own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at cost. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital.

Retained Earnings

Retained earnings represent accumulated earnings, net of dividends declared and the cumulative effect of the retrospective application of change in accounting policy.

Donated Capital and Donation Income

Donations received, other than those contributions from equity participants, are recognized as income on the date of donation. Donations in kind are recognized at the fair value of asset received. Donated capital becomes available for dividend declaration when all conditions or restrictions are met such that the asset received will be for the exclusive use of the Exchange for at least a period of five (5) to ten (10) years from the date of the occupancy or turnover of the asset.

Dividends on Common Shares

Dividends on common shares are recognized as a liability and deducted from equity when approved by the BOD of the Parent Company. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Employee Stock Purchase Plan

All regular employees in good standing are granted options to purchase shares, subject to restrictions, terms and conditions provided in the Employee Stock Purchase Plan (ESPP). ESPP is considered an equity-settled transaction.

The cost of equity-settled transactions is measured by reference to the fair value at the date on which these are granted. The fair value is determined using the quoted market price at the time of payment.

The cost of equity-settled transactions is recognized with a corresponding increase in the equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The amount reflected in the profit or loss represents the



movement in cumulative expense recognized as at the beginning and end of the period. No expense is recognized for awards that do not ultimately vest.

#### Revenue Recognition

The following is a description of the principal activities separated by reportable segments from which the Group generates its revenue.

Listing-related revenues mainly pertain to fees from approved applications for Initial Public Offering (IPO) and additional listings in the PSE Main and Small, Medium and Emerging boards. The Exchange also recognizes annual fees for maintenance of listings which are directly affected by the change in number of shares and market price.

#### *Listing-related Fees*

*Filing or Listing Fees.* Based on the revised rules for listing applications, the Exchange's processing fees shall be discontinued and filing fees shall be paid in full upon filing of the applications for IPO and additional listings with the Exchange. The filing fees are non-refundable and are computed and billed based on (%) of market capitalization.

Revenue is recognized using percentage of hours spent on the relevant activities of the departments performing the listing service upon listing and over the listed companies' average listing life of fifteen (15) years.

*Listing Maintenance Fees.* These are annual fee paid by listed customer based on percentage of market capitalization. Revenue is earned by means of providing ongoing market access and maintenance of the listing (for example, maintaining technology, regulatory oversight and general operation). Revenue is recognized over-time by spreading out through the year.

*Processing Fees.* These are non-refundable upfront fees paid to administer the requirements of the applying customer before the approval to listing. Revenue is recognized upon receipt of the payment and services are rendered on a period of 20-30 days. The Parent Company recognizes processing fees at point in time upon the receipt of payment from customers.

#### *Service-related Fees*

Service fees are revenue from services provided by the subsidiaries (SCCP and CMIC). These include Settlement and Clearing Services from SCCP; Seminars and Management Services from CMIC.

*Settlement and Clearing Fee.* These are income from services provided to clearing members that includes risk management functions during the settlement and clearing process of any eligible trades. Revenue from these services is recognized at a point in time.

*Custodial Fee.* Revenue is recognized for custody and management of the funds of suspended trading participants as well as for services in the settlement of customer claims.

*Audit Fee.* Revenue is recognized for the conduct of monthly audit in the absence of an Associated Person. Revenue is recognized when the services are rendered.

*Seminar Fee.* These are income from seminars and trainings conducted for the TP. Revenue is recognized when services are rendered.



### *Trading-related Fees*

Trading related fees are revenues that are directly affected by the trading volume of the Exchange for the period. These include Transaction/Block Sales, Data Feed and Subscription fees.

*Transaction Fees.* These are revenues billed based on 0.005% of the peso value of the volume of the buying and selling of shares of stocks by Investors to Trading Participants/Brokers of the Parent Company. Revenue is recognized at point in time once the trading transaction is completed.

*Data Feed Fees.* This revenue account consists of subscription and data feed fees paid by the data feed customers for the access to market data other than those basic information posted in the Exchange's disclosure website. Revenue is recognized over time on a monthly basis.

*Block Sales.* This revenue pertains to income computed from 0.005% of the peso value of the volume of the block sale transactions. Block sales are pre-arranged stock transactions by and among the broker dealers' clients or among two brokers representing their clients whose trading transactions do not go below ₱20.0 million. Revenue is recognized at point in time once the block sale transaction is completed.

*Subscription Fees.* These are fees paid by the Trading Participants to allow them to transact in trading activities with the PSE through access in different PSE trading sites and facilities. Revenue is recognized over the period covered by the subscription.

### Contract Balances

- *Trade Receivables.* A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
- *Contract Assets.* A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.
- *Contract Liabilities.* A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. If the revenue recognized which is determined based on average period of listing is lower than the amount collected as of date arising from the contract with the customer, a contract liability is recognized for the difference.

*Interest Income.* Revenue is recognized as the interest accrues, taking into account the effective yield of the asset.

*Dividend Income.* Dividend income is recognized when the Group's right to receive the dividend payment is established.

### Expense Recognition

Expenses are recognized in the profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in the profit or loss on the basis of a direct association between the costs incurred and the earning of specific items of income, on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association



with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the consolidated statements of financial position as an asset.

*Costs of Services.* Costs of services constitute expenses that arise in the course of the ordinary activities of the Group and recognized as expenses once incurred. These normally include costs related to the performance and delivery of services to customers.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business and are recognized as expenses once incurred.

#### Pension and Other Post-employment Benefits

The Parent Company and PDSHC have funded noncontributory defined benefit retirement plans while SCCP has unfunded noncontributory defined benefit retirement plan. CMIC does not have an established retirement plan and only conforms to the minimum regulatory benefit under the Retirement Pay Law (RA 7641). The retirement funds of the Parent Company and PDSHC are being administered by its trustees. The Group's retirement cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

Defined benefit costs comprise the following.

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- 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 profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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 these 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. Plan assets are not available to the creditors of the Group, nor can these be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both



the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

*Profit Sharing and Bonus Plans.* The Group recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Parent Company's shareholders after certain adjustments. The Group recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

*Employee Leave Entitlements.* Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting date. These are included in "Accounts payable and other current liabilities" account in the consolidated statement of financial position at the undiscounted amount that the Group expects to settle within one year from the end of the reporting date as a result of the unused entitlement. The liability for entitlements expected to be settled beyond one year after the end of the reporting date are recognized under "Pension liability and others" account in the consolidated statement of financial position and measured at the present value of the benefit as at the end of the reporting date.

*Termination Benefits.* Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

#### Leases

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

*Group as a Lessee.* The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are 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 and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of



the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Data recovery sites	3 to 5 years
Office and parking spaces	5 to 6 years
Transportation equipment	5 years

Right-of-use assets are subject to impairment. Refer to the accounting policies in the section on impairment of nonfinancial assets.

- **Lease Liabilities.** At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable payments that do not depend on an index or a rate are as recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its IBR at the lease commencement date because 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.

**Group as a Lessor.** Leases where the lessor does not transfer to the lessee substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease income arising is accounted for on a straight-line basis over the lease terms and are recognized as revenue in the statement of comprehensive income due to its operating nature.

#### Income Taxes

**Current Income Tax.** Current tax assets and liabilities 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 at reporting date.

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

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting 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 income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 liabilities are not provided on non-taxable temporary differences associated with investment in subsidiaries.

Deferred tax assets and liabilities are measured at the tax rate applicable to the year 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 reporting date.

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

Income tax relating to OCI is recognized in OCI section of the consolidated statement of comprehensive income.

#### Foreign Currency-denominated Transactions

Transactions in foreign currencies are recorded using the exchange rate at the date of the transactions. Foreign exchange gains or losses arising from foreign currency-denominated transactions and revaluation adjustments of foreign currency-denominated assets and liabilities are credited to or charged against current operations. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate prevailing at reporting date. All differences are taken to profit or loss. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.

#### Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net income for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of common shares outstanding during the year, adjusted for the effects of potential dilutive shares. Stocks under the ESPP are deemed to have been converted into shares on the date of grant.



#### Operating Segments

For management purpose, the Group is organized and managed under a single business segment, the equity, clearing and settlement business in 2023. Upon acquisition of additional interest in PDSHC in December 2024, the Group has two business segments which are the equity, clearing and settlement business and depository and fixed income business. These are the basis upon which the Parent Company reports its primary segment information.

#### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are 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. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

#### Contingencies

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

#### Events after the Reporting Period

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

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#### 4. Significant Accounting Judgments, Estimates and Assumptions

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



### Judgments

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

*Identifying Performance Obligation for Listing Services.* The Exchange provides listing services for approved applications for IPO and additional listings in the PSE Main and Small, Medium and Emerging boards. The Exchange determines that there is one performance obligation in the contract which is the service of being listed in the PSE.

*Determination of Lease Term of Contracts with Renewal Options - The Group as a Lessee.* The Group has lease contracts that include renewal options and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period of one (1) year as part of the lease term for leases of data recovery sites with shorter non-cancellable period (i.e., 3 to 5 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operations if a replacement asset is not readily available.

### Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when these occur.

*Estimation of Service Period and Determination of the Timing of Revenue Recognition for Listing Services.* The Exchange applies judgment and estimates on the identification and timing of satisfaction of performance obligations. The Exchange determines the service period and percentage of services rendered using historical analysis of listing durations and experience. Listing-related fees are recognized using percentage of hours spent on the relevant activities of the departments performing the listing service upon listing and over the listed companies' average listing life of fifteen (15) years. The estimated service period is reassessed periodically to properly reflect the Exchange's best estimate. The percentage of services rendered are reassessed no later than five years or anytime wherein significant changes would warrant such reassessment to properly reflect the Exchange's best estimate.

Revenue from listing fees amounted to ₱294.44 million, ₱314.21 million and ₱406.58 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 22).

*Leases - Estimating the IBR.* The Group cannot readily determine the interest in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for entities that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using



observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

The Group's lease liabilities amounted to ₱109.41 million and ₱78.97 million as at December 31, 2024 and 2023, respectively (see Note 28).

*Impairment of Financial Assets at FVOCI.* The Group takes into consideration the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in assessing the impairment of its financial assets at FVOCI. For debt financial assets at FVOCI, the Group has applied the General Approach and has calculated ECL based on either the 12-month ECL or lifetime ECL, if SICR is established.

There were no provisions for impairment losses on the financial assets at FVOCI for the years ended December 31, 2024, 2023 and 2022. The total carrying values of the financial assets at FVOCI amounted to ₱1,103.49 million and ₱1,356.42 million as at December 31, 2024 and 2023, respectively (see Note 9).

*Impairment of Receivables.* Allowance for doubtful accounts is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the Group's historical credit loss experience and forward-looking factors specific to the debtors and the economic environment that may affect collectability. The Group applies the simplified approach designed to identify potential uncollectible receivables and is performed on a continuous basis throughout the period.

There were no provisions for impairment of receivables for the years ended December 31, 2024, 2023 and 2022. The carrying values of receivables amounted to ₱258.51 million and ₱109.55 million as at December 31, 2024 and 2023, respectively (see Note 11).

*Recoverability of Property and Equipment, Investment Property, Right-of-use Assets and Software and System Development Costs.* The Group performs impairment review of property and equipment, investment property, right-of-use assets and software and system development costs when certain impairment indicators are present. Determining the fair value of assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and performance.

There were no provisions for impairment of property and equipment, investment property, right-of-use assets and software and system development costs for the years ended December 31, 2024, 2023 and 2022 (see Notes 13, 14, 17 and 28). The carrying values of property and equipment, investment property, right-of-use assets and software and system development costs as at December 31 are as follows:

	2024	2023
Property and equipment (see Note 13)	₱1,173,556,325	₱1,156,069,137
Investment property (see Note 14)	128,335,393	134,304,836
Right-of-use assets (see Note 28)	100,930,127	68,561,417
Software and system development costs (see Note 17)	43,999,566	449,971



*Recoverability of Goodwill.* Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU, or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU, or group of CGUs, is less than the carrying amount of the CGU, or group of CGUs, to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. There were no provisions for impairment of goodwill for the year ended December 31, 2024. The carrying value of goodwill amounted to ₱1,230.90 million as at December 31, 2024 (see Note 15).

*Estimation of Useful Lives of Property and Equipment, Software and System Development Costs and Investment Property.* The Group estimated the useful lives of its property and equipment, software and system development costs and investment property based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives based on factors that include asset utilization, internal technical evaluation, technological changes, and anticipated use of the assets. A reduction in the estimated useful lives of property and equipment, computer software and investment property would increase the recorded depreciation and amortization expense and decrease the related assets.

There were no changes in the estimated useful lives of the Group's property and equipment, software and system development costs and investment property as at December 31, 2024 and 2023.

*Contingencies.* The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these proceedings has been developed in consultation with in-house as well as outside legal counsel handling defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on its consolidated financial position and performance. It is possible, however, that future consolidated financial performance could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings. No provisions were made in relation to these proceedings.

*Present Value of Pension and Other Employee Benefits.* The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include discount rate and rate of salary increase.

The Group determines the appropriate discount rate at the end of each year. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on current market conditions. While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's pension obligations.

Employee leave entitlements that are expected to be settled within one year from reporting date is included in "Accounts payable and other current liabilities" account in the consolidated statement of financial position. Otherwise, this is included in "Pension liability and others" account in the consolidated statement of financial position.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit obligation, as well as the significant assumptions in estimating such obligation.



Pension liability and others amounted to ₱54.28 million and ₱25.54 million as at December 31, 2024 and 2023, respectively (see Note 30).

*Recognition of Deferred Tax Assets.* The carrying amount of deferred tax assets is reviewed at each reporting date. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The forecasted availability of taxable profit is based on past results and future expectations on revenue and expenses. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As at December 31, 2024 and 2023, the Parent Company, CMIC and PDSHC recognized total deferred tax assets amounting to ₱347.80 million and ₱336.83 million, respectively. SCCP's net deferred tax asset, which were not recognized due to the use of the OSD method amounted to ₱3.36 million and ₱3.07 million as at December 31, 2024 and 2023, respectively. Premier's unrecognized net deferred tax assets amounted to ₱5.98 million and ₱5.87 million as at December 31, 2024 and 2023, respectively (see Note 29).

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## 5. Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, short-term investments, financial assets at FVTPL, FVOCI and amortized costs. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has other financial assets and liabilities such as receivables, refundable security deposits, deposits in bank, claims under litigation, accounts payable and other current liabilities (excluding payable to government agencies) and lease liabilities, which arise directly from its operations. It is the Group's policy not to directly engage in the trading of financial instruments.

On May 29, 2006, SCCP launched its clearing and settlement system, called Central Clearing and Central Settlement (CCCS) system. Since the CCCS system adopts a multilateral netting system where trades are novated and the original parties to the contracts disappear, SCCP now stands as the Central Counterparty to all trades transacted in the Exchange. By being a Central Counterparty to all trades and as a clearing house, SCCP is exposed to several operational and settlement risks. Operational risks directly affect SCCP's financial investments given the fact that the CTGF is intended to be used to settle failed trades.

In the clearing and settlement operations of SCCP, it is also exposed to other risks such as counterparty risk, price fluctuation risk, principal risk and systemic risk. Counterparty risk is the risk that a counterparty to a trade will not be able to settle an obligation covering its full value either on scheduled settlement day or at any time thereafter. Price fluctuation or replacement cost risk is the risk that a default will leave the solvent party with an unsettled position which it will need to replace, perhaps at a cost less favorable than the original contract, or with an open position, with gains that cannot be realized. Principal risk is the risk that a solvent partner, whether the seller or the buyer, may have delivered securities or made payment to the defaulting party without having received value in exchange. Systemic risk is the risk that the default or failure by a counterparty to settle its obligations with another could lead to other counterparties being unable to meet their own obligations.

In answer to counterparty risk, SCCP has established criteria for a trading participant to be accepted as a Clearing Member. SCCP's clearing and settlement process adopts a Delivery Versus Payment (DVP) mode of settlement to cover both principal and systemic risks inherent in the clearing and





settlement of trades. The DVP method ensures the delivery by the clearing member of its securities obligation prior to receiving payment or the payment of good, cleared funds prior to receipt of securities bought. Other risk mitigating measures performed by SCCP include monitoring large concentrations by a few members on a single issue and bringing this to the attention of Capital Markets Integrity Corporation, the regulator and market monitoring subsidiary of the Exchange, for further review and proper action. SCCP monitors closely whether each clearing member is adequately capitalized to meet its daily average netted obligations. SCCP likewise monitors the trades of its clearing members on a daily basis and identifies the clearing members who exhibit highly unusual and above-normal levels of settlement obligations for the purpose of monitoring their delivery of their cash and securities obligations on or before the settlement deadline.

To address price fluctuation risk, a daily Mark-to-Market Collateral Deposit system is in place and is strictly observed. Only cash and securities which comprise the Philippine Stock Exchange Index are eligible as collateral, including PSE shares. Effective November 14, 2008, SCCP imposed a 20% haircut on the securities submitted to SCCP as collateral to cover the clearing members' negative exposures. The collateral haircut serves as a buffer of value against any price change on the securities collateral delivered by the clearing members. Clearing Members may also do an early delivery of the securities which caused the negative exposure.

During its meeting held on December 13, 2022, the Securities and Exchange Commission "SEC" approved SCCP's proposed amendments to Rule 8.1.8 on Acceptable Collateral Deposits which provides that securities comprising the PSEi, the PSE MidCap Index, the PSE Dividend Yield Index and the PSE shares are eligible securities collateral in SCCP's Mark-to-Market Collateral Deposit ("MMCD") system. Furthermore, the SEC approved the increase in haircut on securities collateral that belong to the PSEi, the PSE Midcap Index and the PSE Dividend Yield from 20% to 25%, and the increase in haircut on PSE shares from 20% to 35%.

On March 27, 2023, SCCP successfully transitioned to its new clearing and settlement system, the Millennium Post Trade solution. The Millennium Clearing and Millennium Risk products are provided by the LSEG Technology, a subsidiary of the London Stock Exchange Group. The shift to the new Clearing and Settlement System (C&S) has enhanced SCCP's clearing, settlement, risk and collateral management capabilities, ensuring improved services to its clearing members.

The new C&S system can accommodate any settlement cycle, unlike the previous system which was hardcoded with settlement cycle T+3. It can also accommodate multi-currency assets and is capable of settling two trade dates in a single settlement date. The new C&S system is capable of being connected directly to the PSE trading engine, which will make real time marking to market possible in the future, and uses ISO 20022 standards for its payments and securities messaging. With its new C&S System, SCCP has been able to release the cash and securities entitlements of its clearing members at a much earlier time. In turn, its clearing members are able to release the cash and securities entitlements to their end investors earlier.

On August 24, 2023, SCCP successfully migrated to the shortened settlement cycle of T+2. Aside from SCCP, other market participants, including stockbrokers, custodian banks, the Philippine Depository & Trust Corp. stock transfer agents, the Exchange's Issuer Regulation Division and the Capital Markets Integrity Corporation took part in working group discussions organized by SCCP, readiness activities and testing sessions over a five month period to ensure that the market was ready for a T+2 settlement cycle.

Shortening the settlement cycle is expected to yield benefits for our industry and market participants, including reduced credit and counterparty risk, operational process improvements, cash deployment efficiencies, increased market liquidity and lower collateral requirements. Finally, shortening the



settlement cycle has aligned the Philippine settlement cycle with major international markets including the U.S., Europe, Canada, Australia, Japan, Hong Kong and other major markets in the Asia-Pacific region.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk, equity price risk, interest rate risk and foreign currency risk. The Group's BOD, management and the Treasurer review and agree on the policies of managing each of these risks as summarized below.

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with the financial instruments. Liquidity risk may result from the inability to sell financial assets quickly at their fair values.

The Group seeks to manage its liquidity profile to be able to service its maturing liabilities and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To meet the requirement for liquidity, adequate cash flow is provided for administrative operating expenditures and capital expenses based on projected funding requirements. All excess funds are invested in an organized investment mix of short-term and long-term investments to achieve maximum returns.

The tables below summarize the maturity profile of the financial assets held for liquidity purposes and financial liabilities based on remaining contractual undiscounted payments.

	As at December 31, 2024				Total
	Within a Year	1-2 Years	More than Two Years	No Maturity Date	
<b>Financial Assets</b>					
Financial assets at amortized cost:					
Cash and cash equivalents	₱1,001,596,452	—	—	₱105,000	₱1,091,701,452
Receivables:					
Receivables from:					
Trading participants	144,235,501	—	—	—	144,235,501
Data vendors	34,850,084	—	—	—	34,850,084
Listed companies	31,514,719	—	—	—	31,514,719
Accrued interest receivable	12,994,938	—	—	—	12,994,938
Receivable from other fund members	9,499,589	—	—	—	9,499,589
Government securities	675,756,265	—	—	—	675,756,265
Corporate debt securities	5,352,180	—	—	—	5,352,180
Others	8,521,166	—	—	—	8,521,166
Current security deposit	2,541,681	—	—	—	2,541,681
Other noncurrent assets:					
Refutable equity deposits	—	—	4,953	—	4,953
Claims under litigation	—	—	51,166,892	—	51,166,892
Deposit in bank	—	—	6,174,410	—	6,174,410
Financial assets at FVTPL:					
Quoted equity securities	1,143,691,864	—	—	—	1,143,691,864
Money market funds	80,100,650	—	—	—	80,100,650
Government debt securities	1,346,790	—	—	—	1,346,790
<b>Financial assets at FVOCI:</b>					
Government debt securities -*					
Short-term	195,845,623	—	—	—	195,845,623
Long-term	—	157,619,262	636,930,477	—	794,549,759
Corporate bonds,*					
Short-term	—	—	—	—	—
Long-term	—	19,230,849	93,859,151	—	113,090,000
	₱4,238,467,513	₱176,850,111	₱788,135,883	₱4,105,000	₱5,207,558,527

(Forward)



As at December 31, 2024					
	Within a Year	1-2 Years	More than Two Years	No Maturity Date	Total
<b>Financial Liabilities</b>					
<b>Other financial liabilities:</b>					
Accounts payable and other current liabilities:					
Trade payables	(P139,606,394)	P-	P-	P-	(P139,606,394)
Due to SEC	(74,083,688)	=	=	=	(74,083,688)
Accrued expenses**	(99,495,464)	=	=	=	(99,495,464)
Dividend payable	(90,175,488)	=	=	=	(90,175,488)
Others***	(50,381,699)	=	=	=	(50,381,699)
<b>Lease liabilities</b>	(45,870,510)	(48,898,094)	(32,790,742)	=	(127,559,346)
	<b>(P499,215,243)</b>	<b>(P48,898,094)</b>	<b>(P32,790,742)</b>	<b>P-</b>	<b>(P580,904,079)</b>

\*Including interest

\*\*Including account receivables totaling to P21.60 million

\*\*\*Including advances from employees P5.05 million

As at December 31, 2024					
	Within a Year	1-2 Years	More than Two Years	No Maturity Date	Total
<b>Financial Assets</b>					
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	P 492,201,509	P-	P-	P-	P 492,201,509
Short-term investments	950,745,626	=	=	=	950,745,626
Receivables:					
Receivables from:					
Trading participants	41,349,815	=	=	=	41,349,815
Data vendors	14,114,037	=	=	=	14,114,037
Listed companies	3,495,660	=	=	=	3,495,660
Accrued interest receivable	25,314,882	=	=	=	25,314,882
Have value from other fund members	8,522,598	=	=	=	8,522,598
Others	17,142,924	=	=	=	17,142,924
Current security deposits	457,576	=	=	=	457,576
Other noncurrent assets:					
Refundable security deposits	=	=	14,945	=	14,945
Claims under insurance	=	=	51,166,892	=	51,166,892
Deposit in bank	=	=	345,351	=	345,351
Financial assets at FVTPL	1,057,963,695	=	=	4,100,000	1,057,993,695
Financial assets at FVOCI					
Government debt securities - <sup>4</sup>					
Short-term	349,500,303	=	=	=	349,500,303
Long-term	=	251,259,813	665,264,932	=	916,024,745
Corporate bonds - <sup>4</sup>					
Short-term	=	=	=	=	=
Long-term	=	=	90,391,392	=	90,391,392
	<b>P3,954,828,572</b>	<b>P251,259,813</b>	<b>P907,182,212</b>	<b>P4,100,000</b>	<b>P5,017,281,597</b>

<b>Financial Liabilities</b>					
<b>Other financial liabilities:</b>					
Accounts payable and other current liabilities:					
Trade payables	(P81,418,999)	P-	P-	P-	(P81,418,999)
Due to SEC	(63,001,404)	=	=	=	(63,001,404)
Accrued expenses**	(42,256,399)	=	=	=	(42,256,399)
Others	(5,397,096)	=	=	=	(5,397,096)
<b>Lease liabilities</b>	(26,384,575)	(49,465,755)	(12,054,029)	=	(87,904,359)
	<b>(P218,658,273)</b>	<b>(P49,465,755)</b>	<b>(P12,054,029)</b>	<b>P-</b>	<b>(P280,178,057)</b>

\*Including interest

\*\*Including account receivables totaling to P17.03 million



### Credit Risk

Credit risk refers to the potential loss arising from any failure by the Group's counterparties to fulfill their contractual obligations, as and when they fall due. The Group's credit exposure arises mainly from receivables from trading participants on clearing related services for securities transactions, membership fees and other fees, receivable from listed companies on listing maintenance fees and receivable from market data vendors for data feed charges. To minimize credit risk, the Group monitors the financial health of clearing participants and takes note of participants with potential default.

The credit risk of the Group's financial assets arises from default of the counterparty with maximum exposure equal to the carrying amounts of these financial instruments. The fair values of these financial instruments are disclosed in Note 6.

### Credit Quality of Financial Assets

The credit quality of financial assets is grouped according to stage whose description is explained as follows:

**Stage 1** - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

**Stage 2** - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

**Stage 3** - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

	As at December 31, 2024			
	ECL Mapping			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at amortized cost:				
Cash and cash equivalents*	₱1,891,491,452	—	—	₱1,891,491,452
Receivables				
Receivables from:				
Trading participants	128,329,226	15,612,209	294,067	144,235,502
Data vendors	3,470,700	12,229,814	19,149,270	34,850,084
Listed companies	25,729,038	2,761,091	3,024,600	31,514,729
Accrued interest receivable	4,455,098	8,539,840	—	12,994,938
Receivable from other fund members	—	9,649,389	—	9,649,389
Others	8,521,166	—	—	8,521,166
Government debt securities	675,756,265	—	—	675,756,265
Corporate debt securities	5,752,180	—	—	5,752,180
Other current assets	2,561,681	—	—	2,561,681
Other noncurrent assets	—	—	—	—
Claims under litigation	—	51,166,892	—	51,166,892
Refundable security deposits	—	4,953	—	4,953
Deposits in bank	—	6,174,410	—	6,174,410
Financial assets at FVOCI:				
Government debt securities:				
Short-term	195,845,623	—	—	195,845,623
Long-term	794,549,759	—	—	794,549,759
Corporate bonds	—	—	—	—
Short-term	—	—	—	—
Long-term	113,090,000	—	—	113,090,000
	₱3,849,552,188	₱186,188,798	₱22,468,237	₱4,058,209,223

\*Including cash in bank amounting to ₱1.17 billion.



As at December 31, 2023				
	ECL Staging			Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at amortized cost				
Cash and cash equivalents*	P1,492,088,509	—	—	P1,492,088,509
Short-term investments	851,211,191	—	—	851,211,191
Receivables				
Receivables from:				
Trading participants	40,783,608	265,138	297,427	41,346,173
Listed companies	—	1,169,362	2,324,278	3,493,660
Data vendors	8,182,046	5,931,571	—	14,113,617
Accrued interest receivable	3,086,152	20,228,710	—	23,314,862
Receivable from other fund members	—	8,522,548	—	8,522,548
Others	16,903,538	—	239,616	17,143,154
Other current assets	457,576	—	—	457,576
Other noncurrent assets				
Claims under litigation	—	21,166,352	—	21,166,352
Refundable security deposits	—	14,245	—	14,245
Deposits in bank	—	345,051	—	345,051
Financial assets at FVTPL				
Government debt securities				
Short-term	349,500,300	—	—	349,500,300
Long-term	9,5524,545	—	—	9,5524,545
Corporate bonds				
Short-term	—	—	—	—
Long-term	90,391,392	—	—	90,391,392
	P3,771,478,819	P87,648,327	P2,861,321	P3,861,978,467

\*Excluding cash on hand on hand to P11,200,000

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

In the selection of investment, capital preservation is the primary consideration of the Group. With this objective, funds are basically invested in government bonds and securities and duly registered with the Registry of Scripless Securities under the name of the Group.

The Head of Finance is responsible for the identification of investments that provide a relatively stable rate of return and endorses it to the Treasurer or President for approval. The Group is guided by a BOD who approved investment policy guidelines. Any exemption to the set policy is subject to the approval of the BOD. The Investments Committee assists the BOD in fulfilling its oversight responsibilities over the investment portfolio of the Exchange and investment activities of management.

#### Market Risk

The Group's market risk (the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in market variables) originates from its holdings of debt and equity securities. The value of a financial instrument may change as a result of changes in equity price, interest rates, foreign currency exchanges rates and other market changes.

**Equity Price Risk.** The Group's exposure to equity price pertains to its investments in quoted equity shares which are classified under financial assets at FVTPL on the consolidated statements of financial position. Equity price risk arises from the changes in the levels of equity indices and the value of individual stocks traded in the stock exchange.

The Group's policy is to maintain the risk to an acceptable level by monitoring regularly the movement of share prices to determine the impact on its financial position.



The effect on profit or loss (as a result of change in fair value of financial assets at FVTPL as at December 31, 2024 and 2023) due to a possible change in equity indices, based on historical trend, with all other variables held constant is as follows:

	Change in Equity Price	Effect on Profit or Loss/Equity
		(In Millions)
2024	+1.21%	P10.60
	-1.21%	(10.60)
2023	+1.37%	P10.60
	-1.37%	(10.60)

As at December 31, 2024 and 2023, the Group's exposure to equity price risk arising from equity securities investments is minimal.

**Fair Value Interest Rate Risk.** The Group follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. There are no floating rate financial assets and financial liabilities. Term deposits with banks and debt securities carry fixed rates throughout the period of deposit or placement.

The table below sets forth the sensitivity to a reasonable possible change in interest rates with all other variables held constant, of the Group's equity (through the impact on unrealized gain/loss on fixed rate debt financial assets at FVOCI).

	Effect on Equity	
	2024	2023
	(In Millions)	
Increase (decrease) in interest rates:		
+70 basis points	(P12.45)	(P20.56)
-70 basis points	12.83	21.16

**Foreign Currency Risk.** Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to foreign currency risks arise primarily from US dollar transactions, mostly from cash and cash equivalents and receivables.

The Group's policy is to maintain foreign currency exposure within acceptable limits. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits.

The following table summarizes the exposure to foreign currency exchange risk as at December 31, 2024 and 2023:

	2024		2023	
	In USD	In Php	In USD	In Php
Financial assets:				
Financial assets at FVTPL	55,096,266	P294,793,489	54,931,417	P273,052,581
Cash and cash equivalents	1,097,538	63,487,073	1,983,718	109,838,469
Short-term investments	-	-	251,031	13,899,601
Receivables	629,059	36,387,918	223,160	12,356,385
	56,822,863	P394,668,480	57,389,326	P409,147,038





In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rate used was ₱57.845 to US\$1.00 and ₱55.37 to US\$1.00, the Philippine peso to U.S. Dollar exchange rate as at December 31, 2024 and 2023, respectively.

The table below indicates the effect of increase or decrease in US dollar exchange rate on income before income tax to which the Group has substantial exposures on its financial assets. The result calculates the effect of a reasonably possible change in the spot rates, when all other variables are held constant. Negative values in the table reflect a potential reduction in income while a positive amount reflects a potential increase.

2024		2023	
USD Strengthens/ (Weakens)	Effect on Income before Tax (in millions)	USD Strengthens/ (Weakens)	Effect on Income before Tax (in millions)
(4.47%)	₱17.64	0.69%	₱2.83
4.47%	(17.64)	(0.69%)	(2.83)

The increase in P rate as against US\$ rate demonstrates weaker functional currency while the decrease represents stronger Philippine peso value.

There is no other impact on the equity other than those already affecting the consolidated statement of profit or loss.

## 6. Fair Value Measurement and Hierarchy

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities, by category and by class, as at December 31, 2024 and 2023:

		2024		
			Fair Value	
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value				
Financial assets at FVTPL				
Quoted equity securities	₱1,147,691,864	₱1,147,691,864	₱1,000,000	—
Money Market funds	80,100,690	—	80,100,690	—
Investment in government securities	1,346,790	—	1,346,790	—
Financial assets at FVOCI:				
Government securities:				
Current	195,845,623	—	195,845,623	—
Long-term	794,549,759	—	794,549,759	—
Corporate bonds				
Current	—	—	—	—
Long-term	113,090,000	113,090,000	—	—
Financial assets at amortized cost:				
Current security deposits	2,475,000	—	—	2,475,000
Government securities	675,756,261	98,843,457	576,912,804	—
Corporate debt securities	5,752,180	—	—	5,752,180
Claims under litigation	51,166,892	—	—	51,166,892
Deposits in bank	6,174,410	—	—	6,174,410
Refundable deposits	4,953	—	—	4,953
	₱3,075,954,386	₱2,355,625,321	₱1,652,755,650	₱65,573,435
Liabilities measured at fair value -				
Noncurrent lease liabilities	₱0,016,893	—	—	₱0,016,893

	Carrying Value	2023		
		Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets measured at fair value</b>				
Financial assets at FVTPL	P1,037,997,695	P1,037,997,695	P1,000,000	P-
Financial assets at FVOCI				
Government securities:				
Current	549,588,340	-	149,540,300	-
Long-term	916,524,745	-	916,524,745	-
Corporate bonds:				
Current	-	-	-	-
Long-term	90,351,392	90,191,392	-	-
Financial asset at amortized cost				
Claims under litigation	51,166,892	-	-	51,166,892
Deposits in bank	345,051	-	-	345,051
Refundable security deposits	14,945	-	-	14,945
	P2,465,957,020	P1,146,189,087	P1,176,025,045	P51,525,888
<b>Liabilities measured at fair value</b>				
Noncurrent lease liabilities	P56,811,620	P-	P-	P56,811,620

For the years ended December 31, 2024 and 2023, there were no transfers made among the three levels in the fair value hierarchy.

Cash and Cash Equivalents, Short-term Investments, Receivables excluding Advances to Employees, Current portion of Refundable Security Deposits and Deposits in Bank, Claims under Litigation, Restricted Cash and Short-term Investments, Accounts Payable, Current portion of Lease liabilities and Other Current Liabilities excluding Payable to government agencies

The carrying amounts approximate the fair values because of their short-term nature or due to the immaterial effect of discounting when present value of future cash flows from these instruments are calculated.

#### Financial Assets at FVTPL

The fair values of the financial assets at FVTPL have been determined directly by reference to quoted prices in active markets or inputs other than quoted prices that are directly or indirectly observable.

#### Financial Assets at FVOCI

The fair values of the financial assets at FVOCI are determined by reference to quoted market price at the close of business.

#### Investments in Debt Securities

For investments in government debt securities and corporate debt securities, fair values are based on quoted market prices.

#### Noncurrent Portion of Lease Liabilities

The fair value is based on the discounted value of expected future cash flows using the applicable interest rate.



## 7. Cash and Cash Equivalents and Short-Term Investments

### Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	₱155,472,513	₱159,155,653
Cash equivalents	1,736,228,939	1,333,047,856
	<b>₱1,891,701,452</b>	<b>₱1,492,203,509</b>

Cash in banks earns interest of 0.625% bank deposit rate. Cash equivalents are made for varying periods with original maturity of three months or less from dates of placement and earn interest rates ranging from 5.75% to 6.00% in 2024 and 5.875% to 6.30% in 2023.

### Short-Term Investments

Short-term investments are made for varying periods with original maturity of over 90 days from dates of placement and earn interest rates ranging from 6.25% to 7.0% in 2023 that matured in 2024.

Interest income earned from cash and cash equivalents and short-term investments amounted to ₱141.18 million, ₱30.51 million and ₱18.93 million in 2024, 2023 and 2022, respectively (see Note 23).

## 8. Financial Assets at FVTPL

This account consists of:

	2024	2023
Investment in quoted equity securities	₱1,147,691,864	₱1,057,993,695
Investment in money market funds (see Note 15)	80,100,650	—
Investment in government securities (see Note 15)	1,346,790	—
	<b>₱1,229,139,304</b>	<b>₱1,057,993,695</b>

### Investment in Quoted Equity Securities

The Group entered into an investment management agreement with third party banks for the disposition of its investible funds at the banks' discretion subject to the investment guidelines set by the Parent Company. The funds were invested in traded equity securities.

### Investment in Money Market Funds

Investment in money market funds represents investments in unit investment trust funds that invest in time deposits, special deposit accounts and other low risk short-term fixed income securities. Investment in money market funds is regarded as highly liquid and are redeemable anytime.

### Investment in Government Securities

This account consists of investments in Philippine government securities.

The fair value of the financial assets at FVTPL amounted to ₱1,229.14 million and ₱1,057.99 million as at December 31, 2024 and 2023, respectively. Mark-to-market gain (loss) on financial assets at FVTPL amounted to ₱21.72 million, ₱10.38 million and (₱106.44 million) in 2024, 2023 and 2022, respectively.



Dividend income earned on financial assets at FVTPL amounted to ₱24.70 million, ₱24.60 million and ₱18.81 million in 2024, 2023 and 2022, respectively.

Interest income from investments at FVTPL amounted to ₱13.15 million, ₱15.47 million and ₱14.52 million in 2024, 2023 and 2022, respectively (see Note 23).

The fair values of the financial assets at FVTPL have been determined directly by reference to quoted prices in active markets or inputs other than quoted prices that are directly or indirectly observable (see Note 6).

## 9. Financial Assets at FVOCI

This account consists of investments in debt securities as of December 31:

	2024	2023
Government debt securities	₱90,395,382	₱1,266,025,045
Corporate bonds	113,090,000	90,391,392
	1,103,485,382	1,356,416,437
Less current portion	195,845,623	349,500,300
Noncurrent portion	₱907,639,759	₱1,006,916,137

Current portion of financial assets at FVOCI as at December 31, 2024 pertain to government securities and corporate bonds with interest rate ranging from 3.626% to 4.915% and will mature in 2025. Current portion of financial assets at FVOCI as at December 31, 2023 pertain to corporate bonds with interest rate of 2.375% to 6.25% and matured in 2024.

Peso-denominated long-term government debt securities and corporate bonds earn annual interest rates ranging from 3.325% to 8.008% in 2024 and 3.325% to 7.53% in 2023. Noncurrent and long-term portion of government debt securities and corporate bonds as at December 31, 2024 and 2023 will mature from 2026 to 2034 and 2025 to 2032, respectively.

Interest income earned from financial assets at FVOCI amounted to ₱20.45 million, ₱156.28 million and ₱85.80 million in 2024, 2023 and 2022, respectively (see Note 23).

The rollforward analysis of financial assets at FVOCI as at December 31, 2024 and 2023 follows:

	2024	2023
Balance at beginning of year	₱1,356,416,437	₱2,387,837,549
Additions	92,160,000	214,305,000
Maturities	(349,289,458)	(1,262,312,004)
Amortization of discount or premium	(394,900)	(12,145,130)
Gain on change in fair value	4,593,303	28,731,022
Balance at end of year	₱1,103,485,382	₱1,356,416,437

The movement of net unrealized loss on financial assets at FVOCI as at December 31, 2024 and 2023 follows:

	2024	2023
Balance at beginning of year	(₱23,299,279)	(₱52,030,301)
Gain on change in fair value	4,593,303	28,731,022
Balance at end of year	(₱18,705,976)	(₱23,299,279)



# 10. Financial Assets at Amortized Cost

As of December 31, 2024, this account consists of:

Government debt securities	₱675,663,660
Corporate debt securities	5,752,180
	<u>₱681,415,840</u>

This account consists of investments in Philippine government securities that earn FFRs ranging from 5.15% to 6.16% in 2024. All of the outstanding investments in government debt securities as of December 31, 2024 are due within one year.

The Group also has outstanding placements evidenced by promissory notes issued by RBC Rental Corporation. These placements earn interest rates of 4.00% in 2024. The expected settlement of these placements as of December 31, 2024 follow:

Due within one year	₱92,605
Due beyond one year	5,659,575
	<u>₱5,752,180</u>

# 11. Receivables

This account consists of:

	2024	2023
Receivables from:		
Trading participants (see Note 32)	₱144,235,502	₱41,349,815
Data vendors	34,850,084	14,114,037
Listed companies	31,514,729	3,493,660
Accrued interest receivable (see Note 23)	12,994,938	23,314,882
Advances to/receivables from:		
Other fund members	9,699,589	8,522,548
Officers and employees	19,931,928	4,475,073
Others	8,521,166	17,142,924
	<u>261,747,936</u>	<u>112,412,939</u>
Less allowance for impairment loss	3,240,967	2,857,961
	<u>₱258,506,969</u>	<u>₱109,554,978</u>

Receivables generally have terms of 25 to 30 days, except for the receivables from data vendors which are normally collected within 45 days.

Movements of the allowance for impairment loss follow:

	2024	2023
Balance at beginning of year	₱2,857,961	₱2,884,841
Acquired through business combination (see Note 15)	383,006	—
Recovery from impairment loss	—	(26,880)
Balance at end of year	<u>₱3,240,967</u>	<u>₱2,857,961</u>



## 12. Other Current Assets

This account consists of

	2024	2023
Prepaid expenses	P184,863,446	P75,038,053
Restricted cash and short-term investments	60,646,438	—
Input VAT - net of noncurrent portion	23,234,182	36,692,300
Security deposits (see Note 26)	2,561,681	457,576
Contract assets	1,731,831	16,126
	<b>P273,037,578</b>	<b>P112,204,055</b>

Prepaid expenses include prepayment of insurance, supplies, real property taxes, membership dues, maintenance and other expenses which are normally incurred within the next financial year.

Restricted cash and short-term investments relate to restricted cash in bank and short-term time deposits that are not available for use in operations.

Input VAT, net of noncurrent portion, represents VAT paid to suppliers that can be claimed as credit against the Group's future output VAT liabilities without prescription.

Security deposits pertain to refundable deposits for the lease of a photocopier which is expected to be received within the next financial year.

Contract assets represent the unbilled services to Premier which are expected to be received within the next financial year.



### 13. Property and Equipment

The composition of and movements in this account are as follows:

December 31, 2024									
	Buildings	Building Improvements	Regulatory and Curbside Improvements	Trading System Equipment	Computer Hardware and Peripherals	Office Furniture, Electronics and Communications Equipment and Others	Transportation Equipment	New Charging & Software System In Progress	Total
At beginning of year	81,073,799,828	84,603,733	-	421,337,207	89,431,750	89,791,006	83,093,384	81,367,946,473	82,423,274,894
Acquired through business combinations (see Note 15)	-	11,205,689	91,166,248	6,883,567	31,437,861	363,946,334	-	-	548,598,661
Depreciation	-	2,677,304	-	84,886,845	37,437,861	1,289,143	1,841,795	-	142,739,248
Disposals	-	(437,366)	-	(4,376,251)	(2,683,484)	(1,436,941)	(51,316,991)	-	(12,441,813)
At end of year	81,073,799,828	86,391,256	91,166,248	413,467,723	117,182,934	90,623,396	83,093,384	81,367,946,473	162,433,734,039
Accumulated Depreciation	2,432,726,031	45,351,275	-	212,236,478	677,346,754	543,870,141	25,394,536	136,948,473	3,808,706,318
At beginning of year	199,551,281	1,110,954	-	66,237,189	544,838,039	160,811,968	17,142,848	1,038,499	1,246,493,582
Acquired through business combinations (see Note 15)	-	16,528,814	57,104,205	6,883,567	31,437,861	363,946,334	-	-	481,111,527
Depreciation	42,911,646	7,968,171	-	79,131,808	36,944,187	3,376,425	4,365,419	17,713,112	106,319,677
Disposals	-	(1,048,171)	-	(1,081,481)	(7,463,799)	(18,411,683)	(75,165,171)	-	(16,341,210)
At end of year	202,462,927	15,548,814	57,104,205	147,379,625	174,858,299	439,750,146	27,343,097	51,774,609	677,243,366
Net book value	81,073,799,828	86,391,256	91,166,248	413,467,723	117,182,934	90,623,396	83,093,384	81,367,946,473	162,433,734,039

December 31, 2023					
	Buildings	Building Improvements	Regulatory and Curbside Improvements	Trading System Equipment	Computer Hardware and Peripherals
At beginning of year	81,073,799,828	84,603,733	-	421,337,207	89,431,750
Acquired through business combinations (see Note 15)	-	11,205,689	91,166,248	6,883,567	31,437,861
Depreciation	-	2,677,304	-	84,886,845	37,437,861
Disposals	-	(437,366)	-	(4,376,251)	(2,683,484)
At end of year	81,073,799,828	86,391,256	91,166,248	413,467,723	117,182,934
Accumulated Depreciation	2,432,726,031	45,351,275	-	212,236,478	677,346,754
At beginning of year	199,551,281	1,110,954	-	66,237,189	544,838,039
Acquired through business combinations (see Note 15)	-	16,528,814	57,104,205	6,883,567	31,437,861
Depreciation	42,911,646	7,968,171	-	79,131,808	36,944,187
Disposals	-	(1,048,171)	-	(1,081,481)	(7,463,799)
At end of year	202,462,927	15,548,814	57,104,205	147,379,625	174,858,299
Net book value	81,073,799,828	86,391,256	91,166,248	413,467,723	117,182,934

December 31, 2022					
	Buildings	Building Improvements	Regulatory and Curbside Improvements	Trading System Equipment	Computer Hardware and Peripherals
At beginning of year	81,073,799,828	84,603,733	-	421,337,207	89,431,750
Acquired through business combinations (see Note 15)	-	11,205,689	91,166,248	6,883,567	31,437,861
Depreciation	-	2,677,304	-	84,886,845	37,437,861
Disposals	-	(437,366)	-	(4,376,251)	(2,683,484)
At end of year	81,073,799,828	86,391,256	91,166,248	413,467,723	117,182,934
Accumulated Depreciation	2,432,726,031	45,351,275	-	212,236,478	677,346,754
At beginning of year	199,551,281	1,110,954	-	66,237,189	544,838,039
Acquired through business combinations (see Note 15)	-	16,528,814	57,104,205	6,883,567	31,437,861
Depreciation	42,911,646	7,968,171	-	79,131,808	36,944,187
Disposals	-	(1,048,171)	-	(1,081,481)	(7,463,799)
At end of year	202,462,927	15,548,814	57,104,205	147,379,625	174,858,299
Net book value	81,073,799,828	86,391,256	91,166,248	413,467,723	117,182,934





As at December 31, 2024 and 2023, the Group's acquisitions of property and equipment which remains unpaid and is included under "Accounts payable and other current liabilities - Trade" amounted to ₱46.62 million and ₱71.03 million, respectively.

The Group disposed property and equipment with carrying value amounting to ₱5.98 million, ₱0.54 million and ₱0.35 million with related gain (loss) on disposal amounting to ₱0.17 million, nil and ₱0.03 million in 2024, 2023 and 2022, respectively.

As at December 31, 2024 and 2023, no property and equipment have been pledged as security or collateral for any of the Group's liabilities.

**Building** This includes condominium units at the PSE Tower, Fort Bonifacio Global City. The condominium units were transferred to and accepted by the Exchange on September 22, 2017.

**Building Improvements** These pertain to improvements of office units at PSE Tower, Fort Bonifacio Global City.

**Trading System Equipment and New Clearing System.** These represent software and hardware costs. Software costs cannot be separately classified as an intangible asset as this is an integral part of the related hardware.

#### 14. Investment Property

This pertains to the condominium units at Exchange Plaza, Ayala Triangle, Makati City (see Note 20)

On December 12, 2018, the BOD authorized the Exchange's management to lease out the Exchange Plaza and engage, negotiate and discuss with prospective lessors the terms and conditions of the lease beneficial to the exchange.

The movements in this account are as follows:

	2024	2023
<b>Cost</b>		
Balance at beginning and end of year	₱148,411,631	₱148,411,631
<b>Accumulated depreciation</b>		
Balance at beginning of year	14,106,795	8,170,331
Depreciation (see Note 25)	5,969,443	5,936,464
Balance at end of year	20,076,238	14,106,795
<b>Net book value</b>	<b>₱128,335,393</b>	<b>₱134,304,836</b>

**Fair Value of Investment Property.** The investment property is valued at ₱1,332.24 million based on its latest appraisal report dated November 18, 2024. The property's valuation date is for the year ended December 31, 2024.

The most recent fair value of the investment property is determined by an independent appraiser who holds a recognized and relevant professional qualification. The valuation of investment properties was based on market values using the market approach. The fair value represents the price that would be received to sell the investment properties in an orderly transaction between market participants at the date of valuation. The determination of the fair value of the investment property is categorized under Level 2 fair value measurement since valuation is based on observable inputs such as the asking prices of comparable units.

# 15. Business Combination and Goodwill and Acquisition of Non-Controlling Interests

In 2023, the Exchange owns 20.98% interest in Philippine Dealing System Holdings Corp. (PDSHC), a domestic stock corporation, whose principal activity is to provide platform for the issuance, trading, dealing and exchange of fixed income securities and monetary requirements (see Note 16). The Group acquired PDSHC because of its expected business synergies to the Group.

On various dates in December 2024, the Exchange entered into and signed Sale and Purchase Agreements (SPAs) with several PDSHC stockholders for the acquisition of additional 2.02 million common shares of PDSHC representing 32.36% interest for a total consideration of ₱1,213.52 million, of which ₱1,194.77 million was paid in December 2024. The remaining balance of ₱18.75 million was paid in January 2025. These acquisitions were completed and closed on December 27, 2024 (the Acquisition Date). By December 31, 2024, the Exchange owns 3.33 million common shares representing 53.34% equity interest and gains control over PDSHC. Consequently, the financial position of PDSHC is consolidated with the Group effective on December 31, 2024.

The business combination is achieved in stages. The Exchange remeasure its previously held equity interest in the PDSHC (previously an investment in associate) at its acquisition-date fair value. The difference between the acquisition-date fair value and carrying value as at December 31, 2024 is recognized as "Gain on remeasurement of previously held equity interest" in statement of comprehensive income.

Acquisition-date fair value of initial 20.98% interest in PDSHC	₱786,764,004
Less: Carrying value of investment in PDSHC (see Note 16)	323,906,623
Gain on remeasurement of previously held equity interest	₱462,857,381

The Group elected to measure the non-controlling interest in PDSHC at the proportionate share of its interest in the PDSHC's identifiable net assets.

The fair values of the identifiable assets and liabilities of PDSHC as at the date of acquisition were:

	Fair value recognized on acquisition
Assets	
Cash and cash equivalents	₱590,537,592
Receivables	139,760,200
Financial assets at FVTPL	81,447,440
Financial assets at amortized cost	681,415,840
Property and equipment - net	123,058,211
Deferred tax assets	11,626,176
Software and system development costs	42,826,642
Other assets	107,572,505
	1,778,244,606

(Forward)



	Fair value recognized on acquisition
<b>Liabilities</b>	
Accrued expenses and other payables	P128,122,840
Dividends payable	90,175,488
Lease liabilities	52,594,501
Income tax payable	34,177,974
Retirement and other post-employment benefit obligation	23,904,579
Contract liabilities	6,849,698
	<b>335,825,080</b>
Total identifiable net assets at fair value	1,442,419,526
Non-controlling interests measured at proportionate share in identifiable net assets	(673,032,951)
Goodwill arising on acquisition	1,230,899,029
<b>Purchase consideration transferred</b>	<b>P2,000,285,604</b>
Cash paid	P1,213,521,600
Fair value of previously held interest	786,764,004
<b>Purchase consideration transferred</b>	<b>P2,000,285,604</b>

The net assets recognized in the December 31, 2024 consolidated financial statements were based on a provisional assessment of their fair values.

The acquisition date fair value of receivables amounted to P139.76 million. The gross amount of receivables is P140.14 million and it is expected that the full contractual amounts can be collected.

The goodwill of P1,230.90 million comprises the value of expected synergies arising from the acquisition, which is entirely allocated to the PDSHC group. None of the goodwill recognized is expected to be deductible for income tax purposes. There are no other identified intangible assets upon acquisition.

Since the Acquisition Date happened at the end of 2024, the results of operations of PDSHC for the year ended December 31, 2024 is accounted for as equity in net earnings (see Note 16). If the business combination had taken place at the beginning of the year, PDSHC's revenue and income before income tax contributions would have been P1,185.76 million P475.36 million, respectively.

The analysis of cash flow from acquisition follows:

Transaction costs of the acquisition (included in cash flows from operating activities)	(P3,062,600)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	590,537,592
<b>Net cash flow on acquisition</b>	<b>P587,474,992</b>



As of and for the year ended December 31, 2024, the summarized financial information of PDSHC, which have material non-controlling interests is provided below:

**Statement of Financial Position**

Current assets	₱1,581,960,831
Noncurrent assets	200,368,296
Current liabilities	(274,177,683)
Noncurrent liabilities	(61,647,397)
<b>Total equity</b>	<b>₱1,446,504,047</b>
Total equity Attributable to:	
Equity holders of the parent company	₱1,425,529,313
Non-controlling interest	20,974,734

**Statement of Comprehensive Income**

Revenues	₱1,185,761,402
Costs and operating expenses	(547,042,094)
Finance costs	(2,809,160)
Income before income tax	635,909,948
Income tax	(160,540,409)
<b>Net income</b>	<b>475,369,539</b>
Other comprehensive loss	(5,920,907)
<b>Total comprehensive income</b>	<b>₱469,448,632</b>
Net income attributable to:	
Equity holders of the parent company	₱466,585,350
Non-controlling interest	8,784,189

**Acquisition of non-controlling interest**

In 2024, the Exchange and a shareholder of Premier entered into a Deed of Donation to transfer, by way of donation, the 100,000 common shares with par value of ₱100 per share or ₱10.0 million owned by the shareholder of Premier to the Exchange. As a result, the Exchange acquired additional 20.0% interest in the voting shares of Premier, increasing its ownership interest to 100.0% (see Note 21).

The increase in ownership interest of the Exchange in Premier as a result of the subsequent acquisition of non-controlling interest, by way of donation, do not result in the recognition of a gain or loss but only adjustments to the carrying amount of non-controlling interest and equity reserve amounting to ₱10.93 million.

**16. Investment in an Associate**

Prior to December 2024, this account represents the 20.98% interest in Philippine Dealing System Holdings Corp. (PDSHC), a domestic stock corporation, whose principal activity is to provide platform for the issuance, trading, dealing and exchange of fixed income securities and monetary instruments.



The movements in this account as at December 31 follow:

	2024	2023
Acquisition cost	<b>₱137,050,657</b>	<b>₱137,050,657</b>
Accumulated equity in net income of an associate:		
Balance at beginning of year	741,160,842	668,623,620
Equity in net income	98,555,487	72,537,222
Balance at end of year	<b>839,716,329</b>	<b>741,160,842</b>
Accumulated equity in other comprehensive income		
- remeasurement on pension liability:		
Balance at beginning of year	4,957,116	4,882,784
Share in remeasurement gain (loss) on pension	(1,218,595)	74,332
Balance at end of year	<b>3,738,521</b>	<b>4,957,116</b>
Accumulated dividend income:		
Balance at beginning of year	(593,658,884)	(520,228,884)
Dividends declared during the year	(62,940,000)	(73,430,000)
Balance at end of year	<b>(656,598,884)</b>	<b>(593,658,884)</b>
Acquisition through business combination (see Note 15)	<b>(323,906,623)</b>	<b>-</b>
	<b>₱</b>	<b>₱289,509,731</b>

As at December 31, 2023, the available financial information of PDSHC follows (in millions):

Current assets	<b>₱1,365.32</b>
Noncurrent assets	143.32
Current liabilities	209.97
Noncurrent liabilities	21.55
Total equity	<b>1,280.82</b>
Net income attributable to:	
Equity holder of the parent company	345.74
Noncontrolling interest	7.96
Other comprehensive income	0.36
Total comprehensive income	<b>354.06</b>

The reconciliation of the net assets of the associate to the carrying amounts of the interest in this associate recognized in the consolidated statements of financial position as at December 31, 2023 follows (in millions):

Net assets of associate attributable to controlling shareholders	<b>₱1,261.58</b>
Proportionate ownership in net assets (20.98%)	264.68
Goodwill	24.83
	<b>₱289.51</b>

On February 24, 2022, the BOD of PDSHC declared cash dividends in the amount of ₱56 per share (₱350.00 million) in favor of all shareholders on record as of December 31, 2021 payable on or before March 31, 2022.



On February 23, 2023, the BOD of PDSHC declared cash dividends of ₱56 per share (₱350.00 million) to all shareholders of record as of December 31, 2022 to be paid on or before March 31, 2023.

On February 29, 2024, the BOD of PDSHC declared cash dividends of ₱48 per share (₱300.0 million) to all shareholders of record as of December 31, 2023 to be paid on or before March 20, 2024.

## 17. Other Noncurrent Assets

This account consists of:

	2024	2023
Claims under litigation	₱51,166,892	₱51,166,892
Software and system development costs	43,999,566	449,971
Input VAT - noncurrent portion	8,903,102	6,697,719
Deposits in bank	6,174,410	345,051
Advances to employees – noncurrent portion	450,713	–
Security deposits (see Note 28)	4,953	14,945
Deferred lease asset	–	14,782
Other investments	251,728	196,717
Others	239,815	66,364,537
	<b>₱109,191,179</b>	<b>₱58,886,077</b>

Claims under litigation pertain to ₱51.17 million garnished while still under litigation.

The movements in software and system development costs account are as follow:

Cost	2024	2023
Balance at beginning of year	₱79,525,166	₱79,573,741
Acquired through business combination (see Note 15)	352,830,877	–
Additions	1,054,861	–
Balance at end of year	433,410,904	79,573,741
Accumulated amortization:		
Balance at beginning of year	68,677,684	68,394,351
Acquired through business combination (see Note 15)	310,004,235	–
Amortization (see Notes 24 and 25)	10,729,419	10,729,419
Balance at end of year	389,411,338	79,123,770
Net book value	<b>₱43,999,566</b>	<b>₱449,971</b>

This account includes capitalized costs incurred from the acquisition, development and customization of the integrated systems used in the Group's operations. The additions include a software that is currently being developed by Premier which is designed with the intention to revolutionize the financial services by providing everyone an opportunity to have a self-service direct market trading platform to invest in the stock market. The mobile trading platform has started its development in the year 2019 and was launched last February 11, 2023.



Noncurrent portion of input VAT pertains to deferred VAT that can be claimed as credit against future output VAT from the reporting date without prescription.

Deposits in bank include amount deposited by the Parent Company in favor of National Labor Relations Commission (NLRC) in connection with pending labor cases which are still on appeal. Under the Rules of NLRC, the amount may not be withdrawn by the Parent Company until final disposition of the cases.

Security deposits are presented at amortized cost, amortization of which is based on EIR method. The difference between the fair value at initial recognition and nominal value of security deposit on leases is charged to "Deferred lease asset" account and amortized on a straight-line basis over the lease term of six (6) years.

#### 18. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Trade (see Note 13)	<b>₱139,606,394</b>	<b>₱81,418,999</b>
Due to SEC	<b>74,083,688</b>	<b>63,001,404</b>
Accrued expenses:		
Utilities, supplies, outside services and various accrued expenses	<b>54,398,763</b>	<b>28,870,518</b>
Penalties and taxes	<b>21,798,651</b>	<b>17,047,025</b>
Professional fees	<b>15,847,184</b>	<b>1,603,076</b>
Occupancy costs	<b>12,433,144</b>	<b>4,735,570</b>
Repairs and maintenance	<b>11,325,707</b>	<b>2,124,882</b>
Compensation and other related staff costs	<b>2,990,666</b>	<b>4,922,353</b>
SEC transaction fees	<b>2,500,000</b>	<b>—</b>
Payable to government agencies	<b>42,193,241</b>	<b>33,868,970</b>
Due to brokers	<b>2,070,342</b>	<b>—</b>
Others	<b>50,627,109</b>	<b>5,738,349</b>
	<b>₱429,874,889</b>	<b>₱243,331,146</b>

Due to SEC represents the amount payable for license fees to operate an exchange imposed under Section 35 of the SRC entitled "Additional Fees of Exchanges", which are subsequently billed and collected from active trading participants. These are settled within the next financial year.

Trade, accrued expenses, payable to government agencies and others are noninterest-bearing, except for legal costs, and are normally settled within the next financial year.

Others mainly include provisions for probable losses and other liabilities.





## 19. Contract Liabilities, Deferred Fees and Others

### Contract Liabilities

This account consists of:

	2024	2023
Listing fees	P 1,184,216,775	P 1,226,805,318
Management fees	13,021,166	5,676,000
Data feed fees	2,119,330	874,491
	1,199,357,271	1,233,355,809
Less noncurrent portion of contract liabilities	1,025,719,817	878,535,645
Current portion of contract liabilities	P 173,637,454	P 354,820,164

The current portion of contract liabilities from listing fees, data feed fees and management fees are normally realized within the next financial year. The noncurrent portion of contract liabilities as at December 31, 2024 and 2023 are expected to be realized in 2026 to 2038 and in 2025 to 2037, respectively (see Note 22).

### Deferred fees and others

This account consists of:

	2024	2023
Deferred fees	P 810,949	P 957,377
Deferred output tax	332,844	334,910
	P 1,143,793	P 1,292,287

Deferred fees pertain to receipt of payments for Bull Run and other sponsorship events that are expected to be realized within the next reporting period.

## 20. Donated Capital

This account consists of:

	2024	2023
Donations from FBDC	P 211,597,831	P 211,597,831
Donation from a shareholder in Premier (see Note 15)	10,000,000	-
	P 221,597,831	P 211,597,831

## 21. Equity

### Capital Stock

The composition of capital stock is as follows:

	2024	2023
Common and preferred stock - ₱1.00 par value		
Authorized - 106.0 million common shares and 14.0 million preferred shares		
Issued - 85,400,310 shares in 2024 and 85,221,965 in 2023	₱85,400,310	₱85,221,965
Additional paid-in capital in excess of par*	3,962,378,379	3,937,143,573
Subscribed capital stock (see Note 35)	41,083,385	49,999,463
Subscription receivable (see Note 35)	(16,462,565)	(14,695,635)
	4,072,399,509	4,057,669,366
Treasury stock - 3,513,952 shares in 2024 and 2023	(696,293,587)	(696,293,587)
	₱3,376,105,922	₱3,361,375,779

\*Including share grants outstanding amounting to ₱15.16 million and ₱11.01 million in 2024 and 2023, respectively.

The following summarizes the information on the Parent Company's registration of securities under the SRC:

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
August 8, 2001	36,800,000	9,200,000	₱31.16
January 28, 2004	—	6,077,505	119.50
September 10, 2008	—	15,177,499	—
September 12, 2008	61,000,000	—	—
June 9, 2011	—	30,504,363	—
November 14, 2013	22,200,000	12,241,680	—
March 22, 2018	—	11,500,000	252.00
FSPF:			
2009		49,358	
2010		50,000	
2011		50,000	
2012		49,597	
2014		50,603	
2015		50,000	
2018		23,437	
2019		13,809	
2020		(17)	
2021		72,521	
2022		63,819	
2023		67,983	
2024		178,343	
	120,000,000	85,400,310	

The Exchange has a total number of shareholders of 312 and 295 as at December 31, 2024 and 2023, respectively.

On May 4, 2019, the stockholders approved the amendment of the Exchange's Articles of Incorporation to create preferred shares by reclassifying 14,000,000 unissued common shares into 14,000,000 preferred shares with par value of ₱1.00 per share.

The authorized capital stock of the Exchange will be P120.00 million divided into 106,000,000 common shares with par value of P1.00 per share or P106.00 million and 14,000,000 preferred shares with par value of P1.00 per share or P14.00 million. The features of the preferred shares are: (a) voting, (b) cumulative in payment of dividends, (c) non-participating in any further dividends, (d) non-convertible to common shares, (e) preference over holders of common shares in the payment of dividends and distribution of corporate assets; holders of preferred shares to be paid in full the issue price (or pro rata if the assets of the corporation are insufficient) in the case of dissolution and liquidation, (f) redeemable at the option of the BOD beginning the 5th anniversary date and (g) no pre-emptive rights. The terms of issuance of the preferred shares will be determined by the BOD.

On September 12, 2019, the SEC approved the amendments in the Exchange's articles of incorporation. As at December 31, 2024 and 2023, there were no issuance of preferred shares.

#### Retained Earnings

Date of Declaration	Dividends		Record Date	Payment Date
	Per Share	Total Amount		
February 21, 2024	P10.00	P820,848,390	March 8, 2024	April 5, 2024
March 22, 2023	10.00	820,797,130	April 5, 2023	May 5, 2023
February 16, 2022	11.00	901,624,856	March 9, 2022	April 4, 2022

Unappropriated retained earnings include the accumulated equity in net earnings of subsidiaries and associate amounting to P1,574 million and P397.21 million as at December 31, 2024 and 2023, respectively, that is not available for distribution until such time that the Parent Company receives the dividends from the respective subsidiaries and associate. In addition, the retained earnings of the Parent Company is restricted for the payment of dividends to the extent of P696.29 million as at December 31, 2024 and 2023 representing the cost of shares held in treasury.

In accordance with SEC Memorandum Circular No. 16 issued in September 2023, the Parent Company's retained earnings available for dividend declaration as of December 31, 2024 amounted to P661.62 million.

As at December 31, 2024 and 2023, the total appropriated retained earnings of the Group is P151.40 million and P136.40 million, respectively. In 2008, the Parent Company's BOD appropriated P68.00 million of its retained earnings in connection with its acquisition of treasury shares. In 2007, the Parent Company's BOD appropriated P3.00 million to cover potential liability cases filed against the Parent Company, its directors and/or its officers. SCCC appropriated retained earnings amounting to P50.00 million for the settlement of trade obligations of defaulting clearing members should the clearing and trade guarantee fund not be enough (see Note 34).

On August 15, 2023 and July 16, 2024, the Board of Directors of CMIC approved the appropriation of its retained earnings amounting to P15.40 million and P15.00 million, respectively, for the infrastructure upgrade of its surveillance system. Target completion of the update of the surveillance system is before the end of 2025.

#### Ownership in the Parent Company

The SRC provides that no industry or business group may beneficially own or control, directly or indirectly, more than 20% of the voting rights of the Parent Company. On August 13, 2007, the SEC imposed on the Parent Company a penalty of P101,100 plus a daily fine of P100 for every day of delay of compliance because the total trading participant ownership in the Parent Company exceeds the allowable limit. Starting March 2009, the daily fine for every day of delay of compliance is P500. As at December 31, 2024 and 2023, the total amount of penalty recognized by the Group



under "Accounts payable and other current liabilities - accrued expenses" account in the consolidated statements of financial position amounted to ₱1.64 million (see Note 18). As at December 31, 2024 and 2023, the brokers' shareholdings with voting rights is at 18.01% and 18.20%, respectively.

Stock Rights Offering (SRO)

The proceeds from SRO were used for financing of expenditures related to product development and working capital requirements and general corporate purposes from 2018 to 2021. Disbursements from SRO amounted to ₱1,195.57 million and nil in December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the balance of the proceeds amounted to ₱494.43 million and ₱1,690.00 million, respectively.

Buyback of Common Shares and Creation of Non-voting Preferred Shares

On August 28, 2019, the BOD approved the Exchange's compliance plan to align shareholder ownership with the 20% limit set by SRC. This is composed of the buyback of common shares from broker shareholders and creation of 2,500,000 preferred shares at ₱1.00 par value with features of (a) non-voting, (b) cumulative in payment of dividends, (c) non-participating in any further dividends, (d) non-convertible and (e) redeemable at the option of the BOD beginning on the third anniversary date.

On October 2, 2019, the Exchange acquired 2,419,965 common shares from broker shareholders at ₱183.93 per share with a total purchase price of ₱443.10 million.

On November 5, 2019, the Exchange acquired 753,983 common shares from broker shareholders at ₱183.93 per share with a total purchase price of ₱138.68 million.

Other costs paid by the Exchange in relation to the acquisition of treasury shares amounted to ₱0.96 million as at December 31, 2019.

On January 23, 2020, the Exchange acquired 240,000 common shares from broker shareholders at ₱181 per share with a total purchase price of ₱43.44 million.

Other costs paid by the Exchange in relation to the acquisition of treasury shares amounted to ₱0.10 million as at December 31, 2020.

Capital Management

The Group's objectives when managing capital are (a) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders, (b) to support the Group's stability and growth; and (c) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. No changes were made in the objectives, policies or processes as at December 31, 2024 and 2023.

The Group considers all the components of its total equity as capital. The Group adopts a practice of providing shareholders with regular dividends.



## 22. Revenues

This account consists of

	2024	2023	2022
Listing-related fees:			
Listing	₱294,436,514	₱314,208,300	₱406,575,621
Listing maintenance	252,018,455	262,227,199	266,922,901
Processing	500,000	—	500,000
Service fees (see Note 32)	266,947,342	263,354,978	319,409,719
Trading-related fees			
Transaction (see Note 32)	126,227,439	116,903,145	145,106,427
Data feed	200,970,281	183,179,832	196,091,830
Block sales (see Note 32)	23,263,072	30,575,642	33,763,015
Subscription (see Note 32)	88,774,909	80,136,657	36,964,680
Other revenues (see Note 32)	144,951,794	150,678,864	131,696,553
	<b>₱1,398,089,806</b>	<b>₱1,401,264,617</b>	<b>₱1,537,030,746</b>

### Disaggregated Revenue Information

The table below shows the disaggregation of revenues from contracts with customers of the Group by major products/service lines and a reconciliation of the disaggregated revenues with the Group's three strategic divisions for the years ended December 31, 2024, 2023 and 2022:

Major Product/Service Lines	December 31, 2024			
	Listing	Trading	Service	Total
Listing filing fees	₱294,436,514	—	—	₱294,436,514
Listing maintenance fees	252,018,455	—	—	252,018,455
Processing fee	500,000	—	—	500,000
Settlement and clearing fee	—	—	266,947,342	266,947,342
Transaction fees	—	126,227,439	—	126,227,439
Data feed fees	—	200,970,281	—	200,970,281
Block sales	—	23,263,072	—	23,263,072
Subscription fees	—	88,774,909	—	88,774,909
Management fee	—	—	199,060	199,060
Seminar fee	—	—	523,661	523,661
Others	109,516,902	—	34,712,171	144,229,073
	<b>₱656,471,871</b>	<b>₱439,235,701</b>	<b>₱302,382,234</b>	<b>₱1,398,089,806</b>
<b>Timing of revenue recognition</b>				
Transferred at a point in time	—	₱149,490,511	₱302,183,174	₱451,673,685
Transferred over time	656,471,871	289,745,190	199,060	946,416,121
	<b>₱656,471,871</b>	<b>₱439,235,701</b>	<b>₱302,382,234</b>	<b>₱1,398,089,806</b>



	December 31, 2023			Total
	Listing	Trading	Service	
<b>Major Product/Service Lines</b>				
Listing filing fees	₱314,208,300	₱—	₱—	₱314,208,300
Listing maintenance fees	262,227,199	—	—	262,227,199
Settlement and clearing fee	—	—	263,354,978	263,354,978
Transaction fees	—	116,903,145	—	116,903,145
Data feed fees	—	183,179,832	—	183,179,832
Block sales	—	30,575,642	—	30,575,642
Subscription fees	—	80,136,657	—	80,136,657
Management fee	—	—	184,692	184,692
Seminar fee	—	—	92,946	92,946
Others*	89,993,875	—	60,407,351	150,401,226
	₱666,429,374	₱410,795,276	₱324,039,967	₱1,401,264,617

**Timing of revenue recognition**

Transferred at a point in time	₱—	₱147,478,787	₱323,855,275	₱471,334,062
Transferred over time	666,429,374	263,316,489	184,692	929,930,555
	₱666,429,374	₱410,795,276	₱324,039,967	₱1,401,264,617

	December 31, 2022			Total
	Listing	Trading	Service	
<b>Major Product/Service Lines</b>				
Listing filing fees	₱406,575,621	₱—	₱—	₱406,575,621
Listing maintenance fees	266,922,901	—	—	266,922,901
Settlement and clearing fee	—	—	319,409,719	319,409,719
Processing fees	500,000	—	—	500,000
Transaction fees	—	145,106,427	—	145,106,427
Data feed fees	—	196,091,830	—	196,091,830
Block sales	—	33,763,015	—	33,763,015
Subscription fees	—	36,964,680	—	36,964,680
Management fee	—	—	635,549	635,549
Seminar fee	—	—	75,268	75,268
Others*	99,613,578	—	29,590,352	129,203,930
	₱773,612,100	₱411,925,952	₱349,710,888	₱1,535,248,940

**Timing of revenue recognition**

Transferred at a point in time	₱—	₱178,869,442	₱349,075,339	₱527,944,781
Transferred over time	773,612,100	233,056,510	635,549	1,007,304,159
	₱773,612,100	₱411,925,952	₱349,710,888	₱1,535,248,940

\*Excludes rental income of ₱1.78 million as it is out of scope of PFRS 15

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized at certain milestone of completion. The significant changes in the contract liabilities balances during the year ended December 31 are as follows:

	2024	2023
Beginning balance	₱1,233,355,809	₱1,247,497,571
Increases due to cash received, excluding amounts recognized as revenue during the period	1,199,357,271	1,233,355,809
Revenue recognized during the period including the contract liability balance at the beginning of the period	(1,233,355,809)	(1,247,497,571)
Ending balance	₱1,199,357,271	₱1,233,355,809



## 23. Other Income (Expenses)

### Interest Income

This account consists of interest income from

	2024	2023	2022
Financial assets at FVOCI (see Note 9)	<b>P20,451,412</b>	<b>P156,277,613</b>	<b>P85,802,977</b>
Cash and cash equivalents:			
Cash equivalents (see Note 7)	<b>141,072,398</b>	<b>30,378,182</b>	<b>18,523,517</b>
Cash in banks (see Note 7)	<b>108,486</b>	<b>132,414</b>	<b>406,532</b>
Short-term investments (see Note 7)	<b>40,229,488</b>	<b>12,317,176</b>	<b>1,950,123</b>
Financial assets at FVTPL (see Note 8)	<b>13,153,170</b>	<b>15,471,798</b>	<b>14,516,809</b>
Other interest income	<b>53,894</b>	<b>54,881</b>	<b>—</b>
	<b>P215,068,848</b>	<b>P214,632,064</b>	<b>P121,199,958</b>

### Others - net

This account consists of foreign exchange gain (loss) amounting to ₱1.764 million, (₱2.02 million) and ₱40.67 million for the years ended December 31, 2024, 2023 and 2022, respectively.

## 24. Cost of Services

This account consists of:

	2024	2023	2022
Compensation and other related staff costs (see Note 26)	<b>P192,729,733</b>	<b>P196,445,354</b>	<b>P160,833,019</b>
Repairs and maintenance	<b>148,156,702</b>	<b>135,701,859</b>	<b>112,026,720</b>
Depreciation (see Notes 13 and 17)	<b>84,885,341</b>	<b>40,855,937</b>	<b>42,632,320</b>
Communication	<b>10,675,699</b>	<b>12,956,910</b>	<b>13,318,959</b>
Others (see Note 27)	<b>1,407,409</b>	<b>13,785,203</b>	<b>8,471,466</b>
	<b>P437,854,884</b>	<b>P399,745,263</b>	<b>P337,282,484</b>

## 25. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Depreciation and amortization (see Notes 13, 14, 17 and 28)	<b>P141,444,931</b>	<b>P113,242,143</b>	<b>P99,677,559</b>
Professional fees	<b>95,336,491</b>	<b>85,332,682</b>	<b>80,664,867</b>
Compensation and other related staff costs (see Note 26)	<b>70,695,376</b>	<b>58,042,170</b>	<b>80,223,733</b>
Occupancy costs (Note 27)	<b>49,199,874</b>	<b>44,839,940</b>	<b>48,364,370</b>
Taxes and licenses	<b>18,776,229</b>	<b>7,902,162</b>	<b>10,924,645</b>

(Forward)





	2024	2023	2022
Market development	₱8,560,708	₱8,023,217	₱6,829,752
Repairs and maintenance	6,851,563	8,981,491	22,765,933
Public relations	6,423,904	4,536,113	3,847,670
Communication	4,252,977	420,388	576,284
Travel and transportation	4,222,295	2,961,586	2,221,399
Insurance	3,646,673	3,137,641	2,759,567
Trading participants' development	3,045,331	3,926,186	2,727,171
Office supplies	2,474,602	2,413,344	653,901
Meetings and conferences	1,027,072	955,005	944,162
Others	7,852,722	5,764,084	6,821,607
	₱423,810,748	₱350,478,152	₱370,002,920

## 26. Compensation and Other Related Staff Costs

This account consists of:

	2024	2023	2022
Salaries and wages	₱223,091,403	₱220,822,796	₱203,873,852
Pension expense (see Note 30)	10,581,651	7,314,032	13,499,168
Other employee benefits	29,752,055	26,350,696	23,683,722
	₱263,425,109	₱254,487,524	₱241,056,752

Other employee benefits include the ESPF expense amounting to ₱2.65 million, ₱4.44 million and ₱3.46 million in 2024, 2023 and 2022, respectively (see Note 33).

## 27. Occupancy Costs

This account consists of:

	2024	2023	2022
Condominium rent and dues (see Note 28)	₱27,953,943	₱24,981,890	₱28,309,113
Utilities	11,878,596	10,809,293	11,445,854
Security and janitorial services	9,367,335	9,048,757	8,609,603
	₱49,199,874	₱44,839,940	₱48,364,570

## 28. Leases

### The Group as a Lessee

The Group has lease contracts for data recovery sites, office and parking spaces and transportation equipment used in its operations. Leases of data recovery sites have lease terms between 3 and 5 years, office and parking spaces have lease terms between 5 to 6 years and transportation equipment has a lease term of 5 years. The Group's lease contracts for data recovery sites will be auto-renewed for one year.



The rollforward analysis of the right-of-use asset as at December 31, 2024 and 2023 follows:

	Data Recovery Sites	Office and Parking Spaces	Transportation Equipment	Total
At January 1, 2024	P64,364,203	P4,197,214	P-	P68,561,417
Acquired through business combination (see Note 15)	-	51,399,906	4,390,137	55,790,043
Depreciation	(21,131,944)	(2,289,389)	-	(23,421,333)
At December 31, 2024	P43,232,259	P53,307,731	P4,390,137	P100,930,127

	Data Recovery Sites	Office and Parking Spaces	Transportation Equipment	Total
At January 1, 2023	P16,418,529	P6,466,603	P-	P16,985,132
Additions	75,077,618	-	-	75,077,618
Depreciation	(21,131,944)	(2,289,389)	-	(23,421,333)
At December 31, 2023	P64,364,203	P4,197,214	P-	P68,561,417

The following are the amounts recognized in the consolidated statements of comprehensive income for the years ended December 31:

	2024	2023	2022
Depreciation expense of right-of- use assets (see Note 25)	P23,421,333	P23,421,333	P20,977,781
Interest expense on lease liabilities	4,400,277	5,750,173	2,132,099
	P27,821,610	P29,171,506	P23,109,880

The rollforward analysis of lease liabilities as at December 31 as follows:

	2024	2023
At January 1	P78,968,482	P24,659,331
Acquired through business combination (see Note 15)	52,594,501	-
Additions	-	75,077,618
Interest expense	4,400,277	5,750,173
Payments	(26,557,140)	(26,518,640)
At December 31	109,406,120	78,968,482
Less current portion	49,389,227	22,156,862
Noncurrent portion	P60,016,893	P56,811,620

Shown below is the maturity analysis of the undiscounted lease payments as at December 31, 2024 and 2023.

	2024	2023
1 year	P45,470,510	P26,384,375
More than 1 year to 2 years	48,898,094	49,465,755
More than 2 years to 3 years	13,325,239	12,054,029
More than 3 years to 4 years	13,710,348	-
More than 5 years	5,755,155	-



### The Exchange as a Lessor

The Exchange entered into lease agreements with the trading participants for the lease of trading booths at PSE Tower, Fort Bonifacio Global City. These contracts ended last June 2022.

Rent income amounted to nil, nil and P1.78 million in 2024, 2023 and 2022, respectively (see Note 22).

## 29. Income Tax

The provision for (benefit from) income tax consists of:

	2024	2023	2022
Current - RCIT	P113,405,620	P158,927,688	P186,957,424
Final	35,001,999	43,282,085	28,410,572
Deferred	17,119,473	(3,101,443)	14,807,683
	P165,527,092	P199,108,330	P230,175,679

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

	2024			2023			2022	
	PSE	CMIC	PDSHC	Total	PSE	CMIC	PDSHC	Total
Deferred tax assets:								
Contract liabilities	P299,589,892	-	P1,711,424	P299,396,317	P508,153,343	-	-	P508,153,343
Lease liabilities	15,609,986	2,735,697	1,146,625	29,492,308	13,521,117	2,383,680	-	21,504,797
Unutilized paid-up share costs	3,536,707	-	-	3,536,707	3,376,829	-	-	6,913,524
Allowances for impairment losses, net	714,490	-	388,229	1,102,719	714,490	-	-	7,4490
Long-term debt losses	933,904	-	-	933,904	172,031	-	-	472,531
Accrued expenses	466,212	-	-	466,212	466,212	-	-	466,212
Unutilized foreign exchange gains	-	-	-	-	787,276	-	-	177,276
Provision liability	-	1,122,893	11,989,481	13,112,374	-	635,714	-	635,714
NOBACU	-	461,433	-	461,433	-	364,947	-	369,547
MCTT	-	141,376	-	141,376	-	341,576	-	341,576
Others	-	-	55,591	55,591	-	-	-	-
	315,845,281	4,662,409	27,294,358	347,802,048	512,491,196	4,131,642	-	336,455,680
Deferred tax liabilities:								
Right-of-use assets	19,838,865	2,189,157	13,048,428	35,076,450	16,091,051	2,924,849	-	19,015,900
Provision assets	14,422,331	-	-	14,422,331	11,015,945	-	-	25,035,245
Unutilized foreign exchange gains	4,465,417	-	1,619,907	6,085,324	-	-	-	-
Warr receivable - PFRS 9	46,124	23,018	-	69,207	60,871	24,230	-	85,101
Others	-	-	79,840	79,840	-	-	-	-
	29,765,717	2,712,275	15,668,175	48,126,117	29,187,667	2,949,079	-	32,136,746
	P286,079,564	P1,950,184	P11,626,176	P299,655,920	P541,678,863	P7,080,721	-	P368,592,426

Total movement in net deferred tax asset accounted under OCI for the Parent Company and CMIC amounted to P1.73 million and P4.33 million in 2024 and 2023, respectively (see Note 30)

### Optional Standard Deduction (OSD)

Under the OSD method in computing taxable income, corporations may elect a standard deduction in an amount equivalent to 40% of gross income, as provided by law, in lieu of the itemized allowed deductions. The availment of the OSD method also affected the recognition of several deferred tax assets and liabilities. Deferred tax assets and liabilities, for which the related income and expense are not considered in determining gross income for income tax purposes, are not recognized. This is because the manner by which SCCP expects to recover or settle the underlying assets and liabilities, for which the deferred tax assets and liabilities were initially recognized, would not result to any future tax consequence under the OSD method. Meanwhile, deferred tax assets and liabilities, for which the related income and expense are considered in determining gross income for income tax purposes, are recognized only to the extent of their future tax consequence under OSD method.



Hence, the tax base of these deferred tax assets and liabilities is reduced by the 40% allowable deduction provided for under the OSD method.

SCCP elected the OSD method in 2024, 2023 and 2022 in computing its taxable income. SCCP's net deferred tax assets, which were not recognized due to the use of the OSD method amounted to P3.36 million and P3.07 million as at December 31, 2024 and 2023, respectively.

Premier's net deferred tax assets, which were not recognized due to taxable loss amounted to P5.98 million and P5.87 million as at December 31, 2024 and 2023, respectively.

The reconciliation between the statutory tax rates and the effective tax rates on income before income tax is as follows:

	2024	2023	2022
Provision for income tax at statutory income tax rate	25.00%	25.00%	25.00%
Adjustments for:			
Nontaxable income	(16.90%)	(0.66%)	(0.01%)
Benefit from using OSD	(0.88%)	(1.25%)	(7.62%)
Equity in net income of an associate	(1.80%)	(1.88%)	(1.75%)
Income subjected to final tax	(3.25%)	(1.34%)	(0.53%)
Nondeductible expenses	—	—	8.36%
Adjustment due to change in tax rate	—	—	0.05%
Movement in unrecognized DTA of a subsidiary	9.89%	0.75%	0.25%
Effective income tax rate	12.06%	20.62%	23.75%

### 30. Retirement Plan and Other Employer Benefits

#### Retirement Plan

The Parent Company and PDSHC have a funded noncontributory defined benefit retirement plan while SCCP and CMIC have unfunded noncontributory defined benefit retirement plans. The benefits are accumulated based on years of service and compensation per year of credited service.

The principal actuarial assumptions used in determining retirement liabilities as at December 31, 2024 and 2023 are shown below.

	Parent Company		SCCP		CMIC		PDSHC	
	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate	8.81%	6.38%	8.71%	6.11%	8.81%	6.81%	8.11%	6.17%
Expected salary increase	5.00%	5.00%	5.00%	5.00%	5.00%	4.00%	5%	—

The latest actuarial valuation studies of the retirement plan of the Parent Company, SCCP and CMIC were made as at December 31, 2024.



The pension expense included under "Compensation and other related staff costs" account under "Cost of services" and "General and administrative expenses" in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
Current service cost - net	₱12,911,973	₱10,548,545	₱14,083,301
Net interest expense (income)	(2,330,322)	(3,234,513)	(584,133)
	₱10,581,651	₱7,314,032	₱13,499,168

The component of remeasurements of the Parent Company, SCCP and CMIC in the statements of comprehensive income is as follows:

	2024	2023	2022
Remeasurement loss (gain) on pension asset/liability*	₱6,355,395	₱20,166,322	(₱23,824,076)
Tax effect (see Note 27)	(1,588,849)	(5,008,707)	5,956,019
	₱4,766,546	₱15,157,615	(₱17,868,057)

\*Includes remeasurement gains on changes in the effect of asset ceiling from Parent amounting to ₱16.79 million, ₱10.81 million and ₱1.18 million as at December 31, 2022, 2021 and 2020, respectively.

The Parent Company's share in remeasurement gain on pension benefits of the associate is ₱0.07 million, ₱0.07 million and ₱2.28 million in 2024, 2023 and 2022, respectively.

The pension (asset) liability included in the consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	2024				2023			
	Parent Company Pension Asset	SCCP Pension Liability	CMIC Pension Liability	PDSPC Pension Liability	Parent Company Pension Asset	SCCP Pension Liability	CMIC Pension Liability	PDSPC Pension Liability
Present value of benefit obligations	₱157,232,332	₱22,113,163	₱4,491,215	₱119,891,167	₱140,526,260	₱20,166,322	₱23,824,076	-
Less: value of plan assets	(127,907,366)	-	-	(98,986,588)	(120,456,220)	-	-	-
Effect of asset ceiling	(13,065,520)	-	-	-	(12,164,260)	-	-	-
	₱15,259,446	₱22,113,163	₱4,491,215	₱20,904,579	₱8,905,780	₱20,166,322	₱23,824,076	-

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

	2024				2023			
	Parent Company Pension Asset	SCCP Pension Liability	CMIC Pension Liability	PDSPC Pension Liability	Parent Company Pension Asset	SCCP Pension Liability	CMIC Pension Liability	PDSPC Pension Liability
Balance at beginning of year	₱148,538,268	₱20,398,814	₱0,183,397	-	₱139,803,535	₱17,241,994	₱23,824,076	-
Acquired through business combination (see Note 15)	-	-	-	119,891,167	-	-	-	-
Current service cost	11,343,317	1,111,835	417,601	-	9,190,073	315,741	36,734	-
Interest cost on benefit obligations	8,965,243	1,205,239	110,434	-	8,410,911	1,164,885	5,480	-
Actual return on plan assets	(14,901,193)	(269,324)	-	-	(5,362,567)	-	-	-
Actuarial losses (gains) arising from:								
Changes in financial assumptions	4,297,191	-	447,886	-	17,591,392	2,495,063	141,457	-
Experience adjustments	(1,895,966)	(373,782)	218,776	-	1,252,672	(468,311)	(9,163)	-
Changes in demographic assumptions	-	-	(138,903)	-	-	-	711,322	-
Balance at end of year	₱157,232,332	₱22,113,163	₱4,491,215	₱119,891,167	₱140,526,260	₱20,166,322	₱23,824,076	-



The movements in the fair value of plan assets recognized by the Parent Company and PDSHC are as follows:

	2024		2023	
	Parent Company	PDSHC	Parent Company	PDSHC
Balance at beginning of year	P203,466,320	P-	P177,922,163	P-
Acquired through business combination (see Note 15)	-	95,986,588	-	-
Interest income	13,440,355	-	14,248,222	-
Actual benefits paid	(4,901,193)	-	(5,862,367)	-
Remeasurement loss	(4,294,389)	-	(4,875,981)	-
Contributions	19,296,291	-	22,034,483	-
Balance at end of year	P227,007,384	P95,986,588	P203,466,320	P-

The assets of the Parent Company's retirement plan are being held by a trustee bank pursuant to a trust agreement dated August 10, 2011. The investing decisions of the retirement plan are made by Board of Trustees of the retirement plan.

The following table presents the carrying amounts and estimated fair values of the assets of the Parent Company's and PDSHC's retirement plans as at December 31, 2024 and 2023:

	2024		2023	
	Parent Company	PDSHC	Parent Company	PDSHC
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	P76,566,535	P76,566,535	P9,883,762	P9,883,762
Investment in government securities, bonds and other debt instruments	199,494,376	199,494,376	77,280,137	77,280,137
Investment in equity securities	58,985,098	58,985,098	8,878,884	8,878,884
Others	1,961,375	1,961,375	1,675,517	1,675,517
Trust fees payable	-	-	(1,895)	(1,895)
	P227,007,384	P227,007,384	P95,986,588	P95,986,588

The Parent Company's retirement plan assets and investments consist of the following:

- Cash and cash equivalents include regular savings and time deposits
- Investment in equity securities consists of listed equity securities.
- Investments in government securities, consisting of retail treasury bonds and fixed rate treasury notes that bear interest ranging from 2.56% to 8.625% in 2022 with maturities from March 2024 to March 2028. In 2021, government securities were composed of fixed-income treasury notes that bear interest ranging from 2.17% to 6.25% that mature in April 2021 to March 2032.
- Investments in debt and other securities consist of long-term corporate bonds, which bear interest ranging from 5.09% to 8.01% in 2022 that will mature in 2023 to 2029 and 4.5% to 6.85% in 2021 that will mature in 2022 to 2026.
- Other financial assets held by the retirement plan are primarily accrued interest income on cash deposits and debt securities and dividend receivables.



As at December 31, 2024 and 2023, the sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting date after first adjusting one of the current assumptions that was reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefits Obligation	
		2024	2023
Discount rate	100 (100)	(P126,477,499) 143,641,293	(P16,509,043) 19,192,626
Future salary increases	100 (100)	144,115,714 (126,332,164)	19,261,100 (16,854,785)

To efficiently manage the retirement plan, the Parent Company ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as these fall due and in the appropriate currency. The Parent Company actively monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

As at December 31, 2024 and 2023, a large portion of the plan assets consists of equity and debt securities although the trustee also invests in cash and cash equivalents. The Parent Company believes that debt securities offer the best returns over long-term with an acceptable level of risk. The majority of debt securities are in government securities which have relatively low risk.

There has been no change in the Parent Company's strategies to manage its risks from previous periods.

On the other hand, SUCP's retirement plan is non-contributory and of the final salary defined benefit type. The plan provides a retirement benefit equal to one hundred fifty percent (150%) of the plan salary for every year of credited service. Benefits are paid in lump sum directly by SUCP upon retirement or separation in accordance with the terms of the plan.

Moreover, CMIC does not have an established retirement fund and only conforms to the minimum regulatory benefit under the Retirement Pay Law (RA No. 7641) which is of the defined benefit type and provides a retirement benefit equal to 22.5 days pay for every year of credited service. The regulatory benefit is paid directly by the Company in a lump sum upon retirement.

In addition, the PDSHC retirement plan is in the form of a trust administered by a trustee bank. The Group does not have transactions with its retirement plan other than the normal contributions and benefits payment coming from the retirement plan.





The maturity profile of undiscounted expected benefit payments from the plan for the next 10 years follows as at December 31, 2024 and 2023:

	2024	2023
More than one year to five years	P122,122,223	P44,182,749
More than five years to 10 years	247,006,638	127,342,287
	<b>P369,128,861</b>	<b>P171,525,036</b>

The weighted average duration of the defined benefit obligations as at December 31, 2024 are 10.4 years, 10.4 years, 11.7 years and 7.61 years for the Parent Company, SCCP, CMIC and PDSHC respectively.

The weighted average duration of the defined benefit obligations as at December 31, 2023 are 10.8 years, 11.3 years and 12.3 years for the Parent Company, SCCP and CMIC, respectively.

#### Other Employee Benefits

Other employee benefits amounted to P3.77 million and P1.89 million as at December 31, 2024 and 2023, respectively. These pertain to accumulated sick leave entitlement which are expected to be settled beyond one year after the end of the reporting date.

### 31. Basic/Diluted Earnings Per Share (EPS)

Basic EPS are calculated by dividing the net income for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net income attributable to ordinary equity holders of the Parent Company by weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (ESPP shares) into ordinary shares.

The following reflects the diluted EPS computations:

	2024	2023	2022
(a) Net income attributable to equity holders of the Parent Company	<b>P1,287,217,494</b>	<b>P773,685,724</b>	<b>P744,214,392</b>
(b) Weighted average number of shares -- basic Weighted average number of shares outstanding under the ESPP (see Note 33)	<b>81,849,113</b>	<b>81,664,293</b>	<b>81,640,000</b>
(c) Adjusted weighted average shares - diluted	<b>81,849,113</b>	<b>81,664,293</b>	<b>81,659,184</b>
EPS:			
Basic (a/b)	<b>P14.75</b>	<b>P9.47</b>	<b>P9.12</b>
Diluted (a/c)	<b>14.75</b>	<b>9.47</b>	<b>9.11</b>



## 32. 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. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. Related parties include trading participants that are stockholders of the Group.

The Group, in its normal course of business, has transactions with related parties. Settlement of related party transactions normally occurs in cash.

The details of transactions with related parties are as follows:

Category	Year	Amount/ Volume of Transactions	Outstanding Receivables	Terms	Conditions
<b>Stockholders</b>					
<b>Trading participants - Revenues</b>					
<b>Trading-related fees (see Notes 11 and 22):</b>					
Transaction	2024	₱126,227,439	₱9,735,724	Collectible monthly through cash, noninterest-bearing	Unsecured; with impairment
	2023	116,903,145	7,379,732		
	2022	145,106,427	9,809,649		
Block sales	2024	23,163,072	2,059,512	Collectible monthly through cash, noninterest-bearing	Unsecured; no impairment
	2023	33,575,642	1,509,163		
	2022	33,765,015	13,629,378		
Subscription	2024	98,774,909	—	Collectible monthly through cash, noninterest-bearing	Unsecured; no impairment
	2023	80,116,657	—		
	2022	16,964,680	—		
Service fees (see Notes 11 and 22)	2024	266,947,342	20,689,033	Collectible monthly through cash, noninterest bearing	Unsecured; no impairment
	2023	263,354,978	17,472,770		
	2022	319,409,719	46,060,235		
Other revenues (see Notes 11 and 22)	2024	25,914,398	—	Collectible monthly through cash, noninterest-bearing	Unsecured; no impairment
	2023	55,922,886	—		
	2022	16,777,094	—		
<b>Subsidiary of Associate</b>					
<b>Philippine Dealing and Exchange Corp. (PDEX)</b>					
Other revenues (Notes 11 and 22)	2024	—	—	Collectible monthly through cash, noninterest-bearing	Unsecured; no impairment
	2023	1,563,200	—		
<b>Philippine Depository &amp; Trust Corporation (PDT)</b>					
Other revenues (Notes 10 and 20)	2024	—	—		
	2023	3,088,800	—		

The receivable from trading participants included in the consolidated statements of financial position are gross of allowance for impairment losses as at December 31, 2024 and 2023. The total receivable from trading participants of ₱43.01 million as at December 31, 2024 is composed of outstanding related party receivables amounting to ₱32.48 million and SEC fees of ₱10.53 million. The total



receivable from trading participants of ₱41.35 million as at December 31, 2024 and 2023, respectively, is composed of outstanding related party receivables amounting to ₱26.36 million and SEC fees of ₱14.99 million, which are billed by the Group to the trading participants

Other revenues include trading participants' maintenance fee, recoveries from printing of data transaction report, lease of trading floor, cancellation of matched orders, integration of PDEX's fixed income module in the trading system, and other fees.

**The Exchange as Trustee of the Philippine Stock Exchange Foundation, Inc. (the Foundation)**

On December 10, 2019, the Board of Trustees (BOT) of the Foundation approved the dissolution of the Foundation by shortening its corporate term until January 31, 2020. The BOT also approved that, upon expiration of the Foundation's corporate term, all of the Foundation's assets and properties shall be transferred and conveyed to the Exchange which is appointed as trustee of the Foundation for a period of three years (the 3-year winding up period). During the 3-year winding up period, the Exchange, through its BOD or its duly authorized representative, is authorized to: (1) file, process, and obtain the necessary government or regulatory approvals for the closure and dissolution of the Foundation; (2) prosecute and defend suits by or against the Foundation; (3) manage the remaining assets of the Foundation as the Exchange may deem fit, pending turnover to a foundation of the Exchange's choice dedicated to religious, charitable, scientific, athletic, cultural, or educational purposes; (4) dispose of, convey, or transfer assets of the Foundation exclusively for purposes of paying the Foundation's outstanding liabilities and turning over to a qualified foundation as aforementioned; (5) close the affairs of the Foundation; and (6) perform all acts and execute all documents, agreements, papers and forms, without need of further approval or action from the Company, as may be necessary to implement the foregoing.

**Compensation of Key Management Personnel**

Compensation of key management personnel (covering officer positions starting from Assistant Vice President and up) included under "Compensation and other related staff costs" account under "Cost of services" and "General and administrative expenses" in the consolidated statements of comprehensive income is as follows.

	2024	2023	2022
Short-term employee benefits	₱141,780,503	₱97,124,384	₱93,488,373
Post-employment pension and medical benefits	2,758,343	578,640	691,484
Employee stock purchase plan (Notes 24 and 33)	2,554,877	3,676,729	2,621,690
	<u>₱147,093,723</u>	<u>₱101,379,753</u>	<u>₱96,801,547</u>

Short-term employee benefits include salaries, paid annual leave, vacation and sick leave, profit sharing and bonuses, and non-monetary benefits.

**Approval Thresholds on Related Party Transactions**

All potential related party transactions shall be endorsed to the management committee by the user division for proper review, documentation and approval by the relevant authorities except for transactions in the ordinary course of business, employee-related matters, share transactions, funding agreement with CMIC and renewal of an existing contract or agreement with the same terms and conditions. A related party transaction is deemed material if it, individually, or in aggregate over a twelve (12)-month period with the same related party reaches 10% or higher of the total consolidated assets based on the latest audited consolidated financial assets.



### 33. Operating Segments

In 2023, the Group has one reportable business segment which is the equity, clearing and settlement business. In 2024, the group has two reportable business segments which are the equity, clearing and settlement business and the depository and fixed income business, upon acquisition of additional interest in PDSHC (see Note 15). The equity, clearing and settlement business provides trading, clearing, depository and information services for the equity market. The depository and fixed income business provides platform for the issuance, trading, dealing and exchange of fixed income securities and monetary instruments. The Group also has one geographical segment and derives all its revenues from domestic operations. The financial information about the sole business segment is presented in the consolidated financial statements.

The management, the chief operating decision maker of the Group, monitors the operating results of its business segment for the purpose of making decisions about resource allocation and performance assessment. The segment performance is evaluated based on operating profit or loss and is measured consistently with the income before income tax in the consolidated financial statements.

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

#### Inter-segment Transactions

Transfer prices between business segments are set on an arm's length basis similar to transactions with nonrelated parties. Such transfers are eliminated in the consolidated financial statements.

#### Business Segment Data

	2024			
	Equity, Clearing and Settlement Business	Depository and Fixed Income Business	Eliminations	Consolidated Balances
Revenue				
External customers	P1,398,089,806	P--	P--	P1,398,089,806
Inter-segment	--	--	--	--
	P1,398,089,806	P--	P--	P1,398,089,806
Segment results				
Income before income tax	P1,372,744,586	P--	P--	P1,372,744,586
Provision for income tax	(165,527,092)	--	--	(165,527,092)
Net income	P1,207,217,494	P--	P--	P1,207,217,494
Equity holders of the Parent	P5,941,465,719	P1,425,529,813	(P1,425,529,813)	P5,941,465,719
Non-controlling interests	--	28,974,274	652,058,717	673,032,951
Segment assets	P6,759,318,258	P1,778,244,606	P--	P8,537,562,864
Segment liabilities	P1,587,239,114	P335,825,080	P--	P1,923,064,194
Other information				
Capital expenditures	P1,106,288,157	P67,268,168	P--	P1,173,556,325
Depreciation and amortization	226,330,272	--	--	226,330,272

For the year ended December 31, 2024, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. The main revenues of the Group are substantially earned from the Philippines.

The Company disaggregates its revenue information in the same manner as it reports its segment information.



### 34 Contingencies

SCCP, as the central counterparty to stock exchange transactions, has contingent liabilities pertaining to outstanding trades as at December 31, 2024 and 2023. Details of stock exchange transactions outstanding as at reporting dates are as follows:

	2024	2023
Value of shares not yet delivered (net selling)	P4,362,571,973	P3,818,908,925
Amount of purchases unpaid (due clearing)	1,642,941,679	1,154,002,658
	<u>P6,005,513,652</u>	<u>P4,972,911,583</u>
	2024	2023
Value of shares not yet delivered (net selling)	\$8,120	\$38,189
Amount of purchases unpaid (due clearing)	8,120	38,189
	<u>\$16,240</u>	<u>\$76,378</u>

All transactions outstanding as at December 31, 2024 and 2023 were subsequently settled in January 2025 and 2024, respectively. Accordingly, no failed trades occurred from these transactions.

The Markets and Securities Regulation Department (MSRD) of the Securities and Exchange Commission (SEC), in its resolutions dated April 29, 2022 (MSRD-MID Case Nos. 1-2022 and 2-2022) and September 7, 2022 (MSRD-MID Case Nos. 18-2022 to 76-2022), cited CMIC for the alleged non-compliance with its own rules in contravention of Rule 40.2 of the 2015 Securities Regulation Code (SRC) and penalized CMIC in the total amount of P2.735 million. CMIC filed an appeal with the SEC En Banc on June 9, 2022 and September 21, 2022, respectively.

Further, the MSRD of the SEC, in its decision dated November 16, 2022 (MSRD-MID Case Nos. 121-2022 to 166-2022), cited CMIC anew for the alleged non-compliance with its own rules in contravention of Rule 40.2 of the 2015 SRC and penalized CMIC in the amount of P2.30 million. On March 20, 2023, CMIC filed an appeal with the SEC En Banc.

Finally, the MSRD of the SEC, in a decision dated April 11, 2023 (MSRD-MID Case Nos. 174-2022 to 183-2022), cited CMIC anew for the alleged non-compliance with its own rules in contravention of Rule 40.2 of the 2015 Securities Regulation Code (SRC) and penalized CMIC in the amount of P0.50 million. On April 26, 2023, CMIC filed an appeal with the SEC En Banc.

As at February 26, 2025, the SEC En Banc has not rendered a decision on the appeals of CMIC dated June 9, 2022 (MSRD-MID Case Nos. 1-2022 and 2-2022), September 21, 2022 (MSRD-MID Case Nos. 18-2022 to 76-2022), and April 26, 2023 (MSRD-MID Case Nos. 174-2022 to 183-2022).

### 35. Employee Stock Purchase Plans

#### 2015 ESPP

On March 25, 2015 and May 2, 2015, the Parent Company's BOD and at least two thirds of the stockholders of the Parent Company approved to offer 150,000 ESPP shares for 3 years.

On December 23, 2015, the Parent Company submitted a request from SEC to be exempted from the registration requirements of the SRC. The Parent Company received the reply from the SEC stating that the Commission, in its meeting on January 21, 2016, ruled that the proposed ESPP is exempt from registration requirements of the SRC on January 26, 2016. Also, such approval commences the effectivity date of ESPP.



On February 16, 2016, the initial offering of ESPP was announced with the following terms and conditions:

- a. the number of shares allotted for the offering is 150,000 shares or about 0.20% of the outstanding capital stock of the Parent Company. Each offering shall consist of 50,000 shares;
- b. the program shall be administered by a five-member ESPP Committee headed by the President and CEO of the Parent Company, the Corporate Governance & Compliance Officer, the Chief Operating Officer of the Parent Company, the General Counsel of the Parent Company, and the Chief Operating Officer of SCCP. The Secretariat of the ESPP Committee will be led by the Head of the Human Resources & Administration Division of the Parent Company;
- c. all regular employees, who are not under any suspension of the Parent Company and of the SCCP with at least one year of service shall be eligible for the ESPP;
- d. offer date shall be quarterly for a period commencing on the quarter immediately after the SEC approval is obtained until the 4th quarter of 2017. Any unavailed portion of the ESPP shares offered to the employees within any year shall be reallocated to the immediately succeeding year;
- e. offer price shall be fixed based on the Volume Weighted Average Price (VWAP) of the Parent Company shares for the month preceding the offer date less a discount of ten percent (10%). Payment terms will be through monthly salary deduction over a period of twenty four (24) months subject to salary deduction over a period of twenty four (24) months subject to payroll guidelines on net take home pay;
- f. a mandatory holding period of two (2) years from the date of subscription shall be implemented;
- g. if an employee who availed of the ESPP shares resigns within the mandatory holding period, then the Parent Company will reimburse the resigned employee for any and all contributions paid as of the latest payroll cutoff; and
- h. in case an employee dies pending completion of the full payment over the 24-month period, any remaining unpaid balance will be considered by the Parent Company as fully paid.

#### 2018 ESPP

On April 11, 2018, the Parent Company's BOD approved to offer 300,000 ESPP shares for 3 years.

On November 16, 2018, the SEC approved Parent Company's request to be exempted from the registration requirements of the SRC. Also, such approval commences the effectivity date of ESPP.

On December 27, 2018, the initial offering of ESPP was announced with the following terms and conditions:

- a. the number of shares allotted for the offering is 300,000 shares or about 0.35% of the outstanding capital stock of the Parent Company. Each offering shall consist of 100,000 shares;
- b. the program shall be administered by a five-member ESPP Committee headed by the President and CEO of the Parent Company, the Head of Market Operations Division of the Parent Company, the Chief Operating Officer of the Parent Company, the General Counsel of the Parent Company, and the Chief Operating Officer of SCCP. The Secretariat of the ESPP Committee will be led by the Head of the Human Resources & Administration Division of the Parent Company;



- c. all Officers and employees, who are not under any suspension of the Parent Company and of the SCCP with at least one year of service shall be eligible for the ESPP;
- d. offer date shall be annually for a period commencing on the year immediately after the SEC approval is obtained until 2021. Any unavailed portion of the ESPP shares offered to the employees within any year shall be reallocated to the immediately succeeding year;
- e. offer price shall be fixed based on the Volume Weighted Average Price (VWAP) of the PSE shares for the month preceding the offer date less a discount of twenty percent (20%). Payment terms will be through monthly salary deduction over a period of thirty six (36) months subject to payroll guidelines on net take home pay;
- f. a mandatory holding period of three (3) years from the date of subscription shall be implemented;
- g. one-third (1/3) of the subscription will vest every year such that 33.3% of the ESPP shares subscribed by him/her will vest on the 12th month after the date of execution of the stock purchase agreement covering the ESPP shares; 66.7% on the 24th month, and 100% on the 36th month from execution of the stock purchase agreement;
- h. if an employee who availed of the ESPP shares resigns within the mandatory holding period, then the Parent Company will reimburse the resigned employee for any and all contributions paid as of the latest payroll cutoff; on the other hand, the resigned employee shall be required to return to the Parent Company the covered ESPP shares including the dividends earned thereon; and
- i. in case an employee dies pending completion of the full payment over the 36-month period, any remaining unpaid balance will be considered by the Parent Company as fully paid.

#### 2021 ESPP

On October 1, 2020, the Board of Directors of the Exchange approved the renewal of the ESPP which will have a duration of three (3) years from 2021 to 2023.

On November 2, 2020, the Stockholders, by a vote of the majority of the outstanding capital stock registered, approved the renewal of the ESPP and the amendment of the holding period to two (2) years from the date of purchase.

The proposed ESPP has the following terms and conditions.

- a. the plan shall be effective from the adoption date until December 31, 2023;
- b. the number of shares allotted for the offering is 300,000 shares or about 0.37% of the outstanding capital stock of the Parent Company as of December 31, 2020. Each offering shall consist of 100,000 shares;
- c. the program shall be administered by a five-member ESPP Committee headed by the President and CEO of the Parent Company, the Head of Market Operations Division of the Parent Company, the Chief Operating Officer of the Parent Company, the General Counsel of the Parent Company, and the Chief Operating Officer of SCCP. The Secretariat of the ESPP Committee will be led by the Head of the Human Resources & Administration Division of the Parent Company;
- d. all Officers and employees, who are not under any suspension of the Parent Company and of the SCCP with at least one year of service shall be eligible for the ESPP;





- e. offer date shall be annually for a period commencing on the year immediately after the SEC approval is obtained until 2023. Any unavailed portion of the ESPP shares offered to the employees within any year shall be reallocated to the immediately succeeding year;
- f. offer price shall be fixed based on the Volume Weighted Average Price (VWAP) of the PSE shares for the month preceding the offer date less a discount of twenty percent (20%). Payment terms will be through monthly salary deduction over a period of thirty-six (36) months, subject to payroll guidelines on net take home pay; provided that, a participant shall have an option to fully pay the Subscription Price on the 24<sup>th</sup> month from signing of the stock purchase agreement;
- g. a mandatory holding period of two (2) years from the date of subscription shall be implemented; subject to full payment of the Subscription Price of the ESPP shares at the end of the Mandatory Holding Period. If a Participant does not fully pay the balance of the Subscription Price at the end of the 2-year period from signing of the stock purchase agreement, the Mandatory Holding Period shall be extended until full payment of the Subscription Price of the ESPP shares but not later than three (3) years from execution of the stock purchase agreement;
- h. a mandatory holding period of two (2) years from the date of subscription shall be implemented;
- i. one-third (1/3) of the subscription will vest every year such that 33.3% of the ESPP shares subscribed by him/her will vest on the 12th month after the date of execution of the stock purchase agreement covering the ESPP shares, 66.7% on the 24th month, and 100% on the 36th month from execution of the stock purchase agreement;
- j. if an employee who availed of the ESPP shares resigns within the mandatory holding period, then the Parent Company will reimburse the resigned employee for any and all contributions paid as of the latest payroll cutoff; on the other hand, the resigned employee shall be required to return to the Parent Company the covered ESPP shares including the dividends earned thereon. However, if the Participant described in the foregoing has completed at least 12 months of installment payments, is resigning or is separated after six (6) months of the current vesting period and is in good standing, the said Participant has the option to buy the remaining shares of the current vesting period provided he pays in full within thirty (30) days from date of separation. However, the Mandatory Holding Period remains applicable; and
- k. in case an employee dies pending completion of the full payment over the 36-month period, any remaining unpaid balance will be considered by the Parent Company as fully paid.

#### 2024 ESPP

On July 6, 2024, the Board of Directors of the Exchange approved the renewal of the ESPP which will have a duration of three (3) years from 2024 to 2026.

On July 6, 2024, the Stockholders, by a vote of the stockholders representing two-thirds (2/3) of the Outstanding Capital Stock, the Renewal of the Employee Stock purchase Plan (the "ESPP") whereby a total of 300,000 shares will be offered to eligible employees of the Company over a period of three (3) years from 2024 to 2026 with the same features as that of the 2021-2023 ESPP.



The movement in the number of ESPP shares is as follows:

	2024 ESPP	2021 ESPP	2018 ESPP
Total number of ESPP shares granted:			
2016	—	—	—
2017	—	—	—
2018	—	—	100,000
2019	—	—	100,000
2020	—	—	100,000
2021	—	100,000	—
2022	—	100,000	—
2023	—	100,000	—
2024	100,000	—	—
Availed shares in:			
2016	—	—	—
2017	—	—	—
2018	—	—	(82,123)
2019	—	—	(64,326)
2020	—	—	(144,427)
2021	—	(100,000)	(9,124)
2022	—	(80,846)	—
2023	—	(119,154)	—
2024	(100,000)	—	—
Forfeited shares in 2017	—	—	—
Expired shares in 2017	—	—	—
Outstanding ESPP shares as at			
December 31, 2024	—	—	—

Total additional paid-in capital arising from ESPP amounted to ₱25.23 million and ₱13.87 million as at December 31, 2024 and 2023, respectively. Employee benefit expense arising from ESPP amounted to ₱2.65 million, ₱4.44 million and ₱2.50 million in 2024, 2023 and 2022, respectively.

In 2019, 13,809 shares from the 2015 ESPP with a subscription price amounting ₱2.97 million have vested following the completion of the two (2) year mandatory period. The said shares were issued to the employees and were recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2019 statement of changes in equity (see Note 19).

The exercise prices of the shares granted during 2019 amounted ₱139.55. The fair value of shares granted during 2019 based on the Exchange's daily stock quotation amounted to ₱139.90.

The exercise prices of the shares granted during 2020 range from ₱128.08 to 132.20. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱154.20 to ₱158.10.

In 2024, 168,123 shares from the two (2) tranches offering for 2024 ESPP with a subscription price amounting 20.78 million have vested following the completion of the three (3) year mandatory period. In addition, 10,222 shares were vested from resigned employees in 2024. The said shares were issued to the employees recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2024 statement of changes in equity (see Note 21).

In 2023, 63,484 shares from the two (2) tranches offering for 2020 ESPP with a subscription price amounting 8.19 million have vested following the completion of the three (3) year mandatory period. In addition, 4,499 shares were vested from resigned employees in 2023. The said shares were issued



to the employees and were recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2023 statement of changes in equity (see Note 21).

In 2022, 63,819 shares from the 2018 ESPP with a subscription price amounting 8.93 million have vested following the completion of the three (3) year mandatory period. The said shares were issued to the employees and were recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2021 statement of changes in equity (see Note 21).

The exercise prices of the shares granted during 2021 amounted to ₱119.82. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱150.50.

The exercise prices of the shares granted during 2022 amounted to ₱170.77. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱215.00.

The exercise prices of the shares granted during 2023 range from ₱133.74 to ₱137.08. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱166.00 to ₱186.00.

The exercise prices of the shares granted during 2024 amounted to ₱139.15. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱183.00.

### 36. Client Monies

#### Clearing and Trade Guaranty Fund (CTGF)

The CTGF is a risk management tool designed to protect the market against the settlement risks of trading participants. Each active trading participant's monthly contribution is equivalent to 1/500 of 1% of the members' trade value, net of block sales and cross transactions of the same flag.

The CTGF was presented off balance sheet and was not included within the noncurrent assets and noncurrent liabilities in the consolidated statements of financial position since these are not assets and liabilities of SCCP. This presentation is to better reflect the clearing members' contribution as trust monies and does not result in a change in net assets of SCCP.

The CTGF consists of:

	2024	2023
Principal contributions from:		
Trading participants:		
Balance at beginning of year	₱937,479,397	₱899,027,039
Contributions	(34,020,269)	38,452,358
Balance at end of year	903,459,128	937,479,397
The Parent Company	80,000,000	80,000,000
	983,459,128	1,017,479,397
Accumulated income:		
Balance at beginning of year	584,574,721	527,644,510
Interest income - net of management fee of ₱1.63 million and ₱1.59 million in 2023 and 2022, respectively	71,662,046	56,930,211
Balance at end of year	656,236,767	584,574,721
Net unrealized gain on financial assets at FVOCI	(12,067,601)	(12,530,218)
	644,169,166	572,044,503
	₱1,627,628,294	₱1,589,523,900



### Contributions

In order for the SCCP to effectively implement its Fails Management function, the CTGF must be adequate to cover any unsettled trade by any member on any settlement day. Fails Management aims to settle a failed trade due to nonpayment of cash and/or nondelivery of securities by clearing members. In this regard, SCCP continuously builds up the CTGF through the monthly contributions collected from the clearing members and collection of initial contributions from new and returning clearing members.

On May 10, 2018 that during its meeting held on March 13, 2018, the Commission en banc resolved to approve SCCP's proposed amendments to SCCP Rule 5.2 and Operating Procedure 4.3.1.3, making contributions to the Clearing Fund refundable as trade-related assets to a Clearing Member upon cessation of business of the Clearing Member and/or upon termination of its membership with the SCCP, subject to the conditions mentioned above. The return of contributions shall be made after a reasonable processing time. SCCP Management notified its Clearing Members of the said approval by the Commission through Memo for Brokers No. 01-0718 dated July 25, 2018. The said revisions to SCCP Rule 5.2 and Operating Procedure 4.3.1.3 became effective on August 1, 2018.

Under the SCCP's rules, the CTGF may only be invested in the following:

- Securities issued or guaranteed by the Republic of the Philippines; and
- Such other investments as the SCCP's BOD may approve, taking into consideration the liquidity requirements of the clearing fund.

### Assets of CTGF:

The assets of the CTGF consist of:

	2024	2023
Financial assets at amortized cost		
Cash in banks	<b>P27,146,201</b>	<b>P10,011,774</b>
Accounts receivable	<b>2,930,682</b>	<b>2,435,537</b>
Accrued interest receivable	<b>9,122,124</b>	<b>9,600,428</b>
Placement in time deposit	<b>306,613,716</b>	<b>313,628,678</b>
Financial assets at FVOCI - debt securities:		
Principal amount	<b>1,306,416,600</b>	<b>1,283,576,600</b>
Net unamortized premium	<b>(10,904,170)</b>	<b>(15,607,883)</b>
Net unrealized gain (loss) on financial assets at FVOCI	<b>(12,067,601)</b>	<b>(12,530,218)</b>
	<b>1,629,257,552</b>	<b>1,591,115,015</b>
Less accrued management fees	<b>1,629,258</b>	<b>(1,591,115)</b>
	<b>P1,627,628,294</b>	<b>P1,589,523,900</b>

As at December 31, 2024 and 2023, financial assets at FVOCI with face value of P120.03 million and P68.05 million, respectively, will mature within one year from reporting date. Net unrealized gain from CTGF investments held as financial assets at FVOCI follows:

	2024	2023
Balance at beginning of year	<b>(P12,530,218)</b>	<b>(P30,316,730)</b>
Change in fair value	<b>462,617</b>	<b>17,786,512</b>
Balance at end of year	<b>(P12,067,601)</b>	<b>(P12,530,218)</b>



For the management and administration of CTGF, the SCCP is entitled to a management fee computed at 0.1% of CTGF fund level as at the close of year. Management fee amounting to P1.63 million and P1.59 million in 2024 and 2023, respectively, is included under "Other revenues" account in the consolidated statements of comprehensive income.

Any proceeds from the CTGF shall not be used for any purpose other than for:

- a. Payment of the net money obligations of a defaulting buying member in order to settle a failed trade;
- b. Buy-in of relevant securities due from a defaulting selling member in order to settle a failed trade;
- c. The satisfaction of losses, liabilities and expenses of the SCCP incidental to the operation of its clearing and settlement functions and the management of the CTGF;
- d. For use as collateral in securing credit facilities from the Settlement Banks for the purpose of settling a Failed Trade;
- e. For use as collateral in borrowing securities through the Securities Borrowing and Lending Facility; and
- f. Payment of premium on any insurance policy taken for the CTGF.

#### Funds of Suspended Trading Participants (TPs)

The funds of the suspended Trading Participants (TPs) are trust monies. These are presented off balance sheet and are not included within the noncurrent assets and noncurrent liabilities in the statements of financial position since these are not assets or liabilities of the Company.

Suspension of trading operations may either be voluntary or involuntary. In voluntary suspension, the TP applies for the suspension of trading operations. In involuntary suspension, the Exchange or the Securities and Exchange Commission (SEC) initiates and orders the suspension of the trading operations of the TP in accordance with the securities laws.

Under Section 33 of the Securities Regulation Code, when the Exchange shall have found that the financial condition of its member firm has so deteriorated that it cannot readily meet the demands of its customers for the delivery of securities and/ or payment of sales proceeds, the Exchange shall, upon order of the Commission, take over the operation of the insolvent member firm and immediately proceed to settle the member firm's liabilities to its customers.

In August 1997, November 2003, and September 2008, the Exchange, through its Market Regulation Division, imposed an involuntary suspension of the operations of Marino Olondriz Y Cia, Asian Capital Equities, Inc., and HK Securities, Inc., respectively. Subsequently, the SEC issued takeover orders against the above TPs. Further, in December 2002 and October 2003, Pryce Securities, Inc and Wise Securities, Inc. correspondingly suspended their operations voluntarily.

In May 2010, the Board of Directors of the Exchange approved the creation of Capital Markets Integrity Corporation (CMIC), a wholly-owned subsidiary that will function as the independent audit, surveillance and compliance unit of the Exchange with authority to adopt, enforce, implement and interpret rules, guidelines, and securities laws applicable to the operations and dealings of trading participants and other market participants of the Exchange. Thus, CMIC succeeded the Market Regulation Division of the Exchange after the Board of Directors of the Exchange approved the spinoff of the said division into a separate independent corporation.



Following the grant of the SEC of its self-regulatory organization status, the Exchange, in August 2014, turned over to CMIC the fund balances of the five (5) suspended TPs totaling ₱23.38 million, broken down as follows:

Pryce Securities, Inc.	₱8,365,421
HK Securities, Inc.	5,582,686
Wise Securities Philippines, Inc.	4,471,976
Asian Capital Equities, Inc.	2,594,193
Marino Olondriz Y Cia	2,367,458
	<u>₱23,381,934</u>

In 2015, the SEC issued an order directing CMIC to take over the operations of I. Ackerman & Co., Inc. (IACI). SEC approved the liquidation and allocation plan for distribution of trade-related assets of IACI in July 2016. In October 2021, CMIC opened a bank account in its name and transferred ₱2.29 million from the funds of IACI to facilitate the processing of customer claims. As at December 31, 2023, the fund balance of IACI, under custody of CMIC, is ₱6.01 million, of which ₱4.11 million is invested in time deposit for 83 days at 6.25% per annum.

The responsibilities of CMIC with regard to the funds of the suspended TPs include handling the customer accounts, disbursing and settling of any customer claims, and managing the money balances.

In 2017, the Board of Directors of CMIC proposed the imposition of a custodial fee of 1/2 of 1% per annum on the fund balances of the suspended TPs. The proposal was presented to the SEC for approval in 2019. The collection of custodial fees by the Company took effect on March 21, 2019. From April 1, 2019 to December 31, 2022, custodial fees amounted to ₱711,815, inclusive of 12% VAT of ₱76,266.

As at December 31, 2024 and 2023, the fund balances of the six (6) suspended TPs, net of custodial fees, are as follows:

	2024	2023
Pryce Securities, Inc.	₱11,686,944	₱10,813,723
I. Ackerman & Co., Inc.	9,813,032	6,006,274
Asian Capital Equities, Inc.	9,316,998	8,240,955
HK Securities, Inc.	8,178,968	7,688,199
Marino Olondriz Y Cia	6,813,412	6,055,915
Wise Securities Philippines, Inc.	5,410,596	5,193,559
	<u>₱51,219,950</u>	<u>₱43,998,625</u>

As at December 31, 2024, ₱42.37 million of the total amount is invested in time deposit for 60 days at 5.75% per annum.

In November 2019, the SEC issued an order directing CMIC to take over the operations of R & L Investments, Inc. (R&I). The SEC approved the allocation plan for the settlement of claimants or client accounts of R&I in December 2022. Disbursements for client's claims shall be made directly from the accounts of R&I.



### 37. Note to the Consolidated Statements of Cash Flows

#### Changes in Liabilities arising from Financing Activities

In 2024, 2023 and 2022, changes in liabilities arising from financing activities follow:

	January 1, 2024	Cash flows	Others (Notes 21 and 28)	December 31, 2024
Lease liabilities	P78,968,482	(P26,557,140)	P56,994,778	P109,406,120
Dividends payable	—	(820,848,390)	820,848,390	—
	P78,968,482	(P847,405,530)	P877,843,168	P109,406,120

	January 1, 2023	Cash flows	Others (Notes 21 and 28)	December 31, 2023
Lease liabilities	P24,659,331	(P26,518,640)	P80,827,791	P78,968,482
Dividends payable	—	(820,797,130)	820,797,130	—
	P24,659,331	(P847,315,770)	P901,624,921	P78,968,482

	January 1, 2022	Cash flows	Others (Notes 21 and 28)	December 31, 2022
Lease liabilities	P15,681,294	(P18,656,589)	P6,634,426	P24,659,331
Dividends payable	—	(901,624,856)	901,624,856	—
	P15,681,294	(P920,281,245)	P908,259,282	P24,659,331

Other pertains to the cash dividends declared during the year and interest expense on and additions to lease liabilities. The Group classifies interest paid as cash flows from operating activities.

#### Noncash transaction under Financing Activities

Noncash activities in 2024, 2023 and 2022 are as follows:

- Additions to lease liabilities amounting to P75.08 million in 2023 (see Note 28).
- There were no noncash activities in 2024 and 2022

#### Noncash transactions under Investing Activities

Noncash activities in 2024, 2023 and 2022 are as follows:

- Reversal of accruals in investment properties and buildings amounting to nil, P0.75 million and P2.63 million in 2024, 2023 and 2022, respectively (see Note 14).
- Acquisition of property and equipment on account amounting to P46.62 million, P71.03 million and P1.63 million in 2024, 2023 and 2022, respectively (see Note 13).
- Additions to right-of-use asset amounting to P75.08 million in 2023 (see Note 28).

### 38. Event After the Reporting Period

#### Acquisition of Non-Controlling Interest

In January 2025 and February 2025, the Exchange entered into and signed STAs with several PDSHC stockholders for the acquisition of additional 1.56 million common shares of PDSHC representing 24.99% interest for the total consideration of P937.09 million. As at February 26, 2025, the Exchange owns 4.90 million common shares representing 78.33% equity interest (see Note 15).





## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
The Philippine Stock Exchange, Inc.  
6th to 10th Floors, PSE Tower  
5th Avenue cor. 28th Street  
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of The Philippine Stock Exchange, Inc. and Subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO



Sherwin V. Yasun

Partner

CPA Certificate No. 104921

Tax Identification No. 217-740-478

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

BIR Accreditation No. 08-001998-112-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465408, January 2, 2025, Makati City

February 26, 2025



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

The Stockholders and the Board of Directors  
The Philippine Stock Exchange, Inc.  
6th to 10th Floors, PSE Tower  
5th Avenue cor. 28th Street  
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of The Philippine Stock Exchange, Inc. and Subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Sherwin V. Yason  
Partner

CPA Certificate No. 104921

Tax Identification No. 217-740-478

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

BIR Accreditation No. 08-001998 112-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465408, January 2, 2025, Makati City

February 26, 2025



**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**INDEX TO THE SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2024**

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**Annex 68 - E**

<b>A. Financial Assets</b>	<b>Attached</b>
<b>B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)</b>	<b>Attached</b>
<b>C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements</b>	<b>Attached</b>
<b>D. Long-term Debt</b>	<b>Not applicable</b>
<b>E. Indebtedness to Related Parties (Long-term Loans from Related Companies)</b>	<b>Not applicable</b>
<b>F. Guarantees of Securities of Other Issuers</b>	<b>Not applicable</b>
<b>G. Capital Stock</b>	<b>Attached</b>

**Additional Components**

<b>i) Reconciliation of Retained Earnings Available for Dividend Declaration</b>	<b>Attached</b>
<b>ii) Map of Relationship of the Companies within the Group</b>	<b>Attached</b>
<b>iii) Schedule of Financial Soundness Indicators</b>	<b>Attached</b>

**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E**  
**DECEMBER 31, 2024**

**Schedule A. Financial Assets**

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Market Value Quotation	Amount Shown in the Statement of Financial Position	Income Received and Accrued
<b>Cash and cash equivalents</b>				
Cash on hand	—	P105,300	P105,300	P—
Cash in banks:				
Citibank – Dollar	—	15,997,806	15,997,806	
Metropolitan Bank and Trust Company (MBTC) – Peso	—	5,340,737	5,340,737	
BDO (Ayala Branch) – Peso	—	7,761,896	7,761,896	
BDO (Ayala Branch) – Dollar	—	607,268	607,268	
BDO (BGC Branch) – Peso	—	59,385,725	59,385,725	
BDO (Ortigas Branch) – Peso	—	56,814	56,814	
BDO (BGC Branch) – Dollar	—	2,882,909	2,882,909	
Rizal Commercial Banking Corporation – Peso	—	14,032,170	14,032,170	
Rizal Commercial Banking Corporation – Dollar	—	151,914	151,914	
Union Bank – Tektite	—	137,738	137,738	
Bank of the Philippine Islands – Peso	—	36,802,106	36,802,106	
City Savings – Peso	—	10,000	10,000	
Security Bank – Peso	—	4,822,143	4,822,143	
Security Bank – Dollar	—	442,831	442,831	
Chinabank	—	77,107	77,107	
Landbank	—	3,419,071	3,419,071	
PDIC	—	3,438,918	3,438,918	
Deutsche Bank	—	60	60	
	—	155,472,513	155,472,513	108,486
<b>Cash equivalents:</b>				
BDO	—			
City Savings	—	522,601,484	522,601,484	
Chinabank	—	272,270,296	272,270,296	
Bank of the Philippine Islands	—	212,269,761	212,269,761	
Security Bank	—	27,213,513	27,213,513	
RCBC	—	701,873,885	701,873,885	
	—	1,736,228,939	1,736,228,939	141,072,398
	—	P1,891,701,452	P1,891,701,452	P141,180,884
<b>Short-term investments</b>	—	P—	P—	P40,229,488

(Forward)

**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 6H-F**  
**DECEMBER 31, 2024**

**Schedule A. Financial Assets**

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Market Value Quotation	Amount Shown in the Statement of Financial Position	Income Received and Accrued
<b>Financial assets at Fair Value through Profit or Loss (FVTPL)</b>				
BIXI Trust and Investments Group	2,571,547	P220,820,185	P220,820,185	
MBTC Peso	6,120,880	415,697,748	415,697,748	
MBTC – Dollar	=	290,075,021	290,075,021	
Security Bank	6,789,009	297,199,560	297,199,560	
PDS	=	1,346,790	1,346,790	
Equity Securities	1	4,000,000	4,000,000	
	15,481,437	P1,229,139,304	P1,229,139,304	P13,153,170
<b>Financial assets at Fair Value through Other Comprehensive Income (FVOCI)</b>				
Debt securities				
Republic of the Philippines	=	P990,395,182	P990,395,182	
Other Companies	=	113,090,000	113,090,000	
	=	P1,103,485,382	P1,103,485,382	P 20,451,412
<b>Financial Assets At Amortized Cost</b>				
Debt securities-				
Republic of the Philippines	=	P675,663,660	P675,663,660	
Other Companies	=	5,752,180	5,752,180	
	=	P681,415,840	P681,415,840	P-

**Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders  
(Other than Related Parties)  
As at December 31, 2024**

Name and Designation of Debtor	Balance as at January 1, 2024	Deductions			Current	Not Current	Balance as at December 31, 2024
		Additions	Amount Collected	Amount Written Off			
Trading participants	P61,349,815	P872,179,342	(P769,293,688)	P	P144,235,502		P144,235,502
Advances to officers and employees	4,475,073	49,396,102	(33,941,247)	..	19,931,928	=	19,931,928

*There are no variations which are considered outside of the Company's ordinary course of business as at December 31, 2024.*

**Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements**  
**As at December 31, 2024**

Name and Designation of Debtor	Balance as at January 1, 2024	Deductions			Current	Not Current	Balance as at December 31, 2024
		Additions	Amount Collected	Amount Written Off			
Securities and Clearing							
Corporation of the Philippines	P135,601	P268,979,219	(P268,214,820)	P-	P-	P-	P-
Capital Markets Integrity Corp	134,864	15,709,984	(15,844,848)	-	-	-	-
Premier Software Enterprise, Inc.	1,656,368	2,796,148	(515,251)	-	1,372,566	2,564,699	3,937,265



**Schedule D - Long Term Debt**  
**As at December 31, 2024**

<u>Title of Issue and Type of Obligation</u>	<u>Amount Authorized by Indenture</u>	<u>Amount shown under caption "Current portion of long term debt" in related balance sheet</u>	<u>Amount shown under caption "Long term debt" in related balance sheet</u>
<u>Not Applicable: The Company has no long-term debt as at December 31, 2024.</u>			

**Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)**  
**As at December 31, 2024**

Name of Related Party	Balance, January 1, 2024	Balance, December 31, 2024
Not Applicable. The Company has no indebtedness to related parties as at December 31, 2024		

**Schedule F - Guarantees of Securities of Other Issuers**  
**As at December 31, 2024**

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
Not Applicable: The Company has no guarantees of securities of other issuers as at December 31, 2024.				

**Schedule G - Capital Stock**  
**December 31, 2024**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption*	Number of Shares Held By			
			Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Related parties	Directors, Officers and Employees	Others

Common	106,000,000	82,169,765	300,000	5,894,518	499,067	75,776,180
Preferred	14,000,000	—	—	—	—	—

\*Net of treasury stock totaling 3,513,952 shares.

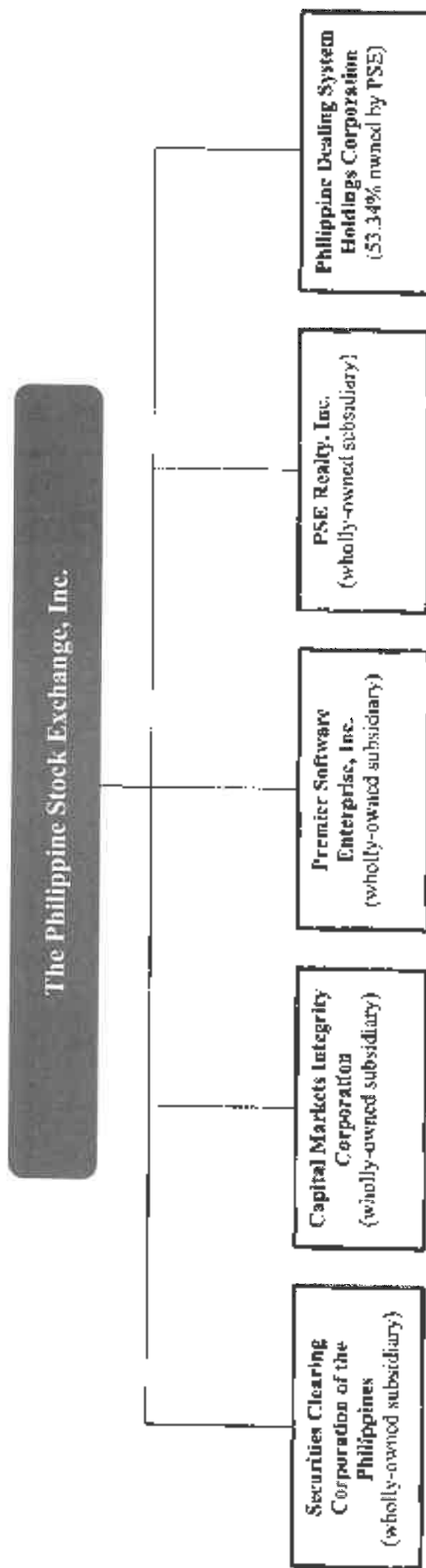
\*Including 263,407 subordinated Employee Stock Purchase Plan shares.

**THE SCHEDULE OF  
RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION  
AS AT DECEMBER 31, 2024**

**The Philippine Stock Exchange, Inc.  
6th to 10th Floors, The PSE Tower, 5th Avenue cor. 28th Street  
Bonifacio Global City, Taguig City**

<u>Unappropriated retained earnings as of January 1, 2024</u>	<u>₱754,125,507</u>
<b>Add: Item that is directly credited to unappropriated retained earnings</b>	<u>—</u>
<b>Less: Items that are directly debited to unappropriated retained earnings</b>	
<u>Dividend declared during the year</u>	<u>(820,848,390)</u>
<u>Unappropriated retained earnings, as adjusted</u>	<u>(66,722,883)</u>
<b>Add: Net income during the current year</b>	<u>1,657,321,470</u>
<b>Less: Unrealized income recognized in the profit or loss during the year</b>	
Equity in net income of associate, net of dividends declared	(35,613,487)
Unrealized fair value adjustment (mark-to-market gains) of financial assets at fair value through profit or loss (FVTPL)	(76,807,541)
<u>Gain on transfer of investment property</u>	<u>(826,683,323)</u>
<u>Adjusted net income</u>	<u>718,215,119</u>
<u>Add: Other items – movement in deferred tax assets during the year</u>	<u>10,132,496</u>
<b>UNAPPROPRIATED RETAINED EARNINGS, AS OF DECEMBER 31, 2024</b>	
<b>AVAILABLE FOR DIVIDEND DECLARATION, AS ADJUSTED</b>	<b><u>₱661,624,732</u></b>

**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP**



**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023**

Financial Ratio	Description	December 31	
		2024	2023
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	5.78	6.26
Solvency	$\frac{\text{After-tax net-profit + depreciation and amortization}}{\text{Total Liabilities}}$	0.75	0.57
Debt-to-equity	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	0.29	0.29
Assets-to-equity	$\frac{\text{Total Assets}}{\text{Total Equity}}$	1.29	1.29

Financial Ratio	Description	Years Ended December		
		2024	2023	2022
Return on equity	$\frac{\text{Net Income}}{\text{Total Equity}}$	18%	14%	13%
Return on assets	$\frac{\text{Net Income}}{\text{Total Assets}}$	14%	11%	10%
Gross profit margin	$\frac{\text{Gross Profit}}{\text{Revenue}}$	69%	71%	78%
Net income margin	$\frac{\text{Net Income}}{\text{Revenue}}$	86%	55%	48%

### Supporting Computations

Financial Ratio	Description	2024
Current ratio	Current Assets	P4,523,987,191
	Current Liabilities	P783,051,956
Solvency	After-tax-net-profit + depreciation and amortization	P1,433,547,766
	Total Liabilities	P1,923,064,183
Debt-to-equity	Total Liabilities	P1,923,064,183
	Total Equity	P6,614,498,681
Assets-to-equity	Total Assets	P8,537,562,864
	Total Equity	P6,614,498,681
Return on equity	Net Income	P1,207,217,494
	Total Equity	P6,614,498,681
Return on assets	Net Income	P1,207,217,494
	Total Assets	P8,537,562,864
Gross profit margin	Gross Profit	P960,234,922
	Revenue	P1,398,089,806
Net income margin	Net Income	P1,207,217,494
	Revenue	P1,398,089,806



**THE PHILIPPINE STOCK EXCHANGE, INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED**  
**INFORMATION**

**As at December 31, 2024**

	2024	2023
<b>Total Audit Fees <sup>(1)</sup></b>	<b>P2,649,000</b>	<b>P980,000</b>
Non-audit services fees -		
All other services	136,000	72,000
<b>Total Non-audit Fees</b>	<b>136,000</b>	<b>72,000</b>
<b>Total Audit and Non-audit Fees</b>	<b>P2,785,000</b>	<b>P1,052,000</b>

<sup>(1)</sup> Audit fees in 2024 includes audit fees of Philippine Dealing System Holdings Corp., a new subsidiary in 2024.

## **INDEPENDENT AUDITOR'S REPORT**

The Stockholders and the Board of Directors  
The Philippine Stock Exchange, Inc.  
6th to 10th Floors, PSE Tower  
5th Avenue cor. 28th Street  
Bonifacio Global City, Taguig City

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

#### **Opinion**

We have audited the parent company financial statements of The Philippine Stock Exchange, Inc. (the Exchange), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

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

#### **Basis for Opinion**

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company 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 those parent company 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 parent company 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 Exchange'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 Exchange'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 parent company 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 Exchange to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company 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.




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

**Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 35 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of The Philippine Stock Exchange, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is  
Mr. Sherwin V. Yason.

**SYCIP GORRES VELAYO & CO.**



Sherwin V. Yason

Partner

CPA Certificate No. 104921

Tax Identification No. 217-740-478

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

BIR Accreditation No. 08-001998-112-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465408, January 2, 2025, Makati City

February 26, 2025



**THE PHILIPPINE STOCK EXCHANGE, INC.**

**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 5, 6 and 7)	<b>₱900,512,954</b>	<b>₱1,263,936,140</b>
Short-term investments (Notes 5, 6 and 7)	—	853,511,191
Financial assets at fair value through profit or loss (FVTPL) (Notes 5, 6 and 8)	<b>1,147,691,864</b>	<b>1,057,993,695</b>
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 5, 6 and 9)	<b>195,845,921</b>	<b>217,831,006</b>
Receivables (Notes 5, 6 and 10)	<b>90,509,510</b>	<b>85,753,874</b>
Other current assets (Note 11)	<b>144,555,898</b>	<b>65,989,409</b>
<b>Total Current Assets</b>	<b>2,479,116,147</b>	<b>3,545,015,315</b>
<b>Noncurrent Assets</b>		
Long-term financial assets at FVOCI (Notes 5, 6 and 9)	<b>648,261,138</b>	<b>748,464,430</b>
Property and equipment (Note 12)	<b>994,463,303</b>	<b>1,027,228,375</b>
Right-of-use asset (Note 26)	<b>43,232,259</b>	<b>64,364,203</b>
Investment property (Note 13)	—	134,304,836
Investment in an associate (Note 14)	—	289,509,731
Investments in subsidiaries (Note 14)	<b>3,021,207,916</b>	<b>515,545,393</b>
Deferred tax asset - net (Note 27)	<b>286,099,389</b>	<b>302,072,816</b>
Pension asset (Note 28)	<b>57,688,522</b>	<b>52,143,780</b>
Other noncurrent assets (Notes 5 and 15)	<b>52,073,489</b>	<b>58,406,379</b>
<b>Total Noncurrent Assets</b>	<b>5,103,026,016</b>	<b>3,192,039,943</b>
	<b>₱7,582,142,163</b>	<b>₱6,737,055,258</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities (Notes 5, 6 and 16)	<b>₱274,526,034</b>	<b>₱202,838,623</b>
Current portion of contract liabilities (Note 17)	<b>164,909,658</b>	<b>349,144,164</b>
Deferred fees and others (Note 17)	<b>1,143,793</b>	<b>1,286,621</b>
Income tax payable	—	24,931,781
Current portion of lease liabilities (Notes 5 and 26)	<b>27,872,498</b>	<b>19,644,526</b>
<b>Total Current Liabilities</b>	<b>468,451,983</b>	<b>597,845,715</b>
<b>Noncurrent Liabilities</b>		
Contract liabilities - net of current portion (Note 17)	<b>1,021,426,447</b>	<b>878,535,645</b>
Lease liabilities - net of current portion (Notes 5, 6 and 26)	<b>26,567,444</b>	<b>54,439,943</b>
Other employee benefits payable (Note 28)	<b>3,735,617</b>	<b>1,891,723</b>
Tenants' deposits and others (Note 26)	<b>847,304</b>	<b>847,304</b>
<b>Total Noncurrent Liabilities</b>	<b>1,052,576,812</b>	<b>935,714,615</b>
<b>Total Liabilities</b>	<b>1,521,028,795</b>	<b>1,533,560,330</b>

(Forward)



	December 31	
	2024	2023
<b>EQUITY</b>		
Capital stock (Notes 1, 19 and 31)	<b>₱85,400,310</b>	<b>₱85,221,965</b>
Additional paid-in capital (Notes 1, 19 and 31)	<b>3,962,378,379</b>	<b>3,937,143,573</b>
Subscribed capital stock (Notes 19 and 31)	<b>41,083,085</b>	<b>49,999,463</b>
Subscription receivable (Notes 19 and 31)	<b>(18,958,461)</b>	<b>(16,556,907)</b>
Treasury stock (Note 19)	<b>(696,293,587)</b>	<b>(696,293,587)</b>
Retained earnings:		
Unappropriated (Note 19)	<b>2,416,078,873</b>	<b>1,579,605,793</b>
Appropriated (Note 19)	<b>71,000,000</b>	<b>71,000,000</b>
Donated capital (Note 18)	<b>221,597,831</b>	<b>211,597,831</b>
Net unrealized loss on financial assets at FVOCI (Note 9)	<b>(15,364,541)</b>	<b>(18,263,919)</b>
Remeasurement gain on pension benefits and others - net (Note 28)	<b>(5,808,521)</b>	<b>40,716</b>
<b>Total Equity</b>	<b>6,061,113,368</b>	<b>5,203,494,928</b>
	<b>₱7,582,142,163</b>	<b>₱6,737,055,258</b>

See accompanying notes to Parent Company Financial Statements



**THE PHILIPPINE STOCK EXCHANGE, INC.****PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2024	2023
<b>REVENUES</b> (Note 20)	<b>₱1,123,393,068</b>	<b>₱1,102,182,439</b>
<b>COST AND EXPENSES</b>		
Cost of services (Note 22)	301,618,171	275,210,003
General and administrative (Note 23)	452,103,126	318,977,977
	<b>753,721,297</b>	<b>594,187,980</b>
<b>OPERATING INCOME</b>	<b>369,671,771</b>	<b>507,994,459</b>
<b>OTHER INCOME (EXPENSES)</b>		
Gain on transfer of investment property (Note 13)	826,683,323	—
Dividend income (Notes 8, 14 and 30)	274,704,600	324,596,359
Interest income (Note 21)	183,732,777	181,574,022
Equity in net income of an associate (Note 14)	98,555,487	72,537,222
Mark-to-market gain on financial assets at FVTPL (Note 8)	21,724,363	10,375,308
Interest expense (Note 26)	(4,227,513)	(5,466,392)
Gain on sale of property and equipment (Note 12)	167,134	—
Others - net (Note 21)	16,835,050	(2,114,516)
	<b>1,418,175,221</b>	<b>581,502,003</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,787,846,992</b>	<b>1,089,496,462</b>
<b>PROVISION FOR INCOME TAX</b> (Note 27)	<b>130,525,522</b>	<b>162,129,576</b>
<b>NET INCOME</b>	<b>1,657,321,470</b>	<b>927,366,886</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Item to be reclassified to profit or loss in subsequent periods -		
Gain on change in fair value of financial assets at FVOCI - net (Note 9)	2,899,378	21,421,593
Item not to be reclassified to profit or loss in subsequent periods-		
Remeasurement loss on pension benefits - net (Note 28)	(4,630,642)	(12,603,549)
Share in remeasurement gain (loss) on pension benefits of an associate (Note 14)	(1,218,595)	74,332
	<b>(2,949,859)</b>	<b>8,892,376</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱1,654,371,611</b>	<b>₱936,259,262</b>
<b>Basic Earnings Per Share</b> (Note 29)	<b>₱14.75</b>	<b>₱9.47</b>
<b>Diluted Earnings Per Share</b> (Note 29)	<b>₱14.75</b>	<b>₱9.47</b>

See accompanying Notes to Parent Company Financial Statements.



**THE PHILIPPINE STOCK EXCHANGE, INC.**  
**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock	Additional	Subscribed Capital Stock	Retained Earnings	Unrealized Gain (Loss) on Financial Assets	Residual Interest
	Capital Stock (Notes 1 and 11)	Paid-in Capital (Notes 1, 15 and 11)	Subscribed Capital Stock (Notes 1 and 11)	Unappropriated (Note 18)	Unrealized Capital (Note 18)	and Others - net (Notes 14 and 23)
Balance at January 1, 2024	\$85,321,948	\$7,923,143,873	\$85,443,556	\$15,739,405,793	\$211,587,831	\$86,716
Net income	-	-	-	1,677,318,478	-	1,677,318,478
Other comprehensive income (loss)	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	1,677,318,478	-	1,677,318,478
Employee stock purchase plan	178,345	25,234,466	(6,916,378)	-	2,899,378	(5,842,137)
Shareholders' vote plan	-	-	(2,481,564)	-	2,899,378	(5,842,137)
acquisition of non-controlling interests	-	-	-	-	-	-
Cash dividend - \$0.02 per share	-	-	-	-	10,040,000	10,040,000
Balance at December 31, 2024	\$85,480,219	\$7,950,378,319	\$85,426,573	\$17,416,724,273	\$221,597,831	\$86,868,330
Balance at January 1, 2023	\$82,151,362	\$7,923,715,323	\$82,097,133	\$15,739,405,793	\$211,587,831	\$82,560,933
Net income	-	-	-	927,366,986	-	927,366,986
Other comprehensive income (loss)	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	927,366,986	-	927,366,986
Employee stock purchase plan	67,953	11,994,190	(2,16,770)	-	21,427,455	(12,529,217)
Shareholders' vote plan	-	-	(5,683,794)	-	21,427,455	(12,529,217)
Cash dividend - \$0.02 per share	-	-	-	-	-	-
Balance at December 31, 2023	\$82,219,315	\$7,935,709,513	\$82,212,363	\$16,666,666,667	\$221,597,831	\$82,212,363

**Summary:** The following information was obtained from the review of the literature.



**THE PHILIPPINE STOCK EXCHANGE, INC.**  
**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱1,787,846,992</b>	<b>₱1,689,496,462</b>
Adjustments for:		
Gain on transfer of investment property (Note 13)	<b>(826,683,324)</b>	<b>—</b>
Dividend income (Notes 8, 14 and 30)	<b>(274,704,600)</b>	<b>(324,596,359)</b>
Depreciation (Notes 12, 13, 22, 23 and 26)	<b>187,239,554</b>	<b>121,395,779</b>
Interest income (Note 21)	<b>(183,732,777)</b>	<b>(181,574,022)</b>
Equity in net income of an associate (Note 14)	<b>(98,555,487)</b>	<b>(72,537,222)</b>
Mark-to-market gain on financial assets at FVTPL (Note 8)	<b>(21,724,363)</b>	<b>(10,375,308)</b>
Unrealized foreign exchange loss (gain) - net	<b>(17,877,707)</b>	<b>749,104</b>
Pension expense (Note 28)	<b>7,577,360</b>	<b>4,752,994</b>
Interest expense on lease liabilities (Note 26)	<b>4,227,513</b>	<b>5,466,392</b>
Share-based payment expense (Note 31)	<b>2,653,365</b>	<b>4,429,155</b>
Gain on sale of property and equipment (Note 12)	<b>(167,134)</b>	<b>—</b>
Amortization of discount (Note 9)	<b>153,635</b>	<b>3,148,019</b>
Income before working capital changes	<b>566,253,027</b>	<b>640,364,994</b>
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	<b>(16,444,546)</b>	<b>12,544,926</b>
Other current assets	<b>(78,566,489)</b>	<b>6,184,406</b>
Increase (decrease) in:		
Accounts payable and other current liabilities	<b>66,253,071</b>	<b>(29,248,862)</b>
Contract liabilities	<b>(41,343,704)</b>	<b>(12,496,334)</b>
Deferred fees and others	<b>(142,828)</b>	<b>(253,260)</b>
Cash generated from operations	<b>496,008,531</b>	<b>617,095,870</b>
Interest received	<b>195,421,687</b>	<b>174,559,514</b>
Income taxes paid	<b>(137,940,329)</b>	<b>(139,740,584)</b>
Net cash provided by operating activities	<b>553,489,889</b>	<b>651,914,800</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received (Notes 8, 10, 14 and 30)	<b>337,644,600</b>	<b>398,026,359</b>
Acquisitions or additions to:		
Acquisition of a subsidiary (Note 14)	<b>(1,194,771,600)</b>	<b>—</b>
Financial assets at FVOCI (Note 9)	<b>(92,160,000)</b>	<b>(35,870,000)</b>
Property and equipment (Note 12)	<b>(148,354,618)</b>	<b>(96,015,393)</b>
Financial assets at FVTPL (Note 8)	<b>(67,973,806)</b>	<b>(27,605,826)</b>
Short-term investments	<b>—</b>	<b>(551,418,550)</b>

(Forward)



	Years Ended December 31	
	2024	2023
Proceeds from maturities/withdrawal/sale/redemption of:		
Short-term investments	₱853,511,191	₱-
Financial assets at FVOCI (Note 9)	217,094,120	948,187,795
Property and equipment (Note 12)	6,461,308	541,697
Contribution to retirement fund (Note 28)	(19,296,291)	(22,034,483)
Decrease in other noncurrent assets	6,332,890	9,903,961
Net cash provided by (used in) investing activities	(101,512,206)	623,715,560
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend payments (Notes 19 and 32)	(820,848,390)	(820,797,130)
Payments of lease liabilities (Notes 26 and 32)	(23,872,040)	(23,872,040)
Employed stock purchase plan (Note 19)	11,441,854	17,942,297
Net cash used in financing activities	(833,278,576)	(826,726,873)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(381,300,893)</b>	<b>448,903,467</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>17,877,707</b>	<b>(749,104)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 7)</b>	<b>1,263,936,140</b>	<b>815,781,757</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)</b>	<b>₱900,512,954</b>	<b>₱1,263,936,140</b>

See accompanying Note 1 to Parent Company Financial Statements



# THE PHILIPPINE STOCK EXCHANGE, INC.

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## NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

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### 1. Corporate Information

The Philippine Stock Exchange, Inc. (the Parent Company or the Exchange) was incorporated in the Philippines on July 14, 1992 as a non-stock corporation primarily to provide and maintain a convenient and suitable market for the exchange, purchase and sale of all types of securities and other instruments as defined under the Securities Regulation Code (SRC).

On August 8, 2001, the Exchange was converted from a non-stock corporation to a stock corporation (demutualization) with an authorized capital stock of P36.80 million divided into 36,800,000 shares with a par value of P1.00 per share as prescribed by Republic Act (RA) No. 8799 or SRC and pursuant to a conversion plan approved by the Securities and Exchange Commission (SEC) (see Note 19).

The salient features of the demutualization plan approved by the SEC on August 3, 2001 include, among others, the following:

- a. Conversion of the Exchange into a stock corporation by amending its Articles of Incorporation and by-laws;
- b. Subscription of each member of 50,000 shares at P1.00 per share. The remaining balance of the Membership Contributions account of P277.47 million shall be treated as additional paid-in capital;
- c. Issuance of trading rights to brokers in recognition of the existing seat ownership by the brokers;
- d. Separation of ownership of shares and right to operate as a trading participant in the Exchange. The trading rights shall be transferable without time limitation; and
- e. Imposition of a moratorium on the issuance of the new trading rights.

On December 15, 2003, the Exchange's shares of stock were listed by way of introduction of its outstanding shares to comply with the requirements mandated by the SRC, particularly the conversion of the Exchange into a stock corporation.

On January 28, 2004, the Exchange offered 6,077,505 unissued shares to the private sector as part of on-going efforts to comply with SRC's mandate regarding the ownership of the Exchange (see Note 19). Gross proceeds from the private placement offering amounted to P726.26 million, inclusive of additional paid-in capital of P720.18 million representing premium over the par value of the common stock. Expenses related to the offering amounting to P21.10 million were recorded as a reduction of the additional paid-in capital (see Note 19).

On September 10, 2008, the Exchange's Board of Directors (BOD) approved the issuance of the 100% stock dividend declared by the Exchange to stockholders of record as of December 13, 2013. On September 12, 2008, the SEC approved to increase the authorized shares of the Exchange by 61,000,000 shares. The total number of shares issued in 2008 was 15,177,499 shares (see Note 19).

The total number of shares issued in 2011 was 30,504,363 shares (see Note 19).

On December 10, 2013, the Parent Company's BOD approved the issuance of the 20% stock dividend declared by the Exchange on October 22, 2008 to stockholders of record as of September 26, 2008. On November 14, 2013, the SEC approved to increase the authorized shares of the Company by 22,200,000 shares. The total number of shares issued in 2013 was 12,221,680 shares (see Note 19).



On October 25, 2017, the BOD approved the stock rights offering (SRO) to stockholders of up to 11,500,000 million common shares to be issued under terms and conditions as determined by the Exchange. This is part of the compliance plan to align shareholder ownership with the 20% limit set by SRC. The proceeds from the stock rights offering will be used to fund the acquisition of PDSHC and capital requirements of the Exchange (see Note 19).

On February 23, 2018, the price of the Exchange's SRO was determined. The Exchange offered 11,500,000 shares to eligible stockholders of record as of March 1, 2018 at ₱252.00 per rights share. The offer period was from March 12 to 16, 2018. On March 22, 2018, the Exchange successfully listed the 11,500,000 shares in the Philippine Stock Exchange (PSE). Gross proceeds from the stock rights offering amounted to ₱2.90 billion, inclusive of additional paid-in capital of ₱2.89 billion representing premium over the par value of the common stock. Expenses related to the offering amounting to ₱73.35 million were recorded as a reduction of the additional paid-in capital (see Note 19).

On May 4, 2019, the stockholders of the Exchange approved the amendments of the Exchange's articles of incorporation to: (a) include in the secondary purposes, the right to lease, exchange mortgage and to exercise all other rights of ownership over its properties and (b) to create preferred shares by reclassifying 14,000,000 unissued common shares into 14,000,000 preferred shares with par value of ₱1.00 per share. On September 12, 2019, the SEC approved the amendments in the Exchange's articles of incorporation (see Note 19).

The registered office address of the Parent Company is 6th to 10th Floors, PSE Tower, 5th Avenue cor. 28th Street, Bonifacio Global City, Taguig City.

#### Authorization for Issuance of the Parent Company Financial Statements

The accompanying parent company financial statements were authorized for issuance by the BOD on February 26, 2025.

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## **2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures**

### Basis of Preparation

The parent company financial statements of the Exchange have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) which are measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Exchange's functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. All values are rounded to the nearest peso, except when otherwise indicated.

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

### Statement of Compliance

The parent company financial statements have been prepared in compliance with PFRS Accounting Standards.



#### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amended standards which were applied starting January 1, 2024. Except as otherwise indicated, the adoption of the following new and amended standards did not have any significant impact on the parent company's financial statements:

- Amendments to Philippine Accounting Standards (PAS) 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

#### Future Changes in Accounting Policies

The Parent Company did not early adopt the following new standards, amendments and improvements to PFRS Accounting Standards and Philippine Interpretations that have been approved but are not yet effective. The Parent Company does not expect these changes to have a significant impact on its consolidated financial statements unless otherwise indicated.

*Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Loss of Exchangeability*

*Effective beginning on or after January 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to 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 18, *Presentation and Disclosure in Financial Statements*

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



- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation.

The Company is currently assessing the impact of this accounting standard.

- **PFRS 19, *Subsidiaries without Public Accountability***

*Deferred effectivity*

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

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### 3. Summary of Material Accounting Policies and Financial Reporting

#### Determination of Fair Value

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Exchange.

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 best economic interest.

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

The Exchange 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.

Assets and liabilities for which fair value is measured or disclosed in the parent company 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; and

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 parent company financial statements on a recurring basis, the Exchange determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Exchange determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Exchange has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

The Exchange recognizes transfers into and transfers out of fair value hierarchy levels by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) as at the date of the event or change in circumstances that caused the transfer.

#### Recognition, Measurement, Derecognition, and Impairment of Financial Instruments

*Date of Recognition.* The Exchange recognizes a financial asset or a financial liability in the parent company statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Exchange commits to purchase or sell the asset.

*Initial Recognition and Measurement.* Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, FVTPL and FVOCI. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset.

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, inclusive of directly attributable transaction costs (referred to herein as "debt issue costs").

The Exchange has no financial liabilities at FVTPL at December 31, 2024 and 2023.

*Subsequent Measurement.* For purposes of subsequent measurement financial assets are classified in three categories:

- **Financial assets at FVTPL**

Financial assets at FVTPL comprise of quoted equity instruments which the Exchange has not irrevocably elected, at initial recognition or transition, to classify at FVOCI. The Exchange has no financial asset designated at FVTPL on initial recognition or transition.

As at December 31, 2024 and 2023, the Exchange has financial assets classified as financial assets at FVTPL (see Note 8).



- **Financial Assets at Amortized Cost**

This category includes financial assets: (a) which are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (b) which contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at December 31, 2024 and 2023, this category includes cash and cash equivalents, short-term investments, receivables, deposits in bank, claims under litigation and refundable security deposits (see Notes 7, 10, 11 and 15).

- **Financial Assets at FVOCI**

*Financial Assets at FVOCI with recycling*

This category includes financial assets: (a) which are held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets; and (b) which contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

As at December 31, 2024 and 2023, this category includes investments in government securities and corporate bonds (see Note 9)

- **Financial Liabilities at Amortized Cost**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Debt issue costs are amortized over the life of the debt instrument using the EIR method. Debt issue costs are netted against the related loans and borrowings allocated correspondingly between the current and noncurrent portion.

Gains and losses are recognized in the profit or loss when the liabilities are derecognized, as well as through the amortization process.

As at December 31, 2024 and 2023, this category includes accounts payable and other current liabilities (excluding payable to government agencies), tenants' deposits and lease liabilities (see Notes 16, 19 and 26).

*Derecognition of Financial Assets and Financial Liabilities*

*Financial Assets* An entity shall derecognize a financial asset when, and only when;

- the contractual rights to the cash flows from the financial asset expire; or
- the Exchange transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where:
  - a. the Exchange has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition;





- b. the Exchange is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- c. the Exchange has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

When the Exchange transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. The transfer of risks and rewards is evaluated by comparing the Exchange's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The Exchange has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer. The Exchange has transferred substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset.

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

#### *Impairment of Financial Assets*

The Exchange's accounting for impairment losses for financial assets uses a forward-looking ECL approach. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Exchange expects to receive. For cash equivalents, the Exchange has applied the General Approach and has calculated ECL based on 12-month ECL. For trade receivables, deposits and other current receivables, the Exchange has applied the simplified approach and has calculated ECL based on lifetime ECL. For financial debt financial assets at FVOCI, the Exchange has applied the General Approach and has calculated ECL based on either the 12-month ECL or lifetime ECL if SICR is established. The Exchange takes into consideration the Exchange's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

*Definition of Default and Credit-impaired Financial Assets.* The Exchange defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria.* For trade receivables and all other financial assets subject to impairment, default occurs when the receivable becomes 90 days past due.
- *Qualitative Criteria.* The counterparty meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:



- a. The counterparty is experiencing financial difficulty or is insolvent;
- b. The counterparty is in breach of financial covenant(s);
- c. An active market for that financial assets has disappeared because of financial difficulties;
- d. Concessions have been granted by the Exchange, for economic or contractual reasons relating to the counterparty's financial difficulty;
- e. It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization;
- f. Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Exchange and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the ECL models throughout the Exchange's expected loss calculation.

*Incorporation of Forward Looking Information.* The Exchange incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Exchange has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

Based on the Exchange's evaluation and assessment and after taking into consideration external actual and forecast information, the Exchange considers two or more economic scenarios and the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Exchange has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Exchange considers macro-economic factors such as GDP growth rates and inflation rates of selected countries in its analysis.

Predicted relationship between the key indicators and default and loss rates on portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Exchange has not identified any uncertain event that it has assessed to be relevant to its assessment of the risk of default occurring on the financial instrument.

*Determining the Stage for Impairment.* At each reporting date, the Exchange assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Exchange considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Exchange's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12 month ECL. The low credit risk



exemption has been applied on debt investments that meet the investment grade criteria of the Exchange from the time of origination.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

*Grouping of Instruments for Losses Measured on Collective Basis.* For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the Exchange to be statistically credible. Where sufficient information is not available internally, the Exchange has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below.

Trade receivables - Groupings for collective measurement:

- a. Trading Participants
- b. Listed Companies
- c. Data Vendors

The following credit exposures are assessed individually:

- All Stage 3 assets, regardless of the class of financial assets
- The cash and cash equivalents, investment in debt securities and other long-term investments, and other financial assets

*Write-off Policy.* The financial exposures of the Exchange are written-off based on Management's decision of whether receivables from counterparties are still collectible or not.

#### Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the parent company 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 assets and settle the liabilities simultaneously. The Exchange 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, even of default, and event of insolvency or bankruptcy of the Exchange and all of the counterparties.

#### Other Current Assets

Other current assets include deposits which pertain to deposits to suppliers to be applied for future purchases; prepaid expenses which are expenses paid in advance and recorded as asset before they are utilized; and creditable withholding taxes, which will be applied in the following year against the Company's corporate income tax due.

#### Value-added Tax (VAT)

Revenue, expenses and assets are recognized, net of the amount of VAT. The net amount of VAT recoverable from, or payable to, the taxable authority is included as part of "Other current assets" or "Accounts payable and other current liabilities" accounts in the parent company statement of financial position.



### Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises of its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are charged against current operations.

Depreciation is calculated using the straight-line method over the following estimated useful life of the depreciable assets:

Buildings	25 years
Building improvements	10 years
Trading system equipment	3 to 7 years
Computer hardware and peripherals	3 to 5 years
Transportation equipment	3 to 5 years
Office furniture, fixtures, communication equipment and others	2 to 5 years

The residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until these are no longer in use and no further depreciation is credited or charged to current operations.

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

Construction in progress represents assets under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for use.

### Investment Property

Investment property comprises building and building improvements. Investment property is held by the Exchange for capital appreciation and rental income purposes. Investment property is measured initially at cost, including transaction costs, less accumulated depreciation and accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to-day servicing of an investment property.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful life of 25 years.

The residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Investment property is derecognized when disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the profit or loss in the year of retirement or disposal.



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

Construction in progress classified under investment property are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation. Construction-in-progress is not depreciated until such time that the relevant assets are completed and are ready for use.

#### Investments in Subsidiaries

A subsidiary is an entity controlled by the Exchange. The Exchange controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are accounted for at cost less any impairment in value.

#### Investments in an Associate

An associate is an entity over which the Exchange 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. Investment in associate is accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Exchange's share of net assets of the associate since the acquisition date.

Profit or loss reflects the Exchange's share of the results of operations of the associate. Dividends from an associate are deducted from the investment account as it is treated as a return on investment. Any change in OCI of the investee is presented as part of the Exchange's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Exchange recognizes its share of any changes, when applicable, in the statement of changes in equity.

After application of the equity method, the Exchange determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Exchange determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Exchange calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognized the loss as part of "Equity in net income/loss of an associate" account in the parent company statement of comprehensive income.

Upon loss of significant influence over the associate, the Exchange measures and recognized any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the parent company statement of comprehensive income.

#### Impairment of Nonfinancial Assets

The carrying values of property and equipment, investment property, right-of-use assets and investments in subsidiaries and an associate are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets are written down to



their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss 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 profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### Deferred Fees and Others

Deferred fees and others include deferred output VAT which is reported as output VAT upon collection of related receivable and fees for the "Bull Run" and other sponsorship events which are collected but not yet earned as at reporting date.

#### Capital Stock and Additional Paid-in Capital

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

#### Subscribed Capital Stock / Subscription Receivable

Subscribed shares are the shares of stock that will be issued upon completion of an installment purchase contract with an investor. Subscribed shares are presented net of subscription receivable.

#### Treasury Shares

The Exchange's own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at cost. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Exchange's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital.

#### Retained Earnings

Retained earnings represent the Company's accumulated earnings, net of dividends declared and the cumulative effect of the retrospective application of change in accounting policy.

#### Donated Capital and Donation Income

Donations received, other than those contributions from equity participants, are recognized as income on the date of donation. Donations in kind are recognized at the fair value of asset received. Donated capital becomes available for dividend declaration when all conditions or restrictions are met. Such that the asset received will be for exclusive use of the Exchange for at least a period of 10 years from the date of the occupancy. Donations received by the Parent Company from PSE Foundation are solely and specifically for undertaking of philanthropic, charitable, civic, social welfare or



eleemosynary nature and from Manila Stock Exchange, Foundation, Inc. to partially finance the construction and fit-out of the PSE Museum.

#### Dividends on Common Shares

Dividends on common shares are recognized as a liability and deducted from equity when approved by the BOD of the Exchange. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting period.

#### Employee Stock Purchase Plan

All regular employees in good standing are granted options to purchase shares, subject to restrictions, terms and conditions provided in the Employee Stock Purchase Plan (ESPP). ESPP is considered an equity-settled transaction.

The cost of equity-settled transactions is measured by reference to the fair value at the date on which these are granted. The fair value is determined using a quoted market price at the time of payment.

The cost of equity-settled transactions is recognized with a corresponding increase in the equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Exchange's best estimate of the number of equity instruments that will ultimately vest. The amount reflected in the profit or loss represents the movement in cumulative expense recognized as of the beginning and end of the period. No expense is recognized for awards that do not ultimately vest.

#### Revenue Recognition

The following is a description of the principal activities separated by reportable segments from which the Exchange generates its revenue.

Listing-related revenues mainly pertain to fees from approved applications for Initial Public Offering (IPO) and additional listings in the PSE Main and Small, Medium and Emerging boards. The Exchange also recognizes annual fees for maintenance of listings which are directly affected by the change in number of shares and market price.

#### *Listing-related Fees*

*Filing Fees.* Based on the revised rules for listing applications, the Exchange's processing fees shall be discontinued and filing fees shall be paid in full upon filing of the applications for IPO and additional listings with the Exchange. The filing fees are non-refundable and are computed and billed based on (%) of market capitalization.

Revenue is recognized using percentage of hours spent on the relevant activities of the departments performing the listing service upon listing and over the listed companies' average listing life of fifteen (15) years.

*Listing Maintenance Fees.* These are annual fee paid by listed customer based on percentage of market capitalization. The revenue is earned by means of providing ongoing market access and maintenance of the listing (for example, maintaining technology, regulatory oversight and general operation). Revenue is recognized over-time by spreading out through the year.



**Processing Fees.** These are non-refundable upfront fees paid to administer the requirements of the applying customer before the approval to listing. Revenue is recognized upon receipt of the payment and services are rendered on a period of 20-30 days. The Exchange recognizes processing fees at point in time upon the receipt of payment from customers.

#### ***Trading-related Fees***

Trading related fees are revenues that are directly affected by the trading volume of the Exchange for the period. These include Transaction/Block Sales, Data Feed and Subscription Fees.

**Transaction Fees.** These are revenues billed based on 0.005% of the peso value of the volume of the buying and selling of shares of stocks by Investors to Trading Participants/Brokers of the Parent Company. Revenue is recognized at point in time once the trading transaction is completed.

**Block Sales.** These revenues pertain to income computed from 0.005% of the peso value of the volume of the block sale transactions. Block sales are pre-arranged stock transactions by and among the broker-dealers' clients or among two brokers representing their clients whose trading transactions do not go below ₱20.0 million. Revenue is recognized at point in time once the block sale transaction is completed.

**Data Feed Fees.** This revenue account consists of subscription and data feed fees paid by the data feed customers for the access to market data other than those basic information posted in the Exchange's disclosure website. Revenue is recognized over time on a monthly basis.

**Subscription Fees.** These are fees paid by the Trading Participants to allow them to transact in trading activities with the PSE through access in different PSE trading sites and facilities. Revenue is recognized over the period covered by the subscription.

#### **Contract Balances**

- **Trade Receivables.** A receivable represents the Exchange's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
- **Contract Assets.** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Exchange performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.
- **Contract Liabilities.** A contract liability is the obligation to transfer goods or services to a customer for which the Exchange has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Exchange transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. If the revenue recognized which is determined based average period of listing is lower than the amount collected as of date arising from the contract with the customer, a contract liability is recognized for the difference.

**Interest Income.** Revenue is recognized as the interest accrues, taking into account the effective yield of the asset.

**Dividend Income.** Dividend income is recognized when the Exchange's right to receive the dividend payment is established.





### Expense Recognition

Expenses are recognized in the profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in the profit or loss on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the parent company statements of financial position as an asset.

*Costs of Services.* Costs of services constitute expenses that arise in the course of the ordinary activities of the Exchange and recognized as expenses once incurred. These normally include costs related to the performance and delivery of services to customers.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business and are recognized as expenses once incurred.

### Pension and Other Post-employment Benefits

The Exchange has a funded noncontributory defined benefit retirement plan administered by trustees, covering their permanent employees. The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

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

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- 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 profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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 these arise. Remeasurements are not reclassified to the profit or loss in subsequent periods.



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

The Exchange'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.

*Profit Sharing and Bonus Plans.* The Exchange recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Exchange's shareholders after certain adjustments. The Exchange recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

*Employee Leave Entitlements.* Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting date. These are included in "Accounts payable and other current liabilities" account in the parent company statement of financial position at the undiscounted amount that the Exchange expects to settle within one year from the end of the reporting date as a result of the unused entitlement. The liability for entitlements expected to be settled beyond one year after the end of the reporting date are recognized under "Other employee benefits payable" account in the parent company statement of financial position and measured at the present value of the benefit as at the end of the reporting date.

*Termination Benefits.* Termination benefits are payable when employment is terminated by the Exchange before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Exchange recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

#### Leases

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

*Exchange as a Lessee.* The Exchange applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Exchange 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 Exchange recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are 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 and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Unless the Exchange is reasonably certain to obtain ownership of the leased asset at the end of the lease term recognized. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Data recovery sites	3 to 5 years
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Right-of-use assets are subject to impairment. Refer to the accounting policies in the section on impairment of non-financial assets.

- **Lease Liabilities.** At the commencement date of the lease, the Exchange recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable payments that do not depend on an index or a rate are as recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Exchange uses its IBR at the lease commencement date because 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.

**Exchange as a Lessor.** Leases where the Exchange does not transfer to the lessee substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease income arising is accounted for on a straight-line basis over the lease terms and are recognized as revenue in the statement of comprehensive income due to its operating nature.

#### Income Taxes

**Current Income Tax.** Current income tax assets and liabilities for the current period 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 at reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provision where appropriate.

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



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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting 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 income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 liabilities are not provided on nontaxable temporary differences associated with investment in subsidiary.

Deferred tax assets and liabilities are measured at the tax rate applicable to the year 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 reporting date.

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

Income tax relating to OCI is recognized in OCI section of the parent company statement of comprehensive income.

#### Foreign Currency-denominated Transactions

Transactions in foreign currencies are recorded using the exchange rate at the date of the transactions. Foreign exchange gains or losses arising from foreign currency-denominated transactions and revaluation adjustments of foreign currency-denominated assets and liabilities are credited to or charged against current operations. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate prevailing at reporting date. All differences are taken to profit or loss. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.



### Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net income for the year attributable to ordinary equity holders of the Exchange by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of common shares outstanding during the year, adjusted for the effects of potential dilutive shares. Stocks under the ESPP are deemed to have been converted into shares on the date of grant.

### Operating Segments

For management purpose, the Exchange is organized and managed under a single business segment, the equity, clearing and settlement business in 2023. Upon acquisition of additional interest in PDSIC in December 2024, the Exchange has two business segments which are the equity, clearing and settlement business and depository and fixed income business. These are the basis upon which the Parent Company reports its primary segment information.

### Provisions

Provisions are recognized when the Exchange has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are 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. Where the Exchange expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

### Contingencies

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

### Events after the Reporting Period

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

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## 4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements in accordance with PFRS requires the Exchange to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities, at the reporting date. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the parent company financial statements as these 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 determinable under the circumstances.

#### Judgments

In the process of applying the Exchange's accounting policies, management has made the following judgments, apart from those involving estimates and assumptions, which have the most significant effect on the amounts recognized in the parent company financial statements.

*Identifying Performance Obligation for Listing Services.* The Exchange provides listing services for approved applications for IPO and additional listings in the PSF Main and Small, Medium and Emerging boards. The Exchange determines that there is one performance obligation in the contract which is the service of being listed in the PSE.

*Determination of Lease Term of Contracts with Renewal Options - The Exchange as a Lessee.* Upon adoption of PFRS 16, the Exchange has lease contracts that include renewal options and termination options. The Exchange applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Exchange reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Exchange included the renewal period of one (1) year as part of the lease term for leases of data recovery sites with shorter non-cancellable period (i.e., 3 to 5 years). The Exchange typically exercises its option to renew for these leases because there will be a significant negative effect on operations if a replacement asset is not readily available.

*Operating Lease Commitments - The Exchange as Lessor.* The Exchange has entered into a property lease for its office space as a lessor. The Exchange has determined, based on evaluation of the terms and condition of the lease agreement, that the Exchange retains all significant risks and rewards of ownership of the leased property and accounts this lease as operating lease.

Rent income arising from operating leases amounted to ₱6.96 million and ₱6.37 million for the years ended December 31, 2024 and 2023, respectively (see Notes 20, 26 and 30).

*Fair Values of Financial Assets and Liabilities.* The Exchange carries certain financial assets at fair value. Fair value determinations for financial assets are based generally on listed or quoted market prices (see Note 6).

#### Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Exchange based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Exchange. Such changes are reflected in the assumptions when these occur.

*Estimation of Service Period and Determination of the Timing of Revenue Recognition for Listing Services.* The Exchange applies judgment and estimates on the identification and timing of satisfaction of performance obligations. The Exchange determines the service period and percentage of services rendered using historical analysis of listing durations and experience. Listing-related fees



are recognized using percentage of hours spent on the relevant activities of the departments performing the listing service upon listing and over the listed companies' average listing life of fifteen (15) years. The estimated service period is reassessed periodically to properly reflect the Exchange's best estimate. The percentage of services rendered are reassessed no later than five years or anytime wherein significant changes would warrant such reassessment to properly reflect the Exchange's best estimate.

Revenue from listing fees amounted to ₱296.91 million and ₱314.21 million for the years ended December 31, 2024 and 2023, respectively (see Note 20).

*Leases - Estimating the IBR.* The Exchange cannot readily determine the interest in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Exchange would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Exchange "would have to pay", which requires estimation when no observable rates are available (such as for entities that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Exchange estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

The Exchange's lease liabilities amounted to ₱54.44 million and ₱74.08 million at December 31, 2024 and 2023, respectively (see Note 26).

*Impairment of Financial Assets at FVOCI.* The Exchange takes into consideration the Exchange's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in assessing the impairment of its financial assets at FVOCI. For financial debt financial assets at FVOCI, the Exchange has applied the General Approach and has calculated ECL based on either the 12-month ECL or lifetime ECL, if SICR is established.

There were no provisions for impairment losses on the financial assets at FVOCI for the years ended December 31, 2024 and 2023. The total carrying value of the financial assets at FVOCI amounted to ₱844.11 million and ₱966.30 million as at December 31, 2024 and 2023, respectively (see Note 9).

*Impairment of Receivables.* Allowance for doubtful accounts is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the Exchange's historical credit loss experience and forward-looking factors specific to the debtors and the economic environment that may affect collectability. The Exchange applies the simplified approach designed to identify potential uncollectible receivable and is performed on a continuous basis throughout the period.

There were no provisions for impairment of receivables for the years ended December 31, 2024 and 2023. The carrying values of receivables amounted to ₱90.51 million and ₱85.75 million as at December 31, 2024 and 2023, respectively (see Note 10).

*Recoverability of Property and Equipment, Right-of-use Assets and Investment Properties.* The Exchange performs impairment review of property and equipment, right-of-use assets, and investment properties when certain impairment indicators are present. Determining the fair value of assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Exchange to make estimates and assumptions that can materially affect the parent company financial statements. Future events could cause the Exchange to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Exchange's financial position and performance.



There were no provisions for impairment of property and equipment, right-of-use assets and investment property for the years ended December 31, 2024 and 2023 (see Notes 12, 13 and 26).

The carrying values of property and equipment, right-of-use assets and investment property as at December 31 are as follows:

	2024	2023
Property and equipment (see Note 12)	<b>#994,463,303</b>	P1,027,228,375
Right-of-use assets (see Note 26)	<b>43,232,259</b>	64,364,203
Investment property (see Note 13)	—	134,304,836

*Estimation of Useful Lives of Property and Equipment.* The Exchange estimated the useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The Exchange reviews annually the estimated useful lives based on factors that include asset utilization, internal technical evaluation, technological changes, and anticipated use of the assets. A reduction in the estimated useful lives of property and equipment would increase the recorded depreciation expense and decrease the related assets.

There were no significant changes in the estimated useful lives of the Exchange's property and equipment in 2024 and 2023.

*Contingencies.* The Exchange is currently involved in legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with counsel handling the defense in these matters and is based upon an analysis of potential results. The outcome of these legal proceeding are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the parent company financial position and results of operations.

*Present Value of Pension Liability and Other Employee Benefits.* The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include discount rate and rate of salary increase.

The Exchange determines the appropriate discount rate at the end of each year. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

While it is believed that the Exchange's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Exchange's pension obligations.

Employee leave entitlements that is expected to be settled within one year from reporting date is included in "Accounts payable and other current liabilities" account in the parent company statement of financial position. Otherwise, this is included in "Pension liability and others" account in the parent company statement of financial position.

The amounts of post-employment benefit obligations and expense and an analysis of the movements in the estimated present value of post-employment benefit obligations, as well as the significant assumptions in estimating such obligation, are presented in Note 28.





Net pension asset amounted to ₱57.69 million and ₱52.14 million as at December 31, 2024 and 2023, respectively (see Note 28).

*Recognition of Deferred Tax Assets.* The carrying amount of deferred tax assets is reviewed at each reporting period. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The forecasted availability of taxable profit is based on past and future expectations on revenue and expenses. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As at December 31, 2024 and 2023, the Exchange recognized deferred tax asset amounting to ₱15.84 million and ₱31.26 million, respectively (see Note 27).

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## 5. Financial Risk Management Objectives and Policies

The Exchange's principal financial instruments consist of cash and cash equivalents, short-term investments, financial assets at FVTPL and financial assets at FVOCI. The main purpose of these financial instruments is to raise finances for the Exchange's operations. The Exchange has other financial assets and liabilities such as receivables (excluding advances to officers and employees and suppliers), other noncurrent assets – deposits in bank, accounts payable and other current liabilities (excluding payable to government agencies), lease liabilities and subscription payable, which arise directly from its operations. It is the Exchange's policy not to directly engage in the trading of financial instruments.

The main risks arising from the Exchange's financial instruments are liquidity risk, credit risk, equity price risk, interest rate risk and foreign currency risk. The Exchange's BOD, management and the Treasurer review and agree on the policies of managing each of these risks as summarized below.

### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with the financial instruments. Liquidity risk may result from the inability to sell financial assets quickly at their fair values.

The Exchange seeks to manage its liquidity profile to be able to service its maturing liabilities and to finance capital requirements. The Exchange maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Exchange regularly evaluates its projected and actual cash flows.

To meet the requirement for liquidity, adequate cash flow is provided for administrative operating expenditures and capital expenses based on projected funding requirements. All excess funds are invested in an organized investment mix of short-term and long-term investments to achieve maximum returns.



The tables below summarize the maturity profile of the financial assets held for liquidity purposes and financial liabilities based on remaining contractual undiscounted payments.

	As at December 31, 2024				
	Within a Year	1-2 Years	More than Two Years	No Maturity Date	Total
<b>Financial Assets</b>					
Financial assets at amortized cost:					
Cash and cash equivalents	P900,497,954	P-	P-	P55,000	P900,512,954
Receivables:					
Receivables from:					
Trading participants	25,458,308	-	-	-	25,458,308
Data vendors	31,379,384	-	-	-	31,379,384
Listed companies	3,374,130	-	-	-	3,374,130
Accrued interest receivable	8,539,840	-	-	-	8,539,840
Receivable from other fund members	9,699,589	-	-	-	9,699,589
Others	7,565,019	-	-	-	7,565,019
Other noncurrent assets:					
Claims under litigation	-	-	51,166,892	-	51,166,892
Deposits in bank	-	-	345,284	-	345,284
Financial assets at FVTPL	1,143,691,864	-	-	4,000,000	1,147,691,864
Financial assets at FVOCI:					
Government debt securities **					
Short-term	195,845,921	-	-	-	195,845,921
Long-term	-	157,419,282	379,914,028	-	537,533,301
Corporate bonds *					
Long-term	-	19,230,850	91,496,986	-	110,727,836
	P2,325,913,018	P176,350,132	P522,923,182	P4,055,000	P3,029,740,312
<b>Financial Liabilities</b>					
Other financial liabilities:					
Accounts payable and other current liabilities:					
Trade payables	(P137,107,406)	P-	P-	P-	(P137,107,406)
Due to SEC	(74,083,683)	-	-	-	(74,083,683)
Accrued expenses**	(31,693,281)	-	-	-	(31,693,281)
Others	(3,870,594)	-	-	-	(3,870,594)
Lease liabilities:					
Current portion	(23,872,039)	-	-	-	(23,872,039)
Noncurrent portion	-	(35,276,068)	-	-	(35,276,068)
Tripartite deposits and others	-	-	(847,104)	-	(847,104)
	(P370,627,010)	(P35,276,068)	(P847,104)	P-	(P306,750,382)

\*Including interest

\*\*Excluding interest is not accounting to P&L in million

	As at December 31, 2023				
	Within a Year	1-2 Years	More than Two Years	No Maturity Date	Total
<b>Financial Assets</b>					
<b>Financial assets at amortized cost:</b>					
Cash and cash equivalents	P1,263,881,140	P-	P-	P55,000	P1,263,936,140
Receivables:					
Receivables from:					
Trading participants	25,877,045	—	—	—	25,877,045
Data vendors	14,114,037	—	—	—	14,114,037
Listed companies	3,493,660	—	—	—	3,493,660
Accrued interest receivable	20,228,750	—	—	—	20,228,750
Receivable from other fund members	8,522,548	—	—	—	8,522,548
Others	17,620,437	—	—	—	17,620,437
Other noncurrent assets:					
Claims under litigation	—	—	51,166,892	—	51,166,892
Deposits in bank	—	—	345,051	—	345,051
<b>Financial assets at FVTPL</b>	<b>1,051,999,495</b>	<b>—</b>	<b>—</b>	<b>4,000,000</b>	<b>1,057,999,495</b>

(Continued)



As at December 31, 2023					
	Within a Year	1-2 Years	More than Two Years	No Maturity Date	Total
<b>Financial assets at FVOCI:</b>					
Government debt securities *					
Short-term	P217,831,006	P-	P-	P-	P217,831,006
Long-term	-	191,259,813	466,813,225	-	658,073,038
Corporate bonds *					
Long-term	-	-	90,391,392	-	90,391,392
	P217,831,006	P191,259,813	P608,716,560	P4,055,000	P3,427,991,691
<b>Financial liabilities</b>					
<b>Other financial liabilities:</b>					
Accounts payable and other current liabilities:					
Due to SFC	(P67,001,404)	P-	P-	P-	(P67,001,404)
Trade payables	(75,718,609)	-	-	-	(75,718,609)
Accrued expenses**	(18,883,522)	-	-	-	(18,883,522)
Others	(5,854,602)	-	-	-	(5,854,602)
Lease liabilities:					
Current portion	(23,872,039)	-	-	-	(23,872,039)
Noncurrent portion	-	(47,094,078)	132,034,079	-	(59,148,107)
Tenants' deposits and others	-	-	(847,304)	-	(847,304)
	(P187,330,176)	(P47,094,078)	(P1,291,533)	P-	(P234,325,587)

\*Including interest.

\*\*Excluding direct costs amounting to P17.0 million.

### Credit Risk

Credit risk refers to the potential loss arising from any failure by the Exchange's counterparties to fulfill their contractual obligations, as and when they fall due. The Exchange's credit exposure arises mainly from receivables from trading participants on clearing related services for securities transactions, membership fees and other fees, receivable from listed companies on listing maintenance fees and receivable from market data vendors for data feed charges. To minimize credit risk, the Exchange monitors the financial health of clearing participants and takes note of participants with potential default.

The credit risk of the Exchange's financial assets arises from default of the counterparty with maximum exposure equal to the carrying amounts of these financial instruments. The fair values of these financial instruments are disclosed in Note 6.

### Credit Quality of Financial Assets

The credit quality of financial assets is grouped according to stage whose description is explained as follows:

**Stage 1** – those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

**Stage 2** – those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

**Stage 3** – those that are considered in default or demonstrate objective evidence of impairment as of reporting date.



As at December 31, 2024				
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at amortized cost:				
Cash and cash equivalents*	P900,457,954	P-	P-	P900,457,954
Receivables:				
Receivables from:				
Trading participants	25,358,308	=	=	25,358,308
Data vendors	=	31,379,384	=	31,379,384
Listed companies	=	3,374,130	=	3,374,130
Accrued interest receivable	=	8,539,840	=	8,539,840
Receivable from other fund members	=	9,609,589	=	9,609,589
Others	7,565,019	=	=	7,565,019
Other noncurrent assets:				
Deposits in bank	=	345,284	=	345,284
Claims under litigation	=	51,166,892	=	51,166,892
Financial assets at FVOCI:				
Government debt securities:				
Short-term	195,845,921	=	=	195,845,921
Long-term	537,533,302	=	=	537,533,302
Corporate bonds:				
Long-term	110,727,836	=	=	110,727,836
	P1,777,486,140	P104,595,128	P-	P1,881,993,468

\*Excluding cash on hand amounting to P10.01 million

As at December 31, 2023				
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Financial assets at amortized cost:				
Cash and cash equivalents*	P1,261,881,140	P-	P-	P1,261,881,140
Receivables:				
Receivables from:				
Trading participants	23,568,858	111,760	297,437	23,977,055
Data vendors	=	14,114,037	=	14,114,037
Listed companies	=	1,169,382	1,324,138	1,493,690
Accrued interest receivable	=	21,228,750	=	21,228,750
Receivable from other fund members	=	8,522,548	=	8,522,548
Others	1,577,020	15,858,802	239,616	17,620,438
Other noncurrent assets:				
Deposits in bank	=	345,051	=	345,051
Claims under litigation	=	51,166,892	=	51,166,892
Financial assets at FVOCI:				
Government debt securities:				
Short-term	217,831,006	=	=	217,831,006
Long-term	658,073,038	=	=	658,073,038
Corporate bonds:				
Long-term	90,391,392	=	=	90,391,392
	P2,259,261,434	P111,416,222	P2,851,321	P2,369,544,997

\*Excluding cash on hand amounting to P10.01 million

The Exchange does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

In the selection of investment, capital preservation is the primary consideration of the Exchange. With this objective, funds are basically invested in government bonds and securities and duly registered with the Registry of Scripless Securities under the name of the Exchange.

The Head of Finance Division is responsible for the identification of investments that provide a relatively stable rate of return and endorses it to the Treasurer or President for approval. The Exchange is guided by a BOD approved investment policy guidelines. Any exemption to the set policy is subject to the approval of the BOD. In addition, on a monthly basis, the Treasurer reports the investment portfolio performance and management's performance associated with the investment portfolio to the BOD.



**Market Risk**

The Exchange's market risk (the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument) originates from its holdings of debt and equity securities. The value of a financial instrument may change as a result of equity price, interest rates, foreign currency exchanges rates and other market changes.

**Equity Price Risk.** The Exchange's exposure to equity price pertains to its investments in quoted equity shares, which are classified under financial assets at FVTPL and FVOCI in the parent company statement of financial position. Equity price risk arises from the changes in the levels of equity indices and the value of individual stocks traded in the stock exchange.

The Exchange's policy is to maintain the risk to an acceptable level by monitoring regularly the movement of share prices to determine the impact on its financial position.

The effect on profit or loss (as a result of change in fair value of financial assets at FVTPL as at December 31, 2024 and 2023) due to a possible change in equity indices, based on historical trend, with all other variables held constant is as follows:

	Change in Equity Price	Effect on Profit or Loss/Equity (In Millions)
2024	+1.21%	₱10.60
	-1.21%	(10.60)
2023	+1.37%	₱10.60
	-1.37%	(10.60)

As at December 31, 2024 and 2023, the Exchange's exposure to equity price risk arising from equity securities investments is minimal

**Fair Value Interest Rate Risk.** The Exchange follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. There are no floating rate financial assets and financial liabilities. Term deposits with banks and debt securities carry fixed rates throughout the period of deposit or placement.

The table below sets forth the sensitivity to a reasonable possible change in interest rates with all other variables held constant, of the Exchange's equity (through the impact on unrealized gain/loss on fixed rate debt financial assets at FVOCI in 2024 and 2023).

	Effect on Equity	
	2024	2023
	(In Millions)	
Increase (Decrease) in interest rates:		
-70 basis points	(₱12.45)	(₱15.49)
+70 basis points	12.83	15.99

**Foreign Currency Risk.** Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Exchange's exposure to foreign currency risks arise primarily from US dollar transactions, mostly from cash and cash equivalents and receivables.



The Exchange's policy is to maintain foreign currency exposure within acceptable limits. The Exchange believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits.

The following table summarizes the exposure to foreign currency exchange risk as at December 31, 2024 and 2023

	2024		2023	
	In USD	In Php	In USD	In Php
Financial assets:				
Cash and cash equivalents	\$308,116	₱17,822,958	\$1,934,018	₱107,086,028
Financial assets at FVPL	5,096,266	294,793,489	4,931,417	273,052,583
Receivables	532,235	30,787,134	223,160	12,356,185
	<u>\$5,936,617</u>	<u>₱343,403,581</u>	<u>\$7,088,585</u>	<u>₱392,494,996</u>

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱57.845 to US\$1.00 and ₱55.37 to US\$1.00, the Philippine peso to U.S. Dollar exchange rate as at December 31, 2024 and 2023, respectively.

The table below indicates the effect of increase or decrease in US dollar exchange rate on income before income tax to which the Exchange has substantial exposures on its financial assets. The result calculates the effect of a reasonably possible change in the spot rates, when all other variables are held constant. Negative values in the table reflect a potential reduction in income while a positive amount reflects a potential increase.

2024		2023	
USD Strengthens/ (Weakens)	Effect on Income before Tax (in millions)	USD Strengthens/ (Weakens)	Effect on Income before Tax (in millions)
4.47% (4.47%)	₱15.35 (15.35)	0.69% (0.69%)	₱2.71 (2.71)

The increase in ₱ rate as against US\$ rate demonstrates weaker functional currency while the decrease represents stronger Philippine peso value.

There is no other impact on the equity other than those already affecting profit or loss.

## 6. Fair Value Measurement and Hierarchy

The following table sets forth the carrying values and estimated fair values of financial assets, by category and by class, recognized as at December 31, 2024 and 2023:

		2024		
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets measured at fair value -</b>				
Financial assets at FVTPL	P1,147,691,864	P1,143,691,864	P4,000,000	P-
<b>Financial assets at FVOCI:</b>				
Government securities -				
Current	195,845,921	-	195,845,921	-
Long-term	537,533,302	-	537,533,302	-
Corporate bonds:				
Long-term	110,727,836	110,727,836	-	-
<b>Financial assets at amortized cost:</b>				
Claims under litigation	51,166,892	-	-	51,166,892
Deposits in bank	345,284	-	-	345,284
	P2,043,311,099	P1,254,419,700	P737,379,223	P51,512,176
<b>Liabilities measured at fair value:</b>				
Noncurrent lease liabilities	P26,567,444	P-	P-	P26,567,444
Tenant's deposits	847,304	-	-	847,304
	P27,414,748	P-	P-	P27,414,748
<b>2023</b>				
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets measured at fair value -</b>				
Financial assets at FVTPL	P1,057,993,693	P1,057,993,693	P4,000,000	P-
<b>Financial assets at FVOCI:</b>				
Government securities -				
Current	217,831,006	-	217,831,006	-
Long-term	658,073,038	-	658,073,038	-
Corporate bonds:				
Long-term	90,391,392	90,391,392	-	-
<b>Financial assets at amortized cost:</b>				
Claims under litigation	51,166,892	-	-	51,166,892
Deposits in bank	345,051	-	-	345,051
	P2,015,801,074	P1,144,385,087	P879,904,044	P51,511,943
<b>Liabilities measured at fair value:</b>				
Noncurrent lease liabilities	P54,439,943	P-	P-	P54,439,943
Tenant's deposits	847,305	-	-	847,305
	P55,287,248	P-	P-	P55,287,248

During the years ended December 31, 2024 and 2023, there were no transfers made among the three levels in fair value hierarchy



Cash and Cash Equivalents, Receivables (excluding Advances to Officers and Employees and Suppliers), Other Noncurrent Assets – Deposits in Bank, Claims under Litigation, Accounts Payable Current Portion of Lease Liabilities and Other Current Liabilities (excluding Payable to government agencies) and Subscription payable

The carrying amounts approximate the fair values because of their short-term nature or due to the immaterial effect of discounting when present value of future cash flows from these instruments are calculated.

Financial Assets at FVTPL

The fair values of the financial assets at FVTPL have been determined directly by reference to quoted prices in active markets or inputs other than quoted prices that are directly or indirectly observable.

Financial Assets at FVOCI

The fair values of the financial assets at FVOCI are determined by reference to quoted market price at the close of business.

Noncurrent Portion of Lease Liabilities

The fair value is based on the discounted value of expected future cash flows using the applicable interest rate.

## 7. Cash and Cash Equivalents and Short-Term Investments

Cash and Cash Equivalents

This account consists of

	2024	2023
Cash on hand and in banks	P54,359,564	P117,787,513
Cash equivalents	846,153,390	1,146,148,627
	<u>P900,512,954</u>	<u>P1,263,936,140</u>

Cash in banks earns interest of 0.625% bank deposit rate. Cash equivalents are made for varying periods with original maturity of three months or less from dates of placement and earn interest rates ranging from 5.15% to 5.95% in 2024 and 6.25% to 6.30% in 2023.

Short-Term Investments

Short-term investments are made for varying periods with original maturity of over 90 days from dates of placement and earn interest rates ranging from 6.25% to 7.0% in 2023 that matured in 2024.

Interest income earned from cash and cash equivalents and short-term investments amounted to P125.31 million and P13.28 million in 2024 and 2023, respectively (see Note 21).

## 8. Financial Assets at FVTPL

This account consists of quoted equity securities. The Exchange entered into an investment management agreement with third party banks for the disposition of its investible funds at the banks' discretion subject to the investment guidelines set by the Exchange. The funds were invested in traded equity securities.





The fair value of the financial assets at FVTPL as at December 31, 2024 and 2023 amounted to ₱1,147.69 million and ₱1,057.99 million, respectively. Mark-to-market gain on financial assets at FVTPL amounted to ₱21.72 million and ₱10.38 million in 2024 and 2023, respectively.

Dividend income earned on financial assets at FVTPL amounted to ₱24.70 million and ₱24.60 million in 2024 and 2023, respectively.

Interest income from investments at FVTPL amounted to ₱13.15 million and ₱15.47 million in 2024 and 2023, respectively (see Note 21).

The fair values of the financial assets at FVTPL have been determined directly by reference to quoted prices in active markets or inputs other than quoted prices that are directly or indirectly observable (see Note 6).

## 9. Financial Assets at FVOCI

This account consists of:

	2024	2023
Government debt securities	₱733,379,223	₱875,904,044
Corporate bonds	110,727,836	90,391,392
	844,107,059	966,295,436
Less current portion	195,845,921	217,801,006
Long-term financial assets at FVOCI	₱648,261,138	₱748,464,430

Short-term financial assets at FVOCI as at December 31, 2024 pertain to government securities with interest rate of 3.63% to 4.92% and will mature in 2025. Short-term financial assets at FVOCI as at December 31, 2023 pertain to government securities with interest rate of 2.38% to 6.25% and matured in 2024.

Peso-denominated long-term government debt securities and corporate bonds earn annual interest rates ranging from 4.14% to 8.01% and 3.38% to 7.53% for 2024 and 2023, respectively. Noncurrent and long-term portion of government debt securities and corporate bonds as at December 31, 2024 and 2023 will mature from 2026 to 2034 and 2025 to 2032, respectively.

Interest income earned from financial assets at FVOCI amounted to ₱45.27 million and ₱140.51 million in 2024 and 2023, respectively (see Note 21).

The rollforward analysis of the financial assets at FVOCI as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of year	₱966,295,436	₱1,860,339,657
Additions	92,160,000	35,870,000
Maturities	(217,094,120)	(948,187,795)
Amortization of discount and premium	(153,635)	(3,148,019)
Gain on change in fair value	2,899,378	21,421,593
Balance at end of year	₱844,107,059	₱966,295,436



The movement of net unrealized loss on financial assets at FVOCI as at December 31, 2024 and 2023 is as follows:

	2024	2023
Balance at beginning of year	(P18,263,919)	(P39,685,512)
Net change in fair value	2,899,378	21,421,593
Balance at end of year	(P15,364,541)	(P18,263,919)

#### 10. Receivables

This account consists of:

	2024	2023
Receivables from:		
Trading participants (Note 30)	P25,358,308	P23,877,045
Data vendors	31,379,384	14,114,037
Listed companies	3,374,139	3,493,660
Accrued interest receivable	8,539,840	20,228,750
Advances to/receivables from:		
Other members	9,699,589	8,522,548
Officers and employees and others	7,451,192	755,358
Others	7,565,019	17,620,427
Total	93,367,471	85,611,815
Less allowance for impairment loss	2,857,961	2,857,961
	P90,509,510	P82,753,854

Receivables generally have terms of 30 days, except for the receivables from data vendors which are normally collected within 45 days.

#### 11. Other Current Assets

This account consists of:

	2024	2023
Prepaid expenses	P118,085,242	P35,579,773
Input VAT - net of noncurrent portion	19,082,195	28,209,358
Others	7,388,461	2,200,278
	P144,555,898	P65,989,409

Prepaid expenses include prepayments of rental, insurance, supplies inventory, creditable withholding tax and other expenses which are normally incurred within the next financial year.

Input VAT, net of noncurrent portion, represents VAT paid to suppliers that can be claimed as credit against the Exchange's future output VAT liabilities without prescription.

## 12. Property and Equipment

The composition of and movements in property and equipment are as follows.

	December 31, 2024						
	Buildings	Office and Building Improvements	Trading System Equipment	Computer Hardware and Peripherals	Office Furniture, Fixtures and Communication Equipment and Others	Transportation Equipment	Total
Cost							
At beginning of year	₱1,872,795,818	₱38,469,349	₱111,337,837	₱325,792,677	₱135,818,482	₱28,376,212	₱2,512,590,385
Additions	-	1,377,580	80,886,369	32,493,737	746,371	1,837,773	136,342,832
Disposals/Impairments	-	(227,353)	(1,497,127)	(2,864,989)	(1,418,801)	(1,373,186)	(18,981,733)
At end of year	1,872,795,818	38,619,576	189,727,079	354,421,425	137,146,052	28,840,809	2,673,510,759
Accumulated Depreciation							
At beginning of year	257,941,283	648,483	267,157,388	324,556,844	159,454,254	8,728,062	1,318,446,914
Depreciation (Notes 22 and 23)	42,911,446	1,377,895	75,138,261	33,799,783	2,443,289	5,881,741	160,553,715
Disposals	-	-	(379,651)	(2,832,786)	(1,432,688)	(374,461)	(6,020,586)
At end of year	300,852,729	1,646,378	342,915,998	355,523,741	159,964,851	13,235,362	1,314,640,059
Net book value	₱1,571,943,089	₱36,973,198	₱46,811,081	₱98,897,684	₱17,181,201	₱15,605,447	₱1,358,869,700

	December 31, 2023						
	Buildings	Building Improvements	Trading System Equipment	Computer Hardware and Peripherals	Office Furniture, Fixtures and Communication Equipment and Others	Transportation Equipment	Total
Cost							
At beginning of year	₱1,871,543,035	₱66,275	₱125,641,495	₱341,742,366	₱137,521,822	₱27,334,268	₱2,383,949,171
Additions	-	14,815,464	35,110,231	64,781,665	2,344,187	2,342,750	117,049,393
Disposals/Impairments	(171,078)	-	-	(342,654)	-	(8,976,049)	(10,489,881)
At end of year	1,699,464,957	14,831,739	160,751,726	399,181,377	139,866,009	20,699,969	2,315,035,867
Accumulated Depreciation							
At beginning of year	215,458,935	16,517	265,251,165	316,987,143	151,299,139	2,727,022	1,151,049,726
Depreciation (Notes 22 and 23)	47,776,681	610,171	21,515,125	17,512,295	2,405,745	4,442,243	94,122,570
Disposals	-	-	-	(344,494)	-	(3,444,567)	(3,789,061)
At end of year	263,235,616	17,127	286,766,290	333,154,944	153,704,884	8,724,702	1,211,949,753
Net book value	₱1,436,229,341	₱14,814,612	₱73,985,436	₱66,026,433	₱18,161,125	₱11,975,267	₱1,103,086,114

As at December 31, 2024 and 2023, the Exchange's acquisitions of property and equipment which remain unpaid and is included under "Accounts payable and other current liabilities - Trade" amounted to ₱46.62 million and ₱72.89 million, respectively.

The Exchange disposed property and equipment with carrying value amounting to ₱6.29 million and ₱0.54 million for a total consideration of ₱6.46 million and ₱0.54 million, respectively. The disposal has a related gain on disposal amounting to ₱0.17 million and nil in 2024 and 2023, respectively.

As at December 31, 2024 and 2023, no property and equipment have been pledged as security or collateral for any of the Exchange's liabilities.

**Building.** This includes condominium units at the PSE Tower, Fort Bonifacio Global City (see Note 18). The condominium units were transferred to and accepted by the Exchange on September 22, 2017.

**Building Improvements.** These pertain to improvements of the condominium units at the PSE Tower, Fort Bonifacio Global City.

**Trading System Equipment.** This represents software and hardware costs. Software costs cannot be separately classified as an intangible asset as this is an integral part of the related hardware.

### 13. Investment Property

This pertains to the condominium units at Exchange Plaza, Ayala Triangle, Makati City (see Note 18).

On December 12, 2018, the BOD authorized the Exchange's management to lease out its property at the Exchange Plaza, Ayala Triangle, Makati City and engage, negotiate and discuss with prospective lessees the terms and conditions of the lease beneficial to the exchange.

In April 2019, the Exchange entered into a non-exclusive agreement with Colliers International Philippines, Inc. for the purpose of marketing the leasing out of office units. The broker's commission depends on the term of lease and is payable upon successful execution of lease contract.

In October 2019, the Exchange started its renovation works on the property. In October 2021, the renovation works on the property was completed.

The movements in this account are as follows:

	2024	2023
<b>Cost</b>		
Balance at beginning and end of year	P148,411,631	P148,411,631
<b>Accumulated depreciation</b>		
Balance at beginning of year	14,106,795	8,170,331
Depreciation (Notes 22 and 23)	2,753,860	5,936,464
Balance at end of year	16,860,655	14,106,795
	131,550,976	134,304,836
Transfer to PSI Realty, Inc. (PRI) (Note 14)	(131,550,976)	
<b>Net book value</b>	<b>₱ -</b>	<b>P134,304,836</b>

On June 18, 2024, the SEC approved the incorporation of PRI and the transfer of investment properties of the Parent Company in exchange of shares in PRI. The Parent Company has subscribed to 9,582,343 shares in PRI in exchange for the investment properties valued at ₱958.23 million. The excess of the fair value of the consideration over the net book value of investment properties resulted to a gain amounting to ₱826.68 million, which was recognized as "Gain on transfer of investment property" in the parent company statements of comprehensive income.

*Fair Value of Investment Property.* The investment property is valued at ₱1,332.24 million based on its latest appraisal report dated November 18, 2024. The property's valuation date is for the year ended December 31, 2024.

The most recent fair value of the investment property is determined by an independent appraiser who holds a recognized and relevant professional qualification. The valuation of investment properties was based on market values using the market approach. The fair value represents the price that would be received to sell the investment properties in an orderly transaction between market participants at the date of valuation. The determination of the fair value of the investment property is categorized under Level 2 fair value measurement since valuation is based on observable inputs such as the asking prices of comparable units.



#### 14. Investments In Subsidiaries and an Associate

As at December 31, 2024 and 2023, the cost of investments in subsidiaries and an associate are as follows:

	2024	2023
Subsidiaries:		
Securities Clearing Corporation of the Philippines (SCCP)	P425,545,393	P425,545,393
Capital Markets Integrity Corporation (CMIC)	50,000,000	50,000,000
Premier Software Enterprise, Inc. (Premier)	50,000,000	40,000,000
PR1 (see Note 13)	958,234,300	-
Philippine Dealing System Holdings Corp. (PDSHC)	1,537,428,223	-
Total Subsidiaries	3,021,207,916	515,545,393
Associate - PDSHC	-	289,509,731
	P3,021,207,916	P805,055,124

##### Investment in SCCP

The Exchange owns 100% interest in SCCP, which was organized to carry out and strictly implement the following functions: (1) Delivery-versus-Payment trade settlement; (2) Fails management and administration of the Clearing and Trade Guaranty Fund; and (3) Risk monitoring and management.

On February 21, 2023, the BOD of SCCP declared cash dividends in the amount of P300.00 million in favor of all shareholders of record as of February 21, 2023 payable on March 24, 2023 (see Note 30).

On January 31, 2024, the BOD of SCCP declared cash dividends in the amount of P250.00 million in favor of all shareholders of record as of January 31, 2024 payable on February 16, 2024 (see Note 30).

##### Investment in CMIC

The Exchange owns 100% interest in CMIC which was organized to function as the independent audit, surveillance and compliance unit of the Exchange with the authority to adopt, enforce, implement and interpret rules, guidelines and securities laws applicable to the operations and dealings of trading participants and other market participants of the Exchange. CMIC was incorporated in the Philippines.

##### Investment in Premier

The Exchange owns 100% interest and 30% interest in Premier as at December 31, 2024 and 2023, respectively. Premier is a domestic stock corporation organized on May 16, 2019 to engage in the business of manufacturing, distribution, sales and marketing of all kinds of technology related products and services such as computer hardware, software, internet service providing, voice and data network integration, packet or cell switching technologies, circuit switching technology, information software services, product designing and other information technology applications and services, except telecommunications business. Premier was incorporated in the Philippines.

In 2022, the Exchange paid its subscription payable to Premier amounting to P0.78 million (see Note 30).



In 2024, the Exchange and a shareholder of Premier entered into a Deed of Donation to transfer, by way of donation, the 100,000 common shares with par value of P100 per share or P10.0 million owned by the shareholder of Premier to the Exchange. As a result, the Exchange acquired additional 20.0% interest in the voting shares of Premier, increasing its ownership interest to 100.0%.

#### Investment in PRI

The Exchange owns 100% interest in PRI which is a domestic stock corporation organized on June 18, 2024 to acquire by purchase, lease, donation or otherwise, own, hold for investment or otherwise, develop, improve, use, lease, sublease, mortgage, pledge, sell, assign, transfer, exchange or otherwise dispose of, maintain, administer, manage, and operate, alone or jointly with others, real property of all kinds, classes, description, and purpose, such as but not limited to office, commercial, residential or mixed-use properties, hotels, inns, resorts, and apartments, without however engaging in real estate subdivision business. PRI was incorporated in the Philippines (see Note 13).

#### Investment in PDSHC

In 2023, the Exchange owns 20.98% interest in PDSHC, a domestic stock corporation, whose principal activity is to provide platform for the issuance, trading, dealing and exchange of fixed income securities and monetary requirements. The Exchange acquired PDSHC because of its expected business synergies to the Group.

On various dates in December 2024, the Exchange entered into and signed Sale and Purchase Agreements (SPAs) with several PDSHC stockholders for the acquisition of additional 2.02 million common shares of PDSHC representing 32.36% interest for a total consideration of P1,213.52 million, of which P1,194.77 million was paid in December 2024. The remaining balance of P18.75 million was paid in January 2025. These acquisitions were completed and closed on December 27, 2024 (the Acquisition Date). By December 31, 2024, the Exchange owns 3.33 million common shares representing 53.34% equity interest and gains control over PDSHC.

The movements in investment in associate as at December 31 are as follows:

	2024	2023
Acquisition cost	P137,050,657	P137,050,657
Accumulated equity in net income of an associate:		
Balance at beginning of year	741,160,842	668,623,620
Share in net income of investee	98,555,487	72,537,222
Balance at end of year	839,716,329	741,160,842
Accumulated equity in other comprehensive income		
- remeasurement gain on pension liability:		
Balance at beginning of year	4,957,116	4,882,784
Share in remeasurement gain (loss)	(1,218,595)	74,332
Balance at end of year	3,738,521	4,957,116
Accumulated dividend income:		
Balance at beginning of the year	(593,658,884)	(520,228,884)
Dividends declared during the year	(62,940,000)	(73,430,000)
Balance at end of year	(656,598,884)	(593,658,884)
Acquisition through business combination	(323,906,623)	-
Net carrying value	#	P289,509,731



The available financial information of PDSHC follows (in millions):

	2024	2023
Current assets	P1,581.96	P1,369.32
Noncurrent assets	200.37	143.02
Current liabilities	274.18	209.97
Noncurrent liabilities	61.65	21.55
Total equity	1,446.50	1,280.82
Net income attributable to:		
Equity holder of the parent company	466.59	345.71
Noncontrolling interest	8.78	7.96
Other comprehensive income (loss)	(5.92)	0.36
Total comprehensive income	469.45	354.06

The reconciliation of the net assets of the associate to the carrying amounts of the interest in this associate recognized in the parent company statements of financial position as at December 31, 2023 follows (in millions):

Net assets of associate attributable to controlling shareholders	P1,261.58
Proportionate ownership in net assets (20.98%)	264.68
Goodwill	24.83
	P289.51

On February 23, 2023 the BOD of PDSHC declared cash dividends in the amount of P56 per share (P350.00 million) in favor of all shareholders on record as of December 31, 2022 payable on or before March 31, 2023.

On February 29, 2024, the BOD of PDSHC declared cash dividends of P48 per share (P300.0 million) to all shareholders of record as of December 31, 2023 to be paid on or before March 20, 2024.

## 15. Other Noncurrent Assets

This account consists of:

	2024	2023
Claims under litigation	P51,166,892	P51,166,892
Input VAT - noncurrent portion	309,585	6,697,719
Deposits in bank	345,284	345,051
Other investments	251,728	196,717
	P52,073,489	P58,406,379

Claims under litigation pertain to P51.17 million garnished white stall under litigation.

Noncurrent portion of input VAT pertains to deferred VAT that can be claimed as credit against future output VAT from the reporting date without prescription.

Deposits in bank represent the amount deposited by the Exchange in favor of National Labor Relations Commission (NLRC) in connection with pending labor cases which are still on appeal. Under the Rules of NLRC, the amount may not be withdrawn by the Exchange until final disposition of the cases.



# 16. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Trade (Note 12)	P137,107,408	P75,718,609
Due to SEC	74,083,688	63,001,404
Accrued expenses:		
Occupancy costs	12,433,144	4,735,570
Supplies, services and various accrued expenses	10,831,627	3,914,145
Penalties and taxes (Note 19)	6,693,403	17,047,025
Compensation and other related staff costs	2,990,666	4,922,352
Professional fees	2,929,817	1,011,350
Repairs and maintenance	1,962,478	2,124,882
Telecommunication	545,549	2,175,223
Payable to government agencies	21,077,660	22,333,461
Others	3,870,594	5,854,602
	<b>#274,526,034</b>	<b>#202,838,623</b>

Due to SEC represents the amount payable for license fees to operate an exchange imposed under Section 35 of the SRC entitled "Additional Fees of Exchanges", which are subsequently billed and collected from active trading participants.

Trade, accrued expenses, payable to government agencies and others are noninterest-bearing, except for legal costs, and are normally settled within the next financial year.

# 17. Contract Liability, Deferred Fees and Others

## Contract Liabilities

This account consists of:

	2024	2023
Listing fees	# 1,184,216,775	P1,226,805,118
Data feed fees	2,119,330	874,491
Total	1,186,336,105	1,227,679,609
Less contract liabilities - net of current portion	1,021,426,447	878,535,645
Total current portion of contract liabilities	<b>P164,909,658</b>	<b>P349,144,164</b>

The current portion of contract liabilities from listing fees and data feed fees are normally realized within the next financial year. The noncurrent portion of contract liabilities as at December 31, 2024 and 2023 are expected to be realized in 2026 to 2038 and in 2025 to 2037, respectively (see Note 20).

## Deferred fees and others

This account consists of:

	2024	2023
Deferred fees	P810,949	P957,377
Deferred output tax	332,844	329,244
	<b>P1,143,793</b>	<b>#1,286,621</b>





Deferred fees pertain to receipt of payments for Bull Run and other sponsorship events that are expected to be realized within the next period.

## 18. Donated Capital

This account consists of:

	2024	2023
Donations from FBDC	₱211,597,831	₱211,597,831
Donation from a shareholder in Premier (Note 14)	10,000,000	—
	₱221,597,831	₱211,597,831

## 19. Equity

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
Common and preferred stock - ₱1.00 per value		
Authorized - 106.00 million common shares and 14.0 million preferred shares		
Issued - 85,400,310 shares in 2024 and 85,221,965 shares in 2023	₱85,400,310	₱85,221,965
Additional paid-in capital in excess of par*	3,962,378,379	3,917,143,573
Subscribed capital stock (Note 31)	41,083,085	49,999,463
Subscription receivable (Note 31)	(18,958,461)	(16,556,907)
	4,069,903,313	4,055,808,094
Treasury stock - 3,513,952 shares in 2024 and 2023	(696,293,587)	(696,293,587)
	₱3,373,609,726	₱3,359,514,507

\*Including share grants outstanding amounting to ₱15.10 million and ₱11.01 million in 2024 and 2023, respectively

The following summarizes the information on the Exchange's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/offer Price
August 8, 2001	36,800,000	9,200,008	₱51.16
January 28, 2004	—	6,077,505	119.50
September 10, 2008	—	15,177,499	—
September 12, 2008	61,000,000	—	—
June 9, 2011	—	30,504,363	—
November 14, 2013	22,200,000	12,221,680	—
March 22, 2018	—	11,500,000	252.00
ESPP:			
2009	—	49,358	—
2010	—	50,000	—
2011	—	50,000	—
2012	—	49,397	—
2014	—	50,603	—
2015	—	50,000	—
2018	—	23,427	—
2019	—	13,609	—

(Forward)



Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
2020		(17)	
2021		72,521	
2022		63,819	
2023		67,983	
2024		178,345	
	120,000,000	85,400,310	

The Exchange has a total number of shareholders of 312 and 295 as at December 31, 2024 and 2023, respectively.

On May 4, 2019, the stockholders approved the amendment of the Exchange's articles of incorporation to create preferred shares by reclassifying 14,000,000 unissued common shares into 14,000,000 preferred shares with par value of ₱1.00 per share.

The authorized capital stock of the Exchange will be ₱120.00 million divided into 106,000,000 common shares with par value of ₱1.00 per share or ₱106.00 million and 14,000,000 preferred shares with par value of ₱1.00 per share or ₱14.00 million. The features of the preferred shares are: (a) voting, (b) cumulative in payment of dividends, (c) non-participating in any further dividends, (d) non-convertible to common shares, (e) preference over holders of common shares in the payment of dividends and distribution of corporate assets; holders of preferred shares to be paid in full the issue price (or pro rata if the assets of the corporation are insufficient) in the case of dissolution and liquidation, (f) redeemable at the option of the BOD beginning the 5th anniversary date and (g) no pre-emptive rights. - The terms of issuance of the preferred shares will be determined by the BOD.

On September 12, 2019, the SEC approved the amendments in the Exchange's articles of incorporation. As at December 31, 2024 and 2023, there were no issuance of preferred shares.

#### Retained Earnings

Date of Declaration	Dividends		Record Date	Payment Date
	Per Share	Total Amount		
February 21, 2024	₱10.00	₱820,848,390	March 8, 2024	April 5, 2024
March 23, 2023	₱10.00	₱820,797,130	April 5, 2023	May 23, 2023
February 16, 2022	₱11.00	₱901,624,856	March 9, 2022	April 4, 2022

Unappropriated retained earnings include the accumulated equity in net earnings of associate amounting to ₱840.05 million and ₱741.16 million as at December 31, 2024 and 2023, respectively, that is not available for distribution until such time that the Exchange receives the dividends from the associate (see Note 14). In 2024 and 2023, the Exchange received dividends from its associate amounting to ₱52.94 million and ₱73.43 million. In addition, the retained earnings of the Company is restricted for the payment of dividends to the extent of ₱696.29 million as at December 31, 2024 representing the cost of shares held in treasury.

As at December 31, 2024 and 2023, the total appropriated retained earnings of the Exchange is ₱71.00 million. On August 13, 2008, the Exchange's BOD appropriated ₱68.00 million in connection with its acquisition of treasury shares. In 2007, the Exchange's BOD appropriated ₱3.00 million to cover for potential liability cases filed against the Exchange, its directors and/or its officers.



#### Ownership in the Exchange

The SRC provides that no industry or business group may beneficially own or control, directly or indirectly, more than 20% of the voting rights of the Exchange. On August 13, 2007, the SEC imposed on the Exchange a penalty of ₱101,100 plus a daily fine of ₱100 for every day of delay of compliance because the total trading participant ownership in the Exchange exceeds the allowable limit. Starting March 2009, the daily fine for every day of delay of compliance is ₱500. As at December 31, 2024 and 2023, the total amount of penalty recognized by the Exchange under "Accounts payable and other current liabilities - accrued expenses" account in the parent company statements of financial position amounted to ₱1.64 million (see Note 16). As at December 31, 2024 and 2023, the brokers' ownership with voting rights is at 18.01% and 18.20%, respectively.

#### Stock Rights Offering (SRO)

The proceeds from SRO were used for financing of expenditures related to product development and working capital requirements and general corporate purposes from 2018 to 2021. Disbursements from SRO proceeds amounted to ₱1,195.57 million and nil on December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the balance of the proceeds amounted to ₱494.43 million and ₱1,690 million, respectively.

#### Buyback of Common Shares and Creation of Non-voting Preferred Shares

On August 28, 2019, the BOD approved the Exchange's compliance plan to align shareholder ownership with the 20% limit set by SRC. This is composed of the buyback of common shares from broker shareholders and creation of 2,500,000 preferred shares at ₱1.00 par value with features of (a) non-voting, (b) cumulative in payment of dividends, (c) non-participating in any further dividends, (d) non-convertible and (e) redeemable at the option of the BOD beginning on the third anniversary date.

On October 2, 2019, the Exchange acquired 2,419,965 common shares from broker shareholders at ₱183.93 per share with a total purchase price of ₱445.10 million.

On November 5, 2019, the Exchange acquired 753,983 common shares from broker shareholders at ₱183.93 per share with a total purchase price of ₱138.68 million.

Other costs paid by the Exchange in relation to the acquisition of treasury shares amounted to ₱0.96 million as at December 31, 2019.

On January 23, 2020, the Exchange acquired 240,000 common shares from broker shareholders at ₱181 per share with a total purchase price of ₱43.44 million.

Other costs paid by the Exchange in relation to the acquisition of treasury shares amounted to ₱0.10 million as at December 31, 2021.

#### Capital Management

The Exchange's objectives when managing capital are (a) to safeguard the Exchange's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders; (b) to support the Exchange's stability and growth; and (c) to provide capital for the purpose of strengthening the Exchange's risk management capability.

The Exchange actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Exchange and capital efficiency, prevailing and projected profitability, projected operating cash



flows, projected capital expenditures and projected strategic investment opportunities. No changes were made in the objectives, policies or processes as at December 31, 2024 and 2023.

The Exchange adopts a practice of providing shareholders with regular dividends. The Exchange considers all the components of its total equity as capital.

## 20. Revenues

	2024	2023
Listing-related fees:		
Listing	P296,907,505	P314,208,300
Listing maintenance	252,018,455	262,227,199
Processing	500,000	—
Trading-related fees:		
Transaction (Note 30)	126,227,439	116,903,145
Data feed	200,970,281	183,179,832
Subscription (Note 30)	88,774,909	80,110,657
Block sales (Note 30)	23,263,072	30,575,642
Other revenues (Note 30)	134,731,407	114,977,664
	<b>P1,123,393,068</b>	<b>P1,102,182,439</b>

### Disaggregated Revenue Information

The table below shows the disaggregation of revenues from contracts with customers of the Exchange by major product/service lines and also includes a reconciliation of the disaggregated revenue with the Exchange's three strategic divisions for the year ended December 31, 2024 and 2023.

	December 31, 2024			
	Listing	Trading	Service	Total
<b>Major Product/Service Lines</b>				
Listing filing fees	P296,907,505	—	—	P296,907,505
Listing maintenance fees	252,018,455	—	—	252,018,455
Processing fees	500,000	—	—	500,000
Transaction fees	—	126,227,439	—	126,227,439
Data feed fees	—	200,970,281	—	200,970,281
Block sales	—	23,263,072	—	23,263,072
Subscription fees	—	88,774,909	—	88,774,909
Others*	107,045,911	—	20,727,175	127,773,086
	<b>P656,471,871</b>	<b>P439,235,701</b>	<b>P20,727,175</b>	<b>P1,116,434,747</b>
<b>Timing of revenue recognition</b>				
Transferred at a point in time	—	P149,490,511	P20,727,175	P170,217,686
Transferred over time	656,471,871	289,745,190	—	946,217,061
	<b>P656,471,871</b>	<b>P439,235,701</b>	<b>P20,727,175</b>	<b>P1,116,434,747</b>

\*Excludes rental income of P6.96 million as at a net of revenue of P4.85.15



	December 31, 2023			
	Listing	Trading	Service	Total
Major Product/Service Lines				
Listing filing fees	₱314,208,300	₱	₱	₱314,208,300
Listing maintenance fees	262,227,199	=	=	262,227,199
Transaction fees	=	116,903,145	=	116,903,145
Data feed fees	=	183,179,832	=	183,179,832
Block sales	=	30,575,642	=	30,575,642
Subscription fees	=	80,110,657	=	80,110,657
Others*	80,993,675	=	18,606,271	108,600,146
	₱666,429,374	₱410,769,276	₱18,606,271	₱1,095,804,921
Timing of revenue recognition				
Transferred at a point in time	₱	₱147,478,787	₱18,606,271	₱166,085,058
Transferred over time	666,429,374	263,290,489	-	929,719,863
	₱666,429,374	₱410,769,276	₱18,606,271	₱1,095,804,921

\*Excludes rental income of ₱6.57 million as it is out of scope of IFRS 15.

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized at certain milestone of completion.

Significant changes in the contract liabilities balances during the period are as follows:

	2024	2023
Beginning balance	₱1,227,679,809	₱1,240,176,143
Increases due to cash received, excluding amounts recognized as revenue during the period	255,563,801	301,711,966
Revenue recognized during the period including the contract liability balance at the beginning of the period	(296,907,505)	(314,208,300)
Ending balance	₱1,186,336,105	₱1,227,679,809

## 21. Other Income (Expenses)

### Interest Income

This account consists of interest income from:

	2024	2023
Financial assets at FVOCI (Note 9)	₱45,272,627	₱140,505,878
Financial assets at FVTPL (Note 8)	13,153,170	15,471,798
Short-term investments (Note 7)	=	12,317,176
Cash and cash equivalents (Note 7):		
Time deposits	125,274,323	13,248,261
Cash in banks	32,657	29,243
Others	-	1,666
	₱183,732,777	₱181,574,022



**Others - Net**

This account consists of:

	2024	2023
Foreign exchange gain (loss) - net	₱16,825,978	(₱2,077,370)
Others	9,072	(37,146)
	<b>₱16,835,050</b>	<b>(₱2,114,516)</b>

**22. Cost of Services**

This account consists of:

	2024	2023
Compensation and other related staff costs (Note 24)	₱144,155,829	₱149,925,526
Repairs and maintenance (Note 30)	92,419,235	90,691,403
Depreciation (Note 12)	56,324,508	26,553,601
Communication	8,325,467	7,652,760
Others	393,132	386,713
	<b>₱301,618,171</b>	<b>₱275,210,003</b>

**23. General and Administrative Expenses**

This account consists of:

	2024	2023
Depreciation (Notes 12, 13 and 26)	₱130,915,046	₱94,842,178
Professional fees (Note 30)	93,586,707	72,300,987
Regulatory fees (Note 30)	73,187,963	38,985,294
Compensation and other related staff costs (Note 24)	53,394,857	36,597,855
Occupancy costs (Notes 25 and 30)	46,002,105	40,386,660
Taxes and licenses	17,054,479	6,278,052
Market development	8,560,708	8,023,217
Public relations	6,306,756	4,368,316
Travel and transportation	3,731,147	2,191,760
Repairs and maintenance (Note 30)	3,728,126	1,570,338
Insurance	3,167,844	2,650,313
Office supplies	1,979,115	1,839,391
Meeting and conferences	773,199	746,167
Communication (Note 30)	687,387	531,145
Others	9,027,687	7,666,284
	<b>₱452,103,126</b>	<b>₱318,977,917</b>



## 24. Compensation and Other Related Staff Costs

This account consists of:

	2024	2023
Salaries and wages	P168,352,511	P159,598,393
Pension expense (Note 28)	7,577,360	4,752,394
Other employee benefits	21,620,815	22,171,994
	<b>P197,550,686</b>	<b>P186,523,381</b>

Other employee benefits include the ESPP expense amounting to P2.65 million and P4.44 million in 2024 and 2023, respectively (see Note 31).

## 25. Occupancy Costs

This account consists of

	2024	2023
Condominium rent and dues (Note 26)	P24,343,402	P23,728,680
Utilities	11,828,008	7,173,853
Security and janitorial services	9,830,695	9,484,127
	<b>P46,002,105</b>	<b>P40,386,660</b>

## 26. Leases

### The Exchange as Lessee

The Exchange has lease contracts for data recovery sites used in its operations. Leases of data recovery sites have lease terms between 3 and 5 years. The Exchange's lease contracts will be auto-renewed for one year.

The rollforward analysis of the right-of-use asset is as follows

	2024	2023
As at beginning of the year	P64,364,203	P10,418,529
Additions	—	75,077,618
Depreciation	(21,131,944)	(21,131,944)
As at end of the year	<b>P43,232,259</b>	<b>P64,364,203</b>

The following are the amounts recognized in the statements of comprehensive income for the years ended December 31, 2024 and 2023:

	2024	2023
Depreciation expense of right-of-use assets (Notes 22 and 23)	P21,131,944	P21,131,944
Interest expense on lease liabilities	4,227,513	5,466,392
	<b>P25,359,457</b>	<b>P26,598,336</b>



The rollforward analysis of lease liabilities as at December 31 is as follows:

	2024	2023
As at beginning of the year	P74,084,469	P17,412,499
Additions	—	75,077,618
Interest expense	4,227,513	5,466,392
Payments	(23,872,040)	(23,872,040)
As at end of the year	54,439,942	74,084,469
Less current portion of lease liabilities	27,872,498	19,644,526
Lease liabilities - net of current portion	P26,567,444	P54,439,943

Shown below is the maturity analysis of the undiscounted lease payments as at December 31, 2024 and 2023:

	2024	2023
1 year	P23,872,039	P23,872,039
More than 1 year to 2 years	35,276,068	47,094,078
More than 2 years to 3 years	—	12,054,029
More than 3 years to 4 years	—	—

#### The Exchange as Lessor

The Exchange has entered a property lease for its office space as a lessor among the related parties. These leases have a noncancelable lease term of five (5) years.

Furthermore, the Exchange entered into lease agreements to charge the trading participants for trading booth they occupied in FBDC office. These contracts renewed on a yearly basis.

Rent income which is recorded under "Other revenues" account in the statements of comprehensive income amounted to P6.96 million and P6.37 million in 2024 and 2023, respectively (see Notes 20 and 30).

The Exchange received security deposits from its related parties for the faithful compliance of all the lessees' obligations under the lease agreements and are refundable when the lease expires. These are initially recognized at present value and subsequently accreted to principal values at effective yield in profit or loss. Security deposits amounted to P0.85 million as at December 31, 2024 and 2023 (see Note 30).





## 27. Income Taxes

The provision for income tax in the profit or loss consists of:

	2024	2023
RCIT	P78,899,158	P127,909,738
Final	34,109,390	36,762,627
Deferred	17,516,974	(2,542,789)
	P130,525,522	P162,129,576

The components of net deferred tax assets are as follows:

	2024	2023
Deferred tax assets on:		
Contract liabilities	P296,583,892	P306,919,818
Lease liabilities	13,609,986	18,521,117
Unamortized past service costs	3,536,707	3,978,829
Allowance for impairment losses on receivables	714,490	714,490
Long-term sick leave	933,904	472,931
Accrued expenses	466,222	466,222
Unrealized foreign exchange loss - net	—	187,276
	<b>315,845,201</b>	<b>331,260,683</b>
Deferred tax liabilities on:		
Right-of-use assets	10,808,065	16,091,051
Pension liability	14,422,131	13,035,945
Rent receivable - PFRS 9	46,189	60,371
Unrealized foreign exchange gains - net	4,469,427	—
	<b>29,745,812</b>	<b>29,187,367</b>
	<b>P286,099,389</b>	<b>P302,072,816</b>

Movement in net deferred tax asset accounted under OCI amounted to P1.54 million and P4.28 million in 2024 and 2023, respectively (see Note 28)

The reconciliation between the statutory tax rates and the effective tax rates on income before income tax is as follows:

	2024	2023
Provision for income tax at statutory income tax rate	25.00%	25.00%
Income tax effects of:		
Nontaxable income	(12.63%)	(0.22%)
Dividend income exempt from tax	(3.84%)	(7.45%)
Equity in net income (loss) of an associate	(1.38%)	(1.66%)
Income subjected to final tax	(0.66%)	(0.79%)
Nondeductible expense	0.81%	—
Effective income tax rate	7.30%	14.88%



## 28. Retirement Plan and Other Employee Benefits

### Retirement Plan

The Exchange has a funded noncontributory defined benefit retirement plan covering all its regular employees. The benefits are accumulated based on years of service and compensation per year of credited service.

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

The principal actuarial assumptions used in determining retirement liabilities as at December 31, 2024 and 2023 are shown below:

	2024	2023
Discount rate	6.11%	6.38%
Future salary increases	5.00%	5.00%

The latest actuarial valuation study of the retirement plan is as at December 31, 2024.

The pension expense included under "Compensation and other related staff costs" account in the parent company statements of comprehensive income are as follows:

	2024	2023
Current service cost	P11,363,337	P9,330,072
Net interest income:		
Interest expense on defined benefit obligation	8,965,703	8,410,951
Interest income on plan assets	(13,440,355)	(14,248,222)
Interest on the effect of asset ceiling	688,675	1,260,193
	P7,577,360	P4,752,994

The pension asset recognized in the parent company statements of financial position as at December 31 follows:

	2024	2023
Present value of the obligation	P157,253,332	P140,528,261
Fair value of plan assets	(227,007,384)	(203,466,320)
Effect of asset ceiling	12,065,530	10,794,279
	(P57,688,522)	(P52,143,780)

The component of remeasurements of the Exchange in the parent company statements of comprehensive income is as follows:

	2024	2023
Remeasurement loss on pension asset/liability*	P6,174,189	P16,804,732
Tax effect (Note 27)	(1,543,547)	(4,201,183)
	P4,630,642	P12,603,549

\*Includes remeasurement gains on changes in the effect of asset ceiling amounting to P12.97 million and P12.79 million as at December 31, 2024 and 2023, respectively.



The Exchange's share in remeasurement loss (gain) on pension benefits of the associate is P1.22 million and (P0.07 million) in 2024 and 2023 respectively

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

	2024	2023
Balance at beginning of year	P140,528,261	P109,803,540
Current service cost	11,363,337	9,330,072
Interest cost on benefit obligation	8,965,703	8,410,951
Actual benefits paid	(4,901,193)	(5,862,567)
Actuarial loss (gain) arising from:		
Changes in financial assumptions	4,297,191	17,593,592
Experience adjustments	(2,999,967)	1,252,673
Balance at end of year	P157,253,332	P140,528,261

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

	2024	2023
Balance at beginning of year	P203,466,320	P177,922,163
Interest income	13,440,355	14,248,222
Actual benefits paid	(4,901,193)	(5,862,567)
Remeasurement loss	(4,294,389)	(4,875,981)
Contributions	19,296,291	22,034,483
Balance at end of year	P227,007,384	P203,466,320

The assets of the Exchange's retirement plan are being held by a trustee bank pursuant to a trust agreement dated August 10, 2011. The investing decisions of the retirement plan are made by Board of Trustees of the retirement plan.

The following table presents the available information for carrying amounts and estimated fair values of the assets of the retirement plan:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	P26,546,335	P26,546,335	P22,666,260	P22,666,260
Investment in government securities, bonds and other debt instruments	159,494,376	159,632,498	144,982,311	144,982,311
Investment in equity securities	38,985,690	38,985,690	34,399,002	34,399,002
Others	1,980,983	1,980,983	1,418,747	1,418,747
	P227,007,384	P227,145,506	P203,466,320	P203,466,320

The Parent Company's retirement plans' assets and investments consist of the following:

- Cash and cash equivalents include regular savings and time deposits
- Investments in government securities, consisting of retail treasury bonds and fixed rate treasury notes that bear interest ranging from 2.56% to 8.625% in 2022 with maturities from March 2024 to March 2028. In 2022, government securities were composed of fixed-income treasury notes that bear interest ranging from 2.56% to 8.625% that mature in March 2024 to March 2028.
- Investment in equity securities consists of listed equity securities.

- Other financial assets held by the retirement plan are primarily accrued interest income on cash deposits and debt securities and dividend receivables.

As at December 31, 2024 and 2023, the sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting date after first adjusting one of the current assumptions that was reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefits Obligation	
		2024	2023
Discount rate	100	(P15,107,603)	(P14,022,449)
	(100)	17,505,988	16,306,514
Future salary increases	100	17,525,566	16,369,618
	(100)	(15,392,220)	(14,219,790)

To efficiently manage the retirement plan, the Exchange ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as these falls due and in the appropriate currency. The Exchange actively monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the plan assets as at December 31, 2024 and 2023 consists of equity and debt securities, although the Exchange also invests in cash and cash equivalents. The Exchange believes that debt securities offer the best returns over long-term with an acceptable level of risk. The majority of debt securities are in government securities which have relatively low risk.

There has been no change in the Exchange's strategies to manage its risks from previous periods.

The maturity profile of undiscounted expected benefit payments from the plan for the next 10 years as at December 31, 2024 and 2023 are as follows

	2024	2023
More than one year to five years	P45,682,616	P42,516,814
More than five years to 10 years	143,331,636	103,790,503
	<b>P189,014,252</b>	<b>P146,307,317</b>

The weighted average duration of the defined obligation is 10.4 and 10.8 years at December 31, 2024 and 2023, respectively.

#### Other Employee Benefits

Other employee benefits amounted to P3.77 million and P1.89 million as at December 31, 2024 and 2023, respectively. These pertain to accumulated sick leave entitlement which are expected to be settled beyond one year after the end of the reporting date.



## 29 Basic/Diluted Earnings Per Share (EPS)

Basic EPS are calculated by dividing the net income for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net income attributable to ordinary equity holders of the Parent Company by weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (ESPP shares) into ordinary shares.

The following reflects the basic and diluted EPS computations:

	2024	2023
Net income in parent company financial statements	₱1,657,321,470	₱927,366,886
Effects of consolidation	(450,103,976)	(153,681,162)
(a) Consolidated net income attributable to the equity holders of the parent company	1,207,217,494	773,685,724
(b) Weighted average number of shares - basic	81,849,113	81,664,293
Weighted average number of shares outstanding under the ESPP (see Note 31)	-	-
(c) Adjusted weighted average shares - diluted	81,849,113	81,664,293
EPS:		
Basic (a/b)	₱14.75	₱9.47
Diluted (a/c)	14.75	9.47

## 30. 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. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. Related parties include trading participants that are stockholders of the Exchange.

The Exchange, in its normal course of business, has transactions with related parties. Settlements of receivables and payables occur in cash.



The details of transactions with related parties are as follows:

Category	Year	Amount/ Volume of Transactions	Outstanding Rs.000 Receivable/ (Payable)	Terms	Conditions
<b>Subsidiaries</b>					
<b>SCCP</b>					
Dividend income (Note 14)	2024	P250,000,000	P-	Noninterest-bearing	Unsecured; no impairment
	2023	P300,000,000	P-		
<b>Cost reimbursements:</b>					
Repairs and maintenance (Notes 22 and 23)	2024	7,498,793	=	Collectible within three months	Unsecured; no impairment
	2023	5,959,686	=		
Communicating (Note 23)	2024	3,168,986	=	Noninterest-bearing; collectible within three months	Unsecured; no impairment
	2023	3,679,027	=		
Occupancy cost (Note 23 and 25)	2024	212,592	=	Collectible monthly; noninterest-bearing	Unsecured; no impairment
	2023	3,291,158	121,073		
Other revenues (Note 20)	2024	2,870,400	=	Collectible monthly; noninterest-bearing	Unsecured; no impairment
	2023	1,185,963	=		
Employee stock purchase plan	2024	=	=	Due on demand; noninterest-bearing	Unsecured; no impairment
	2023	2,040,295	=		
<b>CMIC</b>					
Regulatory fees (Note 23)	2024	73,187,963	=	Noninterest-bearing	Unsecured
	2023	38,985,294	=		
<b>Cost reimbursements:</b>					
Repairs and maintenance (Notes 22 and 23)	2024	7,231,812	=	Collectible within three months	Unsecured; no impairment
	2023	5,714,473	=		
Communicating (Note 23)	2024	950,293	=	Noninterest-bearing; collectible within three months	Unsecured
	2023	1,050,528	=		
Occupancy cost (Note 23 and 25)	2024	545,214	=	Collectible within three months	Unsecured; no impairment
	2023	2,571,387	120,415		
Professional fees (Note 23)	2024	=	=	Due on demand; noninterest-bearing	Unsecured
	2023	1,140,000	=		
Other revenue (Note 20)	2024	1,958,500	=	Collectible monthly; noninterest-bearing	Unsecured
	2023	299,513	=		
<b>Premier</b>					
Professional fees (Note 23)	2024	=	=	Due on demand; noninterest-bearing	Unsecured
	2023	400,000	=		
<b>Cost reimbursements:</b>					
Professional fees (Note 23)	2024	26,691,721	=	Due on demand; noninterest-bearing	Unsecured; no impairment
	2023	11,562,989	=		

(/on demand)

Category	Year	Amount/ Volume of Transactions	Outstanding Balance (Receivables/ Payables)	Terms	Conditions
<b>Stockholders</b>					
<b>Trading participants - Revenues (Note 20)</b>					
<b>Trading-related fees (Note 10)</b>					
Transactions	2024	P125,227,430	P9,735,734	Collectible monthly, noninterest-bearing	Unsecured; with impairment
	2023	P116,903,143	P7,175,732		
Block sales	2024	23,263,072	1,058,512	Collectible monthly, noninterest-bearing	Unsecured; no impairment
	2023	40,573,642	1,509,463		
Subscription	2024	80,774,909	-	Collectible monthly, noninterest-bearing	Unsecured; no impairment
	2023	80,110,637	-		
Other revenues	2024	25,914,198	-	Collectible monthly, noninterest-bearing	Unsecured; no impairment
	2023	14,676,812	-		
<b>Subsidiary of associate</b>					
<b>Philippine Dealing and Exchange Corp (PDEX)</b>					
Other revenues (Notes 10 and 20)	2024	1,663,200	-	Collectible monthly, noninterest-bearing	Unsecured; no impairment
	2023	1,663,200	-		
<b>Philippine Depository &amp; Trust Corporation (PDTCT)</b>					
Other revenues (Notes 10 and 20)	2024	3,085,800	-	Collectible monthly, noninterest-bearing	Unsecured; no impairment
	2023	3,085,800	-		

The receivable from trading participants included in the parent company statements of financial position are net of allowance for impairment losses as at December 31, 2024 and 2023. The total receivable from trading participants as at December 31, 2024 and 2023 is composed of trade receivables from trading-related fees amounting to P11.80 million and P8.89 million, respectively. It also includes SEC fees of P10.53 million and of P14.99 million as at December 31, 2024 and 2023, respectively, which is billed by the Exchange to the trading participants on behalf of the SEC.

Other revenues include rent income, trading participants' maintenance fee, recoveries from printing of data transaction report, penalty on trading floor, cancellation of matched orders, integration of PDEX's fixed income module in the trading system, and other fees.

**The Exchange as Trustee of the Philippine Stock Exchange Foundation, Inc. (the Foundation)**

On December 10, 2019, the Board of Trustees (BOT) of the Foundation approved the dissolution of the Foundation by shortening its corporate term until January 31, 2020. The BOT also approved that, upon expiration of the Foundation's corporate term, all of the Foundation's assets and properties shall be transferred and conveyed to the Exchange which is hereby appointed as trustee of the Foundation for a period of three years (the 3-year winding up period). During the 3-year winding up period, the Exchange, through its BOD or its duly authorized representative, is authorized to: (1) file, process, and obtain the necessary government or regulatory approvals for the closure and dissolution of the Foundation; (2) prosecute and defend suits by or against the Foundation; (3) manage the remaining assets of the Foundation as the Exchange may deem fit, pending turnover to a foundation of the Exchange's choice dedicated to religious, charitable, scientific, athletic, cultural, or educational purposes; (4) dispose of, convey, or transfer assets of the Foundation exclusively for purposes of paying the Foundation's outstanding liabilities and turning over to a qualified foundation as aforementioned; (5) close the affairs of the Foundation; and (6) perform all acts and execute all documents, agreements, papers and forms, without need of further approval or action from the Company, as may be necessary to implement the foregoing.



### Key Management Personnel

The compensation of key management personnel (covering officer positions starting from Assistant Vice President and up) included under "Cost of Services and General and Administrative Expenses" accounts in the parent company statements of comprehensive income is as follows:

	2024	2023
Short-term employee benefits	P98,351,096	P72,808,926
Post-employment pension and medical benefits	522,791	344,160
Employee stock purchase plan (Notes 22 and 31)	2,180,310	3,676,729
	<b>P101,054,197</b>	<b>P76,829,815</b>

Short-term employee benefits include salaries, paid annual leave, vacation and sick leave, profit sharing and bonuses, and non-monetary benefits.

### Approval Thresholds on Related Party Transactions

All potential related party transactions shall be endorsed to the management committee by the user division for proper review, documentation and approval by the relevant authorities except for transactions in the ordinary course of business, employee-related matters, share transactions, funding agreement with CMIC and renewal of an existing contract or agreement with the same terms and conditions. A related party transaction is deemed material if it, individually, or in aggregate over a twelve (12)-month period with the same related party reaches 10% or higher of the total consolidated assets based on the latest audited consolidated financial assets.

## **31 Employee Stock Purchase Plan**

### 2015 ESPP

On March 25, 2015 and May 2, 2015, the Parent Company's BOD and at least two thirds of the stockholders of the Parent Company approved to offer 150,000 ESPP shares for 3 years

On December 23, 2015, the Parent Company submitted a request from SEC to be exempted from the registration requirements of the SRC. The Parent Company received the reply from the SEC stating that the Commission, in its meeting on January 21, 2016, ruled that the proposed ESPP is exempt from registration requirements of the SRC on January 26, 2016. Also, such approval commences the effectivity date of ESPP.

On February 16, 2016, the initial offering of ESPP was announced with the following terms and conditions

- the number of shares allotted for the offering is 150,000 shares or about 0.20% of the outstanding capital stock of the Parent Company. Each offering shall consist of 50,000 shares;
- the program shall be administered by a five-member ESPP Committee headed by the President and CEO of the Parent Company, the Corporate Governance & Compliance Officer, the Chief Operating Officer of the Parent Company, the General Counsel of the Parent Company, and the Chief Operating Officer of SCCP. The Secretariat of the ESPP Committee will be led by the Head of the Human Resources & Administration Division of the Parent Company;
- all regular employees, who are not under any suspension of the Parent Company and of the SCCP with at least one year of service shall be eligible for the ESPP;
- offer date shall be quarterly for a period commencing on the quarter immediately after the SEC approval is obtained until the 4th quarter of 2017. Any unavailed portion of the ESPP shares offered to the employees within any year shall be reallocated to the immediately succeeding year;





- e. offer price shall be fixed based on the Volume Weighted Average Price (VWAP) of the Parent Company shares for the month preceding the offer date less a discount of ten percent (10%). Payment terms will be through monthly salary deduction over a period of twenty-four (24) months subject to salary deduction over a period of twenty-four (24) months subject to payroll guidelines on net take home pay;
- f. a mandatory holding period of two (2) years from the date of subscription shall be implemented;
- g. if an employee who availed of the ESPP shares resigns within the mandatory holding period, then the Parent Company will reimburse the resigned employee for any and all contributions paid as of the latest payroll cutoff, on the other hand, the resigned employee shall be required to return to the Exchange the covered ESPP shares including the dividends earned thereon; and
- h. in case an employee dies pending completion of the full payment over the 24-month period, any remaining unpaid balance will be considered by the Parent Company as fully paid.

#### 2018 ESPP

On April 11, 2018, the Parent Company's BOD approved to offer 300,000 ESPP shares for 3 years.

On November 16, 2018, the SEC approved Parent Company's request to be exempted from the registration requirements of the SRC. Also, such approval commences the effectivity date of ESPP.

On December 27, 2018, the initial offering of ESPP was announced with the following terms and conditions:

- a. the number of shares allotted for the offering is 300,000 shares or about 0.35% of the outstanding capital stock of the Exchange. Each offering shall consist of 100,000 shares;
- b. the program shall be administered by a five-member ESPP Committee headed by the President and CEO of the Exchange, the head of Market Operations Division of the Exchange, the Chief Operating Officer of the Exchange, the General Counsel of the Exchange, and the Chief Operating Officer of SCCP. The Secretariat of the ESPP Committee will be led by the Head of the Human Resources & Administration Division of the Exchange;
- c. all officers and employees, who are not under any suspension of the Exchange and of the SCCP with at least one year of service shall be eligible for the ESPP;
- d. offer date shall be annually for a period commencing on the year immediately after the SEC approval is obtained until 2021. Any unavailed portion of the ESPP shares offered to the employees within any year shall be reallocated to the immediately succeeding year;
- e. offer price shall be fixed based on the Volume Weighted Average Price (VWAP) of the PSE shares for the month preceding the offer date less a discount of twenty percent (20%). Payment terms will be through monthly salary deduction over a period of thirty-six (36) months subject to payroll guidelines on net take home pay;
- f. a mandatory holding period of three (3) years from the date of subscription shall be implemented;
- g. one-third (1/3) of the subscription will vest every year such that 33.3% of the ESPP shares subscribed by him/her will vest on the 12th month after the date of execution of the stock purchase agreement covering the ESPP shares; 66.7% on the 24th month, and 100% on the 36th month from execution of the stock purchase agreement;



- h. if an employee who availed of the ESPP shares resigns within the mandatory holding period, then the Exchange will reimburse the resigned employee for any and all contributions paid as of the latest payroll cutoff; on the other hand, the resigned employee shall be required to return to the Exchange the covered ESPP shares including the dividends earned thereon; and
- i. in case an employee dies pending completion of the full payment over the 36-month period, any remaining unpaid balance will be considered by the Exchange as fully paid.

#### 2021 ESPP

On October 1, 2020, the Board of Directors of the Exchange approved the renewal of the ESPP which will have a duration of three (3) years from 2021 to 2023.

On November 2, 2020, the Stockholders, by a vote of the majority of the outstanding capital stock registered, approved the renewal of the ESPP and the amendment of the holding period to two (2) years from the date of purchase.

The proposed ESPP has the following terms and conditions:

- a. the plan shall be effective from the adoption date until December 31, 2023;
- b. the number of shares allotted for the offering is 300,000 shares or about 0.37% of the outstanding capital stock of the Parent Company as of December 31, 2020. Each offering shall consist of 100,000 shares;
- c. the program shall be administered by a five-member ESPP Committee headed by the President and CEO of the Parent Company, the Head of Market Operations Division of the Parent Company, the Chief Operating Officer of the Parent Company, the General Counsel of the Parent Company, and the Chief Operating Officer of SCCP. The Secretariat of the ESPP Committee will be led by the Head of the Human Resources & Administration Division of the Parent Company;
- d. all Officers and employees, who are not under any suspension of the Parent Company and of the SCCP with at least one year of service shall be eligible for the ESPP;
- e. offer date shall be annually for a period commencing on the year immediately after the SEC approval is obtained until 2023. Any unavailed portion of the ESPP shares offered to the employees within any year shall be reallocated to the immediately succeeding year.
- f. offer price shall be fixed based on the Volume Weighted Average Price (VWAP) of the PSE shares for the month preceding the offer date less a discount of twenty percent (20%). Payment terms will be through monthly salary deduction over a period of thirty-six (36) months subject to payroll guidelines on net take home pay;
- g. a mandatory holding period of two (2) years from the date of subscription shall be implemented;
- h. one-third (1/3) of the subscription will vest every year such that 33.3% of the ESPP shares subscribed by him/her will vest on the 12th month after the date of execution of the stock purchase agreement covering the ESPP shares; 66.7% on the 24th month, and 100% on the 36th month from execution of the stock purchase agreement;
- i. if an employee who availed of the ESPP shares resigns within the mandatory holding period, then the Parent Company will reimburse the resigned employee for any and all contributions paid as of the latest payroll cutoff. on the other hand, the resigned employee shall be required to return to the Parent Company the covered ESPP shares including the dividends earned thereon. However,



if the Participant described in the foregoing has completed at least 12 months of installment payments, is resigning or is separated after six (6) months of the current vesting period and is in good standing, the said Participant has the option to buy the remaining shares of the current vesting period provided he pays in full within thirty (30) days from date of separation. However, the Mandatory Holding Period remains applicable; and

- j in case an employee dies pending completion of the full payment over the 36-month period, any remaining unpaid balance will be considered by the Parent Company as fully paid.

#### 2024 ESPP

On July 6, 2024, the Board of Directors of the Exchange approved the renewal of the ESPP which will have a duration of three (3) years from 2024 to 2026.

On July 6, 2024, the Stockholders, by a vote of the stockholders representing two-thirds (2/3) of the Outstanding Capital Stock, the Renewal of the Employee Stock purchase Plan (the "ESPP") whereby a total of 300,000 shares will be offered to eligible employees of the Company over a period of three (3) years from 2024 to 2026 with the same features as that of the 2021-2023 ESPP.

The movement in the number of ESPP shares is as follows:

	2024 ESPP	2021 ESPP	2018 ESPP
Total number of ESPP shares granted:			
2016	—	—	—
2017	—	—	—
2018	—	—	100,000
2019	—	—	100,000
2020	—	—	100,000
2021	—	100,000	—
2022	—	100,000	—
2023	—	100,000	—
2024	100,000	—	—
Availed shares in:			
2016	—	—	—
2017	—	—	—
2018	—	—	(82,123)
2019	—	—	(64,326)
2020	—	—	(144,427)
2021	—	(100,000)	(9,124)
2022	—	(80,846)	—
2023	—	(119,154)	—
2024	(100,000)	—	—
Forfeited shares in 2017	—	—	—
Expired shares in 2017	—	—	—
Outstanding ESPP shares as at December 31, 2024	—	—	—

Total additional paid-in capital and employee benefit expense arising from ESPP amounted to P25.23 million and P13.87 million in 2024 and 2023, respectively. Employee benefit expense arising from ESPP amounted to P2.65 million and P4.44 million in 2024 and 2023, respectively.



In 2019, 13,809 shares from the 2015 ESPP with a subscription price amounting ₱2.97 million have vested following the completion of the two (2) year mandatory period. The said shares were issued to the employees and was recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2019 and 2018 statement of changes in equity (see Note 19).

The exercise prices of the shares granted during 2019 amounted ₱139.55. The fair value of shares granted during 2019 based on the Exchange's daily stock quotation amounted to ₱139.90.

The exercise prices of the shares granted during 2020 range from ₱128.08 to 132.20. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱154.20 to ₱158.10.

In 2024, 168,123 shares from the two (2) tranches offering for 2024 ESPP with a subscription price amounting 20.78 million have vested following the completion of the three (3) year mandatory period. In addition, 10,222 shares were vested from resigned employees in 2024. The said shares were issued to the employees recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2024 statement of changes in equity (see Note 19).

In 2023, 63,484 shares from the two (2) tranches offering for 2020 ESPP with a subscription price amounting 8.39 million have vested following the completion of the three (3) year mandatory period. In addition, 4,499 shares were vested from resigned employees in 2023. The said shares were issued to the employees and were recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2023 statement of changes in equity (see Note 19).

In 2022, 63,819 shares from the 2018 ESPP with a subscription price amounting ₱8.93 million have vested following the completion of the three (3) year mandatory period. The said shares were issued to the employees and were recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2022 statement of changes in equity (see Note 19).

In 2021, 72,521 shares from the 2018 ESPP with a subscription price amounting ₱12.94 million have vested following the completion of the three (3) year mandatory period. The said shares were issued to the employees and were recorded in the "Capital stock" and "Additional paid-in capital" accounts in the 2021 statement of changes in equity (see Note 19).

The exercise prices of the shares granted during 2021 amounted to ₱119.82. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱150.50.

The exercise prices of the shares granted during 2022 amounted to 170.77. The fair value of shares granted based on the Exchange's daily stock quotation amounted to 215.00.

The exercise prices of the shares granted during 2023 range from ₱133.74 to ₱137.08. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱166.00 to ₱186.00.

The exercise prices of the shares granted during 2024 amounted to ₱139.15. The fair value of shares granted based on the Exchange's daily stock quotation amounted to ₱183.00.



### 32. Note to the Parent Company Statements of Cash Flows

#### Changes in Liabilities arising from Financing Activities

In 2024 and 2023, changes in liabilities arising from financing activities follow:

	January 1, 2024	Cash flows	Others (Notes 19 and 26)	December 31, 2024
Lease liabilities	₱74,084,469	(₱23,872,040)	₱4,227,513	₱54,439,942
Dividends payable	-	(₱820,848,390)	820,848,390	-
	₱74,084,469	(₱844,720,430)	₱825,075,903	₱54,439,942

	January 1, 2023	Cash flows	Others (Notes 19 and 26)	December 31, 2023
Lease liabilities	₱17,412,499	(₱23,872,040)	₱80,544,010	₱74,084,469
Dividends payable	-	(₱820,797,130)	820,797,130	-
	₱17,412,499	(₱844,669,170)	₱901,341,140	₱74,084,469

Other pertains to the cash dividends declared during the year and interest expense on and additions to lease liabilities. The Exchange classifies interest paid as cash flows from operating activities.

#### Noncash transaction under Financing Activities

Noncash activity in 2024 and 2023 are as follows:

- Additions to lease liabilities amounting to nil and ₱75.08 million in 2024 and 2023, respectively. (see Note 26).

#### Noncash transaction under Investing Activities

Noncash activities in 2024 and 2023 are as follows:

- Reversal of accruals in investment properties amounting to nil and ₱0.75 million in 2024 and 2023, respectively (see Note 13).
- Acquisition of property and equipment on account amounting to ₱46.62 million and ₱72.89 million in 2024 and 2023, respectively (see Note 12).
- Additions to right-of-use asset amounting to nil and ₱75.08 million in 2024 and 2023, respectively (see Note 26).

### 33. Operating Segment

In 2023, the Exchange has one reportable business segment which is the equity, clearing and settlement business. In 2024, the Exchange has two reportable business segments which are the equity, clearing and settlement business and the depository and fixed income business, upon acquisition of additional interest in PDSIC. The equity, clearing and settlement business provides trading, clearing, depository and information services for the equity market. The depository and fixed income business provides platform for the issuance, trading, dealing and exchange of fixed income securities and monetary instruments. The Exchange also has one geographical segment and derives all its revenues from domestic operations. The financial information about the sole business segment is presented in the parent company financial statements.

The management, the chief operating decision maker monitors the operating results of its business segment for the purpose of making decisions about resource allocation and performance assessment. The segment performance is evaluated based on operating profit or loss and is measured consistently with the income before income tax in the parent company financial statements.

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS

#### Inter-segment Transactions

Transfer prices between business segments are set on an arm's length basis similar to transactions with unrelated parties. Such transfers are eliminated in the consolidated financial statements.

#### Business Segment Data

	Equity, Clearing and Settlement Business	Depository and Fixed Income Business	2024 Eliminations	Consolidated Balances
Revenue:				
External customers	P1,398,089,806	P-	P-	P1,398,089,806
Inter-segment	-	-	-	-
	P1,398,089,806	P-	P-	P1,398,089,806
Segment results:				
Income before income tax	P1,372,744,586	P-	P-	P1,372,744,586
Provision for income tax	(165,527,092)	-	-	(165,527,092)
Net income	P1,207,217,494	P-	P-	P1,207,217,494
Equity holders of the Parent	P5,941,465,719	P1,425,529,813	(P1,425,529,813)	P5,941,465,719
Non-controlling interests	-	20,974,234	652,058,717	673,032,951
Segment assets	P6,759,318,258	P1,778,244,606	P-	P8,537,562,864
Segment liabilities	P1,587,239,114	P135,825,088	P-	P1,923,064,194
Other information:				
Capital expenditures	P1,186,288,157	P67,268,168	P-	P1,173,556,325
Depreciation and amortization	226,330,272	-	-	226,330,272

For the year ended December 31, 2024, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. The main revenues of the Group are substantially earned from the Philippines.

The Company disaggregates its revenue information in the same manner as it reports its segment information.

### 34. Events After the Reporting Period

#### Acquisition of Non-Controlling Interest

In January 2025 and February 2025, the Exchange entered into and signed SPAs with several PDSHC stockholders for the acquisition of additional 156 million common shares of PDSHC representing 24.99% interest for the total consideration of P937.09 trillion. As at February 26, 2025, the Exchange owns 4.90 million common shares representing 78.33% equity interest.

### 35. Supplementary Tax Information under Revenue Regulations (RR) No. 15-2010

On December 28, 2010, RR No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS.

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

The Exchange reported and/or paid the following types of taxes in 2024.

#### a. Value-added Tax (VAT)

##### Output VAT

Net sales / receipt and output VAT declared in the Company's VAT returns for the year 2024:

	Net Sales/ Receipts	Output VAT
Subject to 12% VAT		
Sale of services	P967,868,776	P116,144,253
Sale to government	1,226,806	61,340
Exempt Sales	144,857,985	—
	<u>P1,113,953,567</u>	<u>P116,205,593</u>

"Sale of services" pertains to gross receipts/collections on revenue from listing-related fees, trading-related fees and other revenues that are lodged under the account "Revenues" in the books of the Exchange.

##### Input VAT

Input tax carried over from previous years	P34,907,077
Current year's domestic purchases/payments or importations for:	
Capital goods subject to amortization	
Capital goods not subject to amortization	15,200,521
Goods other than capital goods	476,141
Services	41,828,573
Total available input VAT	95,412,312
Tax credits/payments	40,185,061
Application against output VAT	(116,205,593)
Balance at end of year,	<u>P19,391,780</u>



b. Other Taxes and Licenses

Real property taxes	₱3,202,224
Documentary stamp taxes	10,792,406
Fringe benefit taxes	704,361
License and permits fees	
Municipal taxes	2,311,161
Community taxes	21,000
Others	23,327
	<u>₱17,054,479</u>

c. Withholding Taxes

	Accrued	Paid	Total
Withholding taxes on compensation and benefits	₱51,653	₱ 27,901,441	₱27,953,094
Final withholding taxes	420,840	26,183,000	26,603,840
Expanded withholding taxes	₱73,946	13,500,174	14,374,120
VAT withholding taxes	420,840	166,068	586,908
	<u>₱1,767,279</u>	<u>₱67,750,683</u>	<u>₱69,517,962</u>

d. Tax Assessments and Cases

1. Deficiency assessments for income tax, value added tax, expanded withholding tax, final withholding tax and miscellaneous charges for the taxable year 2016.

On November 11, 2020, the Bureau of Internal Revenue (BIR) issued a Formal Letter of Demand against the Exchange for the alleged deficiency for income tax, value added tax, expanded withholding tax, final withholding tax, documentary stamp tax and miscellaneous charges for the taxable year 2016 in the total amount of ₱68.57 million, inclusive of increments.

On December 22, 2020, the Exchange filed its protest letter dated December 21, 2020 against the merit of the subject deficiency assessments. On January 24, 2022, the Exchange received BIR's Formal Decision on Disputed Assessment removing the assessment for documentary stamp tax but affirming the assessments for deficiency income tax, value added tax, expanded withholding tax, final withholding tax, and miscellaneous charges in the total amount of ₱51.17 million, inclusive of interests.

The Exchange filed a Petition for Review with the Court of Tax Appeals (CTA) on February 21, 2022. PSE filed a Supplemental Petition for Review dated June 6, 2022 and BIR filed its Answer to the same on June 22, 2022. The Exchange and the BIR then presented their respective witnesses and evidence and submitted their Formal Offer of Evidence. On September 13, 2024, the CTA issued a Minute Resolution stating that the case has been submitted for decision.

The Exchange has not set up a provision for tax assessments because the possible outcome of the case cannot be determined with certainty at this point. The Exchange believes that the assessments have already been barred by prescription as the Waiver of the Defense of Prescription entered by the company with the BIR was formally flawed and therefore did not toll the running of the prescriptive period for assessment. Assuming for the sake of argument that the Waiver was valid, the FLD was issued beyond the extended period indicated in the





Waiver. Moreover, the Exchange believes that the deficiency assessments lack factual and legal merit.

e. Deficiency assessments for the taxable year 2017.

The BIR assessed the Exchange deficiency taxes for the year 2017 in the total amount of ₱189,200,854.63, inclusive of compromise penalty and interests up to September 30, 2023 involving alleged deficiencies in income tax, value-added tax, expanded withholding tax, withholding tax on compensation, fringe benefits tax, documentary stamp tax, final withholding tax, final withholding VAT, and compromise penalties.

The Exchange filed a Petition for Review with Motion for Suspension of Collection of Taxes and Dispensation of the Requirement to Post a Bond with the CTA on June 16, 2023. During the pendency of the Exchange's Petition for Review, the BIR issued a Warrant of Distrain and/or Levy ("WDL") dated February 26, 2024 to enforce the collection of the alleged deficiency taxes. In a Resolution dated May 21, 2024, the CTA granted the Exchange's Motion for Suspension of Collection of Taxes and Dispensation of the Requirement to Post a Bond and declared null and void the WDL.

On February 7, 2025, the BIR filed with the Supreme Court a Petition for Certiorari and Prohibition seeking to annul the CTA's decision which declared null and void the WDL. The Exchange has not received a resolution from the Supreme Court requiring it to file a comment on the BIR's Petition for Certiorari. Meanwhile, the Exchange's Petition for Review with the CTA remains pending.

The Exchange believes that there is a strong ground to contest the deficiency assessments for lack of legal and factual basis.

## Eliza S. Rodriguez

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**From:** eafs@bir.gov.ph  
**Sent:** Friday, 11 April 2025 5:15 pm  
**To:** PIRD@PSE.COM.PH  
**Cc:** Eliza S. Rodriguez  
**Subject:** Your BIR AFS eSubmission uploads were received

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Hi THE PHILLIPINE STOCK EXCHANGE, INC.,

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Submission Date/Time: Apr 11, 2025 05:14 PM  
Company TIN: 002-333-130

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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**SECRETARY'S CERTIFICATE**

I, AISSA V. ENCARNACION, of legal age, being the Corporate Secretary of The Philippine Stock Exchange, Inc. (the "Exchange"), a corporation duly organized and existing under Philippine laws, with office address at the 6<sup>th</sup> to 10<sup>th</sup> Floors, The PSE Tower, 5<sup>th</sup> Avenue cor. 28<sup>th</sup> Street, Bonifacio Global City, Taguig City, do hereby certify that:

1. The following employees of the Exchange availed of the following shares, pursuant to the Employee Stock Purchase Plan ("ESPP"):

**2024 Offering**

	<b>Issued To</b>		<b>No. of Shares</b>
1	ALCONABA	MA. ELMIRA	935
2	AQUINO	ROLANDO	1,273
3	AUSTRIA	MARIE NADINE	517
4	AYALA	MARICRIS	1,859
5	BACOR	JULIE ANN	372
6	BAUTISTA	JO ANN	1,254
7	BAYLON	RICHARD	300
8	CARABIO	SHEENNA MAE	900
9	CHUA	FRISTINE	653
10	CHUA	GLENN	829
11	CHUA	NICOLE LESLIE	700
12	CONANAN	FELY MAUREEN	260
13	COSALAN	KATARINA GABRIELLE	918
14	CRISOSTOMO	REGINA GEORGIA	1,254
15	CU	MICA ELLA	1,590
16	DARIA	ALFREDO, JR.	400
17	DENDERO	CHARLES ERVIN	250
18	DE GUZMAN	RAENIER	400
19	DE GUZMAN	JOHN RICHARD	422
20	DEOCARIZA	ERMELINDA	2,330
21	DRIZ	PHILIP	2,263
22	DUMANGON	RODEL	100
23	EARNHART	LIEF EDWARD	300
24	FERMANO	JC NOEL	972
25	GALANIDO	JOHANNA FAITH	300
26	GARCIA	MARIGEL	5,320
27	GENEROSO	NICOLE	517
28	GERERO	JOELIFE	391
29	GUINTO	JED ALVIN	1,599

30	LACAR	MYRNA JOY	1,927
31	LORCA	ALODIA NOREEN	800
32	LOTINO	ALBERTO	918
33	MARCO	SHIRLYN	485
34	MARENTES	MICHAEL	700
35	MASTELIRO	ARTEMIO	500
36	MONZON	RAMON	25,881
37	MORENO	NORBERTO, JR.	2,560
38	NAPULI	ERMALIN	500
39	OJO	ROSEMARIE	900
40	PEMPEÑO	GHENERE GAYLE	1,069
41	PEREZ	ANGELIQUE	300
42	PERILLO	SHERYL	918
43	RANCHES	KARL THOMAS	918
44	REFRAN	ROEL	12,423
45	RESPALL	DON MYKO	300
46	ROCERO	ZALDY RONIE	2,466
47	RODRIGUEZ	ELIZA	918
48	RUBIO	RENEE	7,642
49	SAMBO	EMIL LIM	250
50	SAULOG	BERTRAND RUSSEL	823
51	SISON	MAXIMO PAULINO, III	3,271
52	LOPEZ-TORRES	ABBEY	918
53	VINZONS	MARTHA	500
54	VISDA	MARK FREDERICK	2,935
<b>TOTAL</b>			<b>100,000</b>

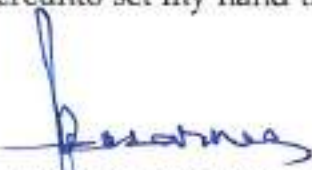
2. The following are the total number of employees who exercised their option to subscribe to the ESPP at the time of application date, the total number of shares subscribed, the exercise price, the total amount subscribed, and the total amount paid:

Number of Employees who subscribed at the time of application date	Offer Date	No. of Shares Subscribed at the time of application date	Offer Price (Php)	Total Amount Subscribed (Php) at the time of application date	Less Cancelled/ Amended Shares	No. of Shares Subscribed as of date	Total Amount Subscribed (Php) as of date	Total Amount Paid (Php)
54	11 October 2024	100,000	139.15	13,915,000.00	0	100,000	13,652,006.50	2,275,334.40

3. The subscriptions of the employees who subscribed to 100,000 shares that are part of the 2024 offering mentioned above were already recorded in the Stock and Transfer Agent's Books as of 31 December 2024.

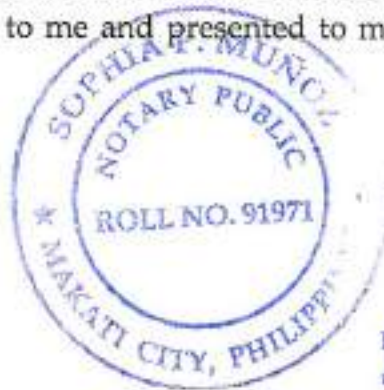
APR 15 2025

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_  
at Makati City, Metro Manila.

  
**AISSA V. ENCARNACION**  
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this APR 15 2025, affiant is personally known to me and presented to me her Tax Identification No. 101-846-496-000.

Doc. No. 423;  
Page No. 86;  
Book No. 11;  
Series of 2025.



  
**SOPHIA P. MUNOZ**  
Notary Public  
Until December 31, 2025  
Roll of Attorneys No. 91971  
P.T.R. No. 19466905; 01-02-2025; Makati City  
L.B.P. No. 497264; 01-03-2025; Makati City  
Admitted to the Bar in 2023  
Notarial Commission No. M-369  
5F Montepino Bldg., 138 Agoncillo St.  
Lungsod Village, Makati City





## STATEMENT OF COMPLIANCE WITH OUR MANUAL ON CORPORATE GOVERNANCE

In line with our thrust, as a market operator, regulator and publicly-listed company, to enhance responsible reporting and good corporate governance through the adoption and promotion of best practices which go beyond the minimum regulatory requirements, The Philippine Stock Exchange, Inc. ("PSE" or "the Exchange") adopted its Manual on Corporate Governance.

The PSE has long championed excellence in corporate governance and its Manual on Corporate Governance embodies the Exchange's objective to demonstrate its commitment to corporate governance standards and best practices in its business and the capital markets.

This Statement is issued to attest, to the best of our knowledge, the Exchange's compliance with our Manual on Corporate Governance.

Issued on February 5, 2025 in Taguig City.

  
**Ramon S. Monzon**  
*President & Chief Executive  
Officer*

  
**Atty. Roel A. Refran**  
*Executive Vice President & Chief  
Operating Officer*



**SUSTAINABILITY REPORT**  
**2024**





## STATEMENT OF APPROVAL OF THE SUSTAINABILITY REPORT

This is to certify that the Board of Directors of The Philippine Stock Exchange, Inc. ("PSE" or the "Exchange") has duly approved the Exchange's Sustainability Report covering the year 2024.

The PSE champions sustainability in its initiatives and regulatory functions. As a self-regulatory organization and the only stock exchange in the Philippines, the PSE recognizes its critical role in furthering sustainable development goals for the Philippine capital market.

Approved by the Board of Directors during its meeting on March 21, 2025.

A handwritten signature in blue ink, appearing to read "JPardo", is positioned above the printed name and titles.

**Jose T. Pardo**  
*Chairman, PSE Board of Directors*  
*Chairman, Corporate Governance Committee*

A handwritten signature in blue ink, appearing to read "RMonzon", is positioned above the printed name and title.

**Ramon S. Monzon**  
*President & CEO*

A handwritten signature in blue ink, appearing to read "RRefran", is positioned above the printed name and title.

**Roel A. Refran**  
*Head, Sustainability Unit*

## Contextual Information

Company Details	
Name of Organization	The Philippine Stock Exchange, Inc.
Location of Headquarters	6 to 10 <sup>th</sup> Floors, PSE Tower, 5 <sup>th</sup> Avenue corner 28 <sup>th</sup> Street, Bonifacio Global City, Taguig City, 1634
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	The Philippine Stock Exchange, Inc. (PSE)
Business Model, including Primary Activities, Brands, Products, and Services	The PSE is the only stock exchange in the Philippines, which provides a venue for listing and trading of listed securities. The PSE has been duly licensed by the Securities and Exchange Commission ("SEC") as a self-regulatory organization ("SRO") under Republic Act No. 8799 or the "Securities Regulation Code" which allows the PSE to exercise regulatory functions over listed issuers and trading participants, and enforce its rules as approved by the SEC.
Reporting Period	January 1, 2024 to December 31, 2024
Highest Ranking Person responsible for this report	Ramon S. Monzon President and CEO

## Materiality Process

### 1. Material Topic Identification

The PSE continues its practice of communicating with its stakeholders. These stakeholders include the Securities and Exchange Commission, our listed corporates, investors, our Board, management, and our employees. In 2024, we continued our dialogues with our the ASEAN Exchanges (SGX Group, Bursa Malaysia, The Stock Exchange of Thailand, and the Indonesia Stock Exchange) through the ESG Working Group. We also increased our engagement with the United Nations Sustainable Stock Exchanges Initiative, UN Women, and other advocacy groups. We continued to maximize our communication channels such as non-formal or formal dialogues, seminars, press conferences, forums, and analyst briefings.

These engagements informed our focus points as we work towards a Sustainable Capital Market.

### 2. Management Approach

In managing the sustainability issues of the PSE, the management follows a three-phase approach after the identification of the issue (Figure A).

#### 1. Data Gathering

In order to create an effective policy and/or initiative, the first step is to gather data and monitor trends.

2. **Gap Analysis and Benchmarking**

Identify the industry standard and best practices related to the material issue. This approach provides insight on how the organization is performing against its peers.

3. **Initiative Development and Implementation**

Data on performance trends, gap analysis, and industry benchmark assist in the creation of objectives and strategies, and the development and implementation of action plans.

**Example:** Employee Training and Development



Figure A

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	1,398,089,806	PhP
Direct economic value distributed:		
a. Operating costs	861,665,632	PhP
b. Employee wages and benefits	263,425,109	PhP
c. Payments to suppliers, other operating costs	0	PhP
d. Dividends given to stockholders and interest payments to loan providers	820,848,390	PhP
e. Taxes given to government	165,527,092	PhP
f. Investments to community (e.g. donations, CSR)	0	PhP

#### Climate-related risks and opportunities<sup>1</sup>

1



Figure B

<sup>1</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

The PSE Board of Directors is the highest governing body tasked to develop, set, and review the Exchange's goals, values, strategy as well as its risk management processes. It has designated the Corporate Governance Committee to assist the Board of Directors on issues directly connected with the Exchange's internal processes, work procedures, and performance. Sustainability and ESG initiatives including risk identification and analysis are formulated and implemented by the PSE management, while the Board of Directors ensures proper execution of these projects. (Figure B)

Table 1. Climate-related Risks and its Potential Impacts to the Exchange

Climate-related Risks and Potential Impacts			
Type	Climate-related Risks	Potential Impacts	Potential Financial Impacts
Transition Risks	<b>Technology Risk</b> <ul style="list-style-type: none"> <li>- Substitution of existing technologies to more efficient options</li> </ul>		<ul style="list-style-type: none"> <li>- Capital investment in new technological advancements</li> </ul>
Physical Risks	<b>Acute Risks</b> These are physical risks identified that are caused by extreme weather events such as earthquake, typhoons, etc. <ul style="list-style-type: none"> <li>- Increased severity of extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>- Injuries</li> <li>- Property damage</li> <li>- Damage to equipment</li> <li>- Power outages</li> </ul>	<ul style="list-style-type: none"> <li>- Loss of revenue from disruption of trading</li> <li>- Increase in operational and capital expenses</li> <li>- Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism)</li> </ul>
	<b>Chronic Risks</b> These are physical risks identified that are caused by longer-term shifts in climate pattern which results to sea level rise and/or chronic heat wave. <ul style="list-style-type: none"> <li>- Extreme variability in weather patterns</li> <li>- Rising air temperatures</li> </ul>	<ul style="list-style-type: none"> <li>- Negative health impacts</li> </ul>	

Table 2. Climate-related Opportunities and its Potential Financial Impacts to the Exchange

Climate-related Opportunities and Potential Financial Impacts		
Type	Climate-related Opportunities	Potential Financial Impacts
Resource Efficiency	<ul style="list-style-type: none"> <li>- Green procurement</li> <li>- Recycling practices in the workplace</li> <li>- Reduced water usage and consumption</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced operational expenses</li> <li>- Improved health and safety and increased employee satisfaction resulting in lower costs in workforce management</li> </ul>
Energy Source	<ul style="list-style-type: none"> <li>- Shift to renewable source of energy</li> <li>- Reduced energy usage and consumption</li> </ul>	<ul style="list-style-type: none"> <li>- Returns on investment in low-emission technologies</li> <li>- Reputational benefits resulting in increased listing demand</li> </ul>
Products and Services	<ul style="list-style-type: none"> <li>- Development of sustainability-linked investment products and financial instruments</li> </ul>	
Resilience	<ul style="list-style-type: none"> <li>- Adoption of energy-efficiency measures</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced operational expenses</li> </ul>

The Exchange continues to be guided by the PSE Sustainability Framework (Figure C) which was inaugurated in 2023. The said framework is our roadmap to realize our aspirations as an Exchange in furthering sustainability goals.

The Sustainability Framework was created based on 6 guiding principles which consist of the following: (1) World Federation of Exchanges' (WFE) Sustainability Principles; (2) UN Women and UN Global Compact's Women's Empowerment Principles; (3) G20/Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance; (4) the Ten Principles of the UN Global Compact; (5) the 17 UN Sustainable Development Goals; and (6) the Philippine Nationally Determined Contributions (NDCs).





Figure C

## PRINCIPLES AND STRATEGIES

### **I. Sustainable Capital Market**

PSE, as a self-regulatory organization and a publicly listed company, is committed to furthering the advancement of sustainable finance and promoting complete and accurate disclosure of material ESG information for the benefit of the investing public.

#### **Key Strategies**

- A. Develop guidance documents on ESG issues for companies, investors, and market participants, specifically discussing the risks and opportunities that these may present to financial markets.<sup>2</sup>
- B. Provide capacity-building to publicly-listed companies through seminars and discussions to improve the quality and availability of investor-relevant ESG disclosures.<sup>3</sup>
- C. Develop a listing and disclosure framework for ESG to satisfy investor demands and meet commitments and targets.<sup>4</sup>
- D. Develop sustainability-linked investment products and financial instruments such as sustainability indices and issuer ratings.<sup>5</sup>
- E. Participate in local and global working groups such as the Philippine Sustainability Reporting Committee and the ASEAN Exchanges which support sustainable development and consistently engage with the Securities and Exchange Commission, disclosure standard-setters, and peer exchanges to keep abreast of the latest ESG innovations and developments.<sup>6</sup>

### **II. Good Corporate Governance and Risk Management**

Enhance responsible reporting and good corporate governance by encouraging the adoption of best practices by going beyond the minimum requirements under regulations and applicable laws.

#### **Key Strategies**

- A. Promote awareness of appropriate governance structures to ensure accountability and oversight of ESG integration into the strategies and operations of the Exchange.<sup>7</sup>
- B. Operationalize the commitment of the Board and top management to good governance.<sup>8</sup>
- C. Ensure that ESG-related risks are identified, assessed, prioritized, and mitigated, if not eliminated, to ensure a resilient capital market as a regulator and as a listed company.<sup>9</sup>

<sup>2</sup> World Federation of Exchanges, WFE Sustainability Principles 3 (2028).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* Pg. 4.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> Sustainable Stock Exchanges Initiative and World Federation of Exchanges, How Exchanges can Embed Sustainability within their Operations: A Blueprint to Advance Action 17 (2019).

<sup>8</sup> *Id.*

<sup>9</sup> Sustainable Stock Exchanges Initiative and World Federation of Exchanges, *supra* note 7, at 18.



- D. Reduce the Exchange's negative ESG impacts and report, in accordance with best practices and existing regulations, all efforts to address ESG issues.
- E. Organize regular trainings and discussions so the Board of Directors of the Exchange are kept abreast of all regulatory updates and best practices in relation to their respective Board Committees.
- F. Provide a safe mechanism for reporting and addressing violations on the Code of Ethics and Business Conduct, Material Related Party Transactions Policy, and all other policies relevant to the Exchange.
- G. Ensure policies are in place to safeguard against corruption in all its forms, including extortion and bribery.

### III. Social Development and Workforce Empowerment

Engage the Exchange's stakeholders in social solutions with a goal of providing an equitable capital market that is accessible to all.

#### Key Strategies

- A. Actively collaborate with relevant stakeholders, to promote social equity (i.e. World Federation of Exchanges, UN Women, UN SSE).<sup>20</sup>
- B. Cultivate in every employee, through continuous learning campaigns, an awareness and knowledge of ESG to create a resilient PSE.<sup>21</sup>
- C. Promote fairness and inclusivity among all sectors, including but not limited to, the LGBTQIA+ sector, the PWD sector, indigenous peoples, and among all racial backgrounds.<sup>22</sup>
- D. Promote the health, safety, and well-being of all employees.<sup>23</sup>

### IV. Aggressive Environmental Advocacy

Manage climate-related risks, actively reduce the environmental footprint of the Exchange, and promote climate resiliency in the market to support the achievement of the NDCs.

#### Key Strategies

- A. Commit to reduce its operational emissions towards net zero, with the goal of being carbon neutral by 2050 at the latest. Exchanges should apply the latest climate science findings and observations in determining appropriate emission reductions in line with 1.5 degree emissions pathway.<sup>24</sup>
- B. Commit to consistently measure and reduce material scope 1, 2, and 3 emissions within the operations of the Exchange, annually.<sup>25</sup>
- C. Actively promote availability of high-quality climate information by producing guidance or undertaking initiatives that encourage climate-related disclosure.<sup>26</sup>

<sup>20</sup> United Nations Entity for Gender Equality and the Empowerment of Women, *Equality Means Business* 42 (2021).

<sup>21</sup> World Federation of Exchanges, *supra* note 1, at 5.

<sup>22</sup> United Nations Entity for Gender Equality and the Empowerment of Women, *supra* note 9, at 30.

<sup>23</sup> *Id.* Pg. 33.

<sup>24</sup> Sustainable Stock Exchanges Initiative, *Net Zero: Target Setting Guidance for Exchanges* 14 (2023).

<sup>25</sup> Sustainable Stock Exchanges Initiative, *supra* note 14, at 14.

<sup>26</sup> *Id.* Pg. 15.

- D. Offer climate disclosure training at least annually.<sup>17</sup>
- E. Facilitate the allocation of capital to environmentally-aligned products and services by supporting dedicated labels, taxonomies and platforms that are aligned with best practices and accepted concepts.<sup>18</sup>
- F. Incorporate climate-related considerations into the development processes for relevant products and services.<sup>19</sup>
- G. Actively engage with local and global policymakers and standard setters to stay informed of and promote net zero aligned policies.<sup>20</sup>
- H. Proactively engage with market participants, including through market awareness programs, to promote the adoption of net zero commitments and transition plans among market participants.<sup>21</sup>

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<sup>17</sup> *Id.* Pg. 16

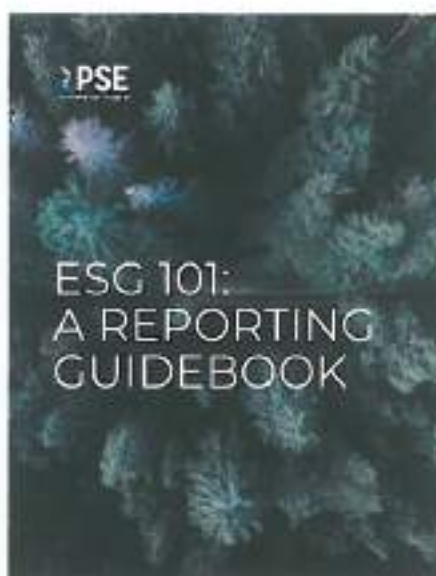
<sup>18</sup> *Id.*

<sup>19</sup> *Id.* Pg. 17

<sup>20</sup> Sustainable Stock Exchanges Initiative, *supra* note 13, at 18.

<sup>21</sup> *Id.* Pg. 19

## ESG 101: A Reporting Guidebook



The Exchange, in its dual role as listed company and self-regulatory organization, recognizes that Philippine corporates need guidance when it comes to sustainability disclosures. A strategic initiative of the Exchange for 2024 was to publish a guidance document on sustainability reporting and disclosures. For this guidance material, the Exchange closely collaborated with the United Nations Sustainable Stock Exchanges (UN SSE) Initiative to create a guidebook that is credible, data-driven, and true to the Philippine business context. This is in line with PSE's commitment to build a sustainable capital market. We aim to publish more guidance documents on various sustainability topics that stakeholders will deem material.

### Implementing Rules and Regulations of the Philippine Mineral Reporting Code 2020

The Exchange embedded sustainability risks disclosure requirement in the Implementing Rules and Regulations (IRR) of the Philippine Mineral Reporting Code (PMRC) of 2020. The Exchange made sure to include sustainability considerations as among the items that mining companies must periodically disclose with the approval of the accredited competent person engaged by the company. Mining companies must disclose their impacts on their stakeholders and the natural environment, as well as the governance structures in place to manage said impacts. The Exchange included in the Implementing Rules and Regulations a transitory period, during which time, sustainability disclosures will be voluntary. This transitory period will remain in place until regulators mandatorily require the submission of sustainability reports in accordance with IFRS S1 and IFRS S2.

The IRR may be accessed via this link: <https://documents.pse.com.ph/CircularOPSPDF/CN-2025-0002.pdf>

## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	99.26	%

### **Impacts, Risks, Affected Stakeholders, and Management Approach**

The PSE strictly implements its Bids and Procurement Policy and Supplier Accreditation Guidelines and Procedures. This is to ensure fair and efficient selection of suppliers or contractors, and evaluation of the expertise of its supplier-candidates.

In 2024, the PSE spent P173 Million, or 99.26% of its total procurement value, on products sold by local suppliers. As the only stock exchange in the Philippines, the PSE must be an enabler for Philippine businesses. Our local suppliers have been able to substantially satisfy the operational needs of the Exchange. Thus, the PSE will keep its commitment to engage cost-efficient suppliers.

## Anti-corruption

### Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	0	%

### Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

### **Impacts, Risks, Affected Stakeholders, and Management Approach**

The PSE upholds the highest level of integrity by ensuring that the organization prohibits and imposes sanctions on employees or service providers found to have engaged in unethical or corrupt practices.

Maintaining its reputation is important in order for PSE to be effective in its mandate to maintain the efficiency and integrity of the market.

Anti-corruption is governed by three policies, namely the Code of Ethics and Business Conduct, the Conflict-of-Interest Guidelines, and the Whistleblowing Policy. To further strengthen the Exchange's governance with regard to corruption, the Corporate Governance Committee signed on November 24, 2022 a new Corporate Governance Charter in line with the most recent iteration of the CG Manual. This Charter still stands.

On September 20, 2024, PSE's Directors and Management Committee attended an online Corporate Governance Seminar hosted by the Philippine Chamber of Commerce and Industry (PCCI) and Good Governance Advocates and Practitioners of the Philippines. The topics covered were, as follows:

- Purpose-driven digital transformation;
- Sustainability risk-driven strategy planning; and
- Innovating for sustainable business models.

PCCI is authorized by the Securities and Exchange Commission to provide corporate governance trainings for listed companies. Attendees from the PSE were given certificates of attendance. The PSE is proud that 100% of its Board and Management attended corporate governance training for 2024.

On November 28, 2024, in partnership with the Securities and Exchange Commission, the PSE held the 11<sup>th</sup> Annual SEC-PSE Corporate Governance Forum. This event was held on-site at the SecECenter, SEC Headquarters, Makati City. The overall theme was *Sustainalympics: Corporate Governance and Sustainability through Sustainability Champions*.

Exchange employees are prohibited from receiving bribes and kickbacks. Additionally, the Exchange has set a limit to the value of the gifts, meals, and entertainment an employee can receive from the company's partners. Employees must also declare to the company what gifts they received. This is to prevent any actual or perceived favor given to any provider, supplier, issuer, or partner.

All employees are prohibited from investing in and trading stocks of companies listed on the PSE. This is to prevent insider trading and the spread of insider information.

All employees are informed of the abovementioned policies upon onboarding. Additionally, the Exchange cascades to all employees any updates made.

Any external or internal party may report any transgression (including matters not related to corruption) committed by PSE personnel in accordance with the Whistleblowing Policy. The company opens the email address [ethicsconcern@pse.com.ph](mailto:ethicsconcern@pse.com.ph) for any concerns relating to any violations of company policies. Whistleblowers are also given the option to report through non-digital means such as meetings out of office, handwritten correspondences or any other means that the whistleblower deems safe and confidential. The PSE has no incidents of corruption to report for the year 2024. The Exchange attributes this to the high standard of integrity among personnel and its evolving business conduct rules.

The commitment of the Board of Directors and management to its role of upholding good corporate governance, and the continuous training of its employees will safeguard the reputational value of the PSE. The Exchange acknowledges, as well, the achievements of its peers in different industries and will keep abreast of best practices in the Philippines and around the world.



## ENVIRONMENT

### Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	Kwh
Energy consumption (gasoline)	8,000.82	Liters
Energy consumption (LPG)	626.60	Cubic meters
Energy consumption (diesel)	7,806.78	Liters
Energy consumption (non-renewable grid electricity)	841,984.00	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	933.39	Liters
Energy reduction (LPG)	81.46	Cubic meter
Energy reduction (diesel)	-757.79	Liters
Energy reduction (renewable)	1,095,478.42	kWh

At the end of 2023, The PSE tower began to operate on non-renewable energy. In line with the PSE's bold commitments and roadmap on net zero, the PSE strongly pushed for the switch back to clean and renewable energy sources for the PSE Tower. By closely collaborating with the PSE At One Bonifacio High Street Condominium Corporation, the building made the shift back to geothermal energy sources supplied by Bac-Man Geothermal, Inc. (BGI) a wholly-owned subsidiary of Energy Development Corporation, which in turn is a subsidiary of PSE-listed First Gen Corporation. The contract with BGI has a term of two years beginning December of 2024.

On September 1, 2023, a Remote Energy Monitoring System (REMS) was introduced to improve understanding of the PSE's energy requirements. The goal of this initiative is to implement energy-saving programs and improve system efficiency across operations. The PSE continued to use REMS in 2024 and will ensure its use for years to come.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	986	Cubic meters
Water recycled and reused	N/A	Cubic meters

### Discussion of Non-material Topic

Water withdrawal is the amount of water supplied to end-users. This metric is not material to the Exchange since we do not directly source water from withdrawal sources (i.e. surface water, groundwater, and seawater). The amount of water recycled and reused is not reported since the PSE Tower is owned and controlled by the Ayala Property Management Corporation (APMC).

#### Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	N/A	kg/liters
• non-renewable	N/A	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	N/A	%

#### Discussion of Non-material Topic

As defined in GRI 301, materials in this context refer to materials that are used to produce and package the organization's primary products and services during the reporting period. PSE's main products and services include capital raising, trading, market data, and post-trade processing. Given that, the metrics listed above are considered immaterial to the Exchange.

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	ha
IUCN <sup>22</sup> Red List species and national conservation list species with habitats in areas affected by operations	N/A	

#### Discussion of Non-material Topic

The PSE solely operates at Bonifacio Global City, Taguig City. Ecosystems and biodiversity are not material to the Exchange since our operational site is not within, or adjacent to, protected areas and areas of high biodiversity value.

#### Greenhouse Gas (GHG) Emissions and Net Zero Commitments

According to the World Risk Report of 2024, The Philippines ranked first in terms of exposure to natural risks such as extreme droughts and extreme typhoons attributed to climate change.<sup>23</sup> The Exchange strives to manage its climate impact prudently, guided by the pillar of its Sustainability Framework pertaining to Aggressive Environmental Advocacy.

The Exchange's action on climate can affect several stakeholders including our listed companies, the local community in which it operates, its suppliers, government partners, other exchanges and partner organizations. Stakeholders look to the Exchange to lead by example and be a model player in the race for net zero.

<sup>22</sup> International Union for Conservation of Nature

<sup>23</sup> [https://cplrd.congress.gov.ph/images/PDF%20Attachments/Facts%20in%20Figures/FF2024-68\\_World\\_Risk\\_Index\\_2024.pdf](https://cplrd.congress.gov.ph/images/PDF%20Attachments/Facts%20in%20Figures/FF2024-68_World_Risk_Index_2024.pdf)

In December of 2023, The Philippine Stock Exchange, Inc. became the second exchange in ASEAN and the third in Asia to join the Net Zero Financial Service Providers Alliance (NZFSPA), a component alliance of the Glasgow Financial Alliance for Net Zero (GFANZ). By being a member of this Alliance, the Exchange aligns itself to the **Common 8-Point Commitment**, as follows:

*The Philippine Stock Exchange, Inc. commits to support the goal of net zero greenhouse gas emissions by 2050 or sooner, consistent with a maximum average global temperature rise of 1.5°C above pre-industrial levels.*

*In order to fulfil this Commitment, PSE will:*

- 1. Align all relevant services and products to achieve net zero greenhouse gas emissions by 2050 or sooner, scaling and mainstreaming Paris Agreement-alignment into the core of our business;*
- 2. Build internal capability to understand the risks and opportunities of the net zero transition using best-practice net zero methodologies where they exist and, where methodologies or data are missing, proactively and collaboratively work to address those gaps;*
- 3. Set an interim target for relevant services and products offered to be aligned to the net zero transition which is consistent with a fair share of the 50% global reduction in carbon emissions needed by 2030. Review and update such targets at least every five years with a view to increasing the proportion of services and products to achieve full alignment;*
- 4. Address our own operational impacts by setting science-based emissions reduction targets across all operational emissions (Scopes 1 and 2 and, where material, 3) in line with 1.5°C emissions pathways. Set interim science-based reduction targets within 12 months of joining for no later than 2030 across all operational emissions;*
- 5. Consistently raise with our key stakeholders the importance and implications of setting net zero targets and strategies across Scopes 1, 2 and 3 emissions and understanding the impact businesses can have to help reduce GHG emissions;*
- 6. Work to ensure our relevant services and products take into account the best available climate science, including credible emissions reduction pathways to net zero. Support innovation and prioritise our efforts where we have, or can have, the most significant impact. Support the development of products and services supporting the net zero transition;*
- 7. Advance our efforts by proactively engaging with stakeholders and policy-makers on corporate and industry action, as well as public policies that support a net zero transition of economic sectors in line with science and with regard to social impacts. Contribute to Glasgow Financial Alliance for Net Zero (GFANZ) efforts within the financial services provider alliance, which will aim to bring together existing tools and alliances; and*
- 8. Report progress, individually as firms signing this Commitment, at least annually, including publishing disclosures aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and climate action plans.*

*This Commitment must be read in the context of the supplemental text that follows which provides interpretative guidance to the Commitment text.*

*We recognise the vital role of service providers in supporting the transition to net-zero emissions. We make this Commitment with the understanding that our clients and stakeholders, including regulators, policy-makers and standard-setters, will endeavor to facilitate these objectives.*



*We will work in coordination with and seek to support the existing alliances including the Net Zero Asset Owner Alliance, Paris Aligned Investment Initiative, Net Zero Bankers Alliance and the Net Zero Asset Managers Initiative within the broader GFANZ.*

*We commit to engaging with policy-makers, regulators, peers and other stakeholders, consistent with applicable law and regulatory requirements, in order to pursue the objective of net zero alignment.*

In line with the requirements of membership in the NZFSPA, the Exchange launched its NZFSPA Progress Report which outlines our "Year Zero" achievements and our climate roadmap. This Progress Report may be accessed through this link: <https://documents.pse.com.ph/wp-content/uploads/sites/14/2025/01/NZFSPA-Progress-Report-2024.pdf>

It was in 2024 when we took a step towards a more detailed and granular measurement of our emissions. We identified our major sources of emissions with 2023 as our baseline year. This data covers the PSE as well as two of its subsidiaries, over which it has operational control: Premier Software Enterprise, Inc. ("Premier") and Securities Clearing Corporation of the Philippines ("SCCP"). Our Scope 1 GHG emissions are broken down into three main parts, namely Stationary Emissions, Mobile Emissions, and Refrigerants. Scope 2 is divided into purchased cooling and purchased electricity, whether from renewable or non-renewable sources.

This more granular approach to measuring greenhouse gas emissions has led the Exchange to these figures outlined below, as follows:

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	36.28	tCO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	599.66	tCO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

The Exchange will regularly review the composition of each scope of its greenhouse gas footprint depending on new income streams, business models, commitments, and opportunities for growth.

#### Air pollutants

Disclosure	Quantity	Units
NO <sub>x</sub>	N/A	kg
SO <sub>x</sub>	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

#### Solid and Hazardous Wastes

##### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	N/A	kg
Reusable	N/A	kg

Recyclable	N/A	kg
Composted	N/A	kg
Incinerated	N/A	kg
Residuals/Landfilled	N/A	kg

For 2024, the building administration centralized the disposal of waste as well as the overall measurement. The PSE's waste was aggregated with that of other tenants.

#### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	N/A	kg

#### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	N/A	Cubic meters
Percent of wastewater recycled	N/A	%

### **Discussion of Non-material Topic**

Effluents are not material to the PSE since the sewage treatment in the building is handled by Ayala Property Management Corporation (APMC).

### **Environmental compliance**

#### Non-compliance with Environmental Laws and Regulations

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

## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>24</sup>	133	#
a. Number of female employees	73	#
b. Number of male employees	60	#
Attrition rate <sup>25</sup>	21.40	%
Ratio of lowest paid employee against minimum wage	This data is confidential	ratio

The salary of the lowest paid employees is confidential information, even if said employees are kept anonymous.

##### Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	85	71
PhilHealth	Y	85	71
Pag-ibig	Y	85	71
Parental leaves	Y	N/A	N/A
Vacation leaves	Y	68%	66%
Sick leaves	Y	68%	66%
Medical benefits (aside from PhilHealth))	Y	HMO=100%	HMO=100%
Housing assistance (aside from Pag-ibig)	N	N/A (under FAL)	N/A (under FAL)
Retirement fund (aside from SSS)	Y	1%	3%
Further education support	Y	N/A (under FAL)	N/A (under FAL)
Employee Stock Purchase Plan	Y	23%	22%
Telecommuting	N	N/A	N/A
Flexible-working Hours	N	N/A	N/A
Financial Assistance Loan	Y	1%	N/A
Continuing Education	Y	0	0
Car Interest Subsidy	Y	N/A	N/A
Birthday Leave Benefit	Y	100%	100%
Employee Service Award	Y	7%	13%
Clothing Allowance	Y	100%	100%

<sup>24</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application [08] Standards 2018-2019

<sup>25</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)



#### Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	554.5	Unique Hours
a. Female employees	23	#
b. Male employees	26	#

#### **Impacts, Risks, and Affected Stakeholders**

The Exchange continues to invest in the development of its employees' skills. Employee training keeps the company competitive because it is kept abreast with the latest developments and innovations in relevant fields. The PSE must strive for a workforce that comprises the best in each respective business function.

In 2024, 23 female employees and 26 male employees availed of training covered by the Exchange. In total, this amounted to 554.5 unique training hours.

#### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

#### **Discussion of Non-Material Topic**

The PSE does not have a collective bargaining agreement, nor does it have a workers' union. However, the PSE does its best to engage its employees, as well as listen to and address any concerns they might have in relation to work arrangements and relationships.

#### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	55%	
% of male workers in the workforce	45%	
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

The PSE had 73 female workers and 60 male workers among its ranks. Currently, three of fifteen directors are women, two of our seven Mancom members are women and 11 of 18 department heads are women.

The PSE reiterates its commitment to diversity and inclusion as the country's sole stock exchange. PSE's doors are open to people of any gender, ethnicity, and background. It does not discriminate against persons with disability or any kind of medical condition.

The PSE is proud of its ratio of male and female workers, where the number is almost equal, and the number of females exceeds the number of males. While the financial sector is still a male-dominated sector, and there is a risk for a major player to still stick to traditional practices, the PSE opens opportunities to all people, regardless of gender, ethnicity, background, or any other association. The PSE hires, promotes, and retains its personnel based solely on the person's work experience, skills, and potential to grow.

The PSE will ensure its engagement with its employees especially in its growth as a publicly-listed company and a self-regulatory organization (SRO). The Exchange will also closely collaborate with its partners such as UN Women, UN Sustainable Stock Exchanges (UN SSE) Initiative so that relevant stakeholders are truly accounted for as we work towards our economic and climate goals.

Ensuring diversity and equal opportunity in the PSE, the company will be able to hear from various different perspectives, given employees' varied backgrounds and experiences. This will help the Exchange understand more deeply our stakeholders outside of the Exchange.

The PSE will continue to hire based primarily on required skills and experiences, depending on the position for which it is hiring. However, through participation in college job fairs, maximization of online job advertisement, and openness to employee development, the PSE hopes to reach as many capable members of marginalized sectors as possible.

Additionally, the PSE hopes to maintain its status of having nearly equal distribution of male and female employees, in each business function and throughout the company.

All in all, the Exchange will continue researching on new ways to improve diversity and inclusion in the company and the market as a whole.

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	209,113.88	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	1	#

### **Impacts, Risks, and Affected Stakeholders**

The PSE maintains a safe working environment for its employees and trading participants. It is essential that the Exchange has a safe and conducive work setting so as not to impair trading operations.

The PSE is proud of its occupational health and safety standards. This is essential in attracting and retaining the talent needed to accelerate the achievement of the company's goals.

### Opportunities

There is an opportunity to continuously test different scenarios to ensure that all personnel are prepared in case of an emergency. By preparing for any kind of risk that could disrupt business operations or jeopardize personal safety, the business will be resilient. The PSE aims to be a model for business continuity and resilience.

### Management Approach

The PSE established a Health and Safety Committee, led by the Head of the Facilities Management Department of the Exchange, to manage and monitor the health and safety of its employees and other stakeholders at the PSE premises.

The Health and Safety Committee provides recommendations to management regarding policies and initiatives that will foster and reinforce the health and safety considerations for employees and other stakeholders.

The PSE has a clinic managed by a registered nurse. The clinic is equipped with a first-aid kit and over-the-counter medicines. Further, the PSE conducts regular training in emergency preparedness for the employees and security staff.

The PSE will strengthen its protocols to ensure the safety of all personnel within PSE, and to minimize the effect on any other stakeholder. The PSE also seeks to test and implement its proposed plans for business continuity where the safety of all is communicated to and recorded by PSE management.

### Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	YES	PSE Code of Ethics and Business Conduct, under "Employment Practices" which provides for a Harassment-free and Ethical Workplace for all personnel of the Exchange, regardless of age, rank, gender, or sex.
Child labor		
Human Rights		

Any violation of human rights can be reported to company management through the steps laid out in the Exchange's Whistleblowing Policy. All employees are informed on the Whistleblowing Policy and the Code of Ethics and Business Conduct upon onboarding.

On a daily basis, the PSE constantly strives to provide its workers with a workplace that is conducive to dignified work, regardless of the worker's function.



### Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Yes, PSE has a supplier accreditation policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Yes	Environmental performance is part of PSE's Supplier Accreditation Policy.
Forced labor	Yes	These issues are provided for in each supplier contract that PSE enters into. All suppliers are to strictly comply with all existing laws and regulations, and any violation will be a ground to terminate the relationship between the PSE and the supplier.
Child labor	Yes	
Human rights	Yes	
Bribery and corruption	Yes	

### **Impacts, Risks and Affected Stakeholders**

The PSE continues its long-standing relationships with third parties to support the Exchange's business functions. This includes engaging third party providers of specialized services or proprietary systems, cloud-based technology, and other consultancy services. With this, the PSE recognizes that outsourcing services to third-party presents risks that may affect the Exchange's operations and reputation. In this regard, the PSE strictly implements its *Bids and Procurement Policy and Supplier Accreditation Guidelines and Procedures*. Our enterprise risk management procedures and business continuity programs are regularly assessed and reinforced to take into account operational risks which may be magnified during the pandemic.

To illustrate, the trading engine and the front end system used by the trading participants are tools that are sourced from a third-party supplier. The possibility of the occurrence of system failures and other system-related issues are risks that the Exchange has to manage. In response to these risks, all members of the PSE team that handle the trading operations are trained and equipped to provide level one support and provide timely assistance to the concerns of the trading participants. The Exchange aims to minimize its dependency on third party system providers in maintaining the systems needed for trading operations.

During the lockdown, the PSE trading floor was able to operate smoothly with the help of capable PSE employees who were able to implement PSE's enterprise risk management procedures and business continuity programs. Taking into account operational risks, the PSE institutionalized systems and protocols to efficiently respond to issues and ensure that the capital market remains open for business during the pandemic.

Another tool provided by a third party supplier to the Exchange is a cloud-based solution that enables employees to access their emails and work files securely at any location. This system includes video calls, office-based chat system and file-sharing system. During lockdown, this system allowed the PSE to implement a work-from-home policy effectively, and for the PSE to function efficiently despite having a reduced workforce reporting on-site. Now that all PSE employees report on-site daily, these cloud-based solutions further supplement employee interaction to make work processes even more efficient.

## Management Approach

The Bids and Procurement Policy of the Exchange aims to maintain the integrity of the bids and procurement process observed by the PSE. This is done by (1) ensuring that the process is executed in full conformity with the PSE's rules and regulations; (2) ensuring fairness and transparency through a competitive bidding, as may be applicable; and (3) promoting economy and efficiency with regard to quantity, quality and timeliness of the products and services to be procured.

Further, the PSE also implements a Supplier Accreditation Policy that provides relevant criteria, tools and procedures for: (1) the assessment and approval of suppliers, (2) the continuous management of supplier relationships, and (3) the ongoing management of the supplier database.

The PSE is also guided by its Enterprise Risk Management Framework to monitor and manage risks to the Exchange. With a risk-based assessment, the PSE is able to identify which services pose a material risk to the Exchange's operations and, ultimately, its reputation. What the Exchange has likewise learned during the past year is the need to factor in so-called novel risks or those that are plausible and material notwithstanding low probabilities. The capital markets are not immune from these novel risks, and a market operator, like the PSE, will need to properly mitigate and manage these risks to ensure a fair and orderly trading market. The Exchange continues to examine risks stemming from evolving business practices.

## Relationship with Community

### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Exchange visits for schools and corporates	PSE Tower, Bonifacio Global City, Taguig	N/A	N	N/A	N/A
PSE Stock Market Webinars	Virtual				
PSE Academy website	Virtual	N/A	N	N/A	N/A
Investment Literacy Fairs	Makati City	N/A	N	N/A	N/A
Certified Securities Specialist Course	Virtual	N/A	N	N/A	N/A
Listing Engagement and	Virtual	N/A	N	N/A	N/A



Assistance Program ("LEAP")					
LEAP Insights	Makati City	N/A	N	N/A	N/A
The Road to IPO	Virtual	N/A	N	N/A	N/A
PSE STAR (Strengthening Access and Reach Investor Day)	Virtual	N/A	N	N/A	N/A
PSE's Growing Online Community	Virtual	N/A	N	N/A	N/A
Kapital Kabayan Webinar Series	Virtual	N/A	N	N/A	N/A
Migrant Fairs	Tacloban and Pasay	N/A	N	N/A	N/A

*\*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: N/A

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

#### Discussion of Non-material Topic

The PSE operates from the PSE tower in Bonifacio Global City, Taguig; therefore, the PSE has no relations with indigenous peoples groups in the area. The PSE expresses its support for indigenous peoples by not discriminating against them in any hiring or engagement process. The PSE will continue to explore different ways it can engage local communities.

#### Customer Management

##### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	N

#### Impacts, Risks and Affected Stakeholders

As the only stock exchange in the country and licensed as a self-regulatory organization ("SRO") pursuant to Republic Act No. 8799 otherwise known as the Securities Regulation Code, the PSE provides a centralized venue for the buying and selling equities and is guided by global best practices and the latest technology systems in order to maintain a fair and orderly market. With this in mind, the PSE serves trading

participants, listed issuers, the investing public and other stakeholders towards furthering national economic development.

The vision of PSE is to become a premier exchange with world-class standards for trading securities and raising capital. The overarching goal of PSE is to serve as a strong engine for a robust Philippine economy. The strategic plans and initiatives of PSE are aimed at being relevant and responsive to the needs and demands of its stakeholders and to be an effective SRO over its stakeholders.

### Management Approach

Providing quality service and meeting the highest standards of excellence are part of the institutionalized corporate values of the PSE. Towards these ends, the PSE develops and cultivates a highly motivated and professional workforce to handle the needs of all of the clients of the Exchange.

For each client group, the PSE dedicates a team of experienced and competent employees who are well-equipped to handle the clients' requirements. In 2020, the Exchange rolled out into production a digital platform called the PSE Helpdesk which is an incident management and communication channel that enables the trading participants to seek timely assistance and resolution of any system issues they may encounter as regards to the systems provided by the Exchange. The PSE's corporate values serve as a guide for all transactions with clients.

All employees of the Exchange adhere to the values of professionalism, service, excellence and integrity, and the pervading culture is consistent with these corporate values of PSE.

### Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	N/A	#
No. of complaints addressed	N/A	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

### Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	N/A	#
No. of complaints addressed	N/A	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

### Discussion of Non-Material Topic

The Exchange's customers are not natural persons, but publicly-listed companies. Thus, the Exchange does not keep track of the health and safety of its customers, nor does it receive any complaints on health and safety.

Likewise, the Exchange does not deal with manufacturing products that are consumed or physically used by its customers. Thus, this disclosure on marketing and labelling is immaterial.

Nonetheless, the Exchange is committed to honest and transparent business dealings and records as laid out in the company's Code of Ethics and Business Conduct.

#### Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

#### **Management Approach**

The PSE's policies on data privacy are constantly revisited to ensure that these are updated and aligned with best practices. The Office of the General Counsel constantly monitors the business dealings of the Exchange to ensure that the privacy of data subjects is well protected.

Additionally, data privacy is made part of the onboarding process for all new hires to apprise all employees of the special role PSE plays and how essential data privacy is in carrying out that function.

The PSE complies with the provisions of the Data Privacy Act of 2012 (RA 10173).

#### Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

#### **Risks, Opportunities, Management Approach**

As a major front-line regulator, market operator, and publicly listed company, the Philippine Stock Exchange, Inc. (PSE) operates in an inter-connected market and business environment where confidentiality, integrity, and availability of information is critical to maintaining public trust and confidence.

As part of the Exchange's ongoing commitment to maintaining the highest standards of information security, in line with the Information Security Policy approved by the Board of Directors and the Acceptable Use Policy approved by the Senior Management, the Exchange is instituting mandatory Information Security Awareness Training for all employees. During this training, employees of the Exchange will be able to identify how cybercriminals deceive people through various tactics, demonstrate security awareness skills by taking actions that minimize the risks from cyber threats, and understand how your actions directly impact you and the Exchange's cyber safety. The goal of the training is to educate employees on security threats like phishing, malware, social engineering, and insider threats, promote techniques for protecting sensitive data, and foster a culture of security awareness across the Exchange.



## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs


Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs
<p><b>Exchange Visits</b></p> <p>An Exchange Visit is an on-site initiative designed for both academic institutions and corporate organizations, featuring a guided tour of the PSE Museum, PSE Library, and PSE Ceremonial Hall. The visit concludes with a brief seminar on personal finance and stock market fundamentals, which includes a presentation by a guest stockbroker. The primary objective of the program is to educate participants about the capital markets. In 2024, a total of 27 Exchange Visits were conducted, reflecting a 3.85% increase from the previous year. Notably, the PSE's Market Education Department also facilitated Exchange Visits for international students with an interest in the capital markets.</p>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>
<p><b>Webinars on Market Education</b></p> <p>The PSE offers an online platform that enables both prospective and current investors to enhance their knowledge of the stock market through a series of free webinars. In 2024, the PSE organized a total of seven webinars, each addressing a broad spectrum of topics designed to cater to the varying interests and experience levels of participants.</p> <p>The following topics below were covered, in partnership with a guest broker:</p> <ol style="list-style-type: none"> <li>1. Beyond the ticker: Unravelling the Market Story and Crafting Strategies for 2024 (with Philstocks Financial, Inc.)</li> <li>2. Investing for Retirement (F. Yap Securities, Inc.)</li> <li>3. Monetary policy and its impacts on the stock market (Philstocks Financial, Inc.)</li> <li>4. Plan your legacy: Investing for your child's future (DragonFI Securities, Inc.)</li> <li>5. Kapital Kabayan: Stock Investing for OFWs (DragonFI Securities, Inc.)</li> <li>6. Earn your Passive Income through Dividend Investing (COL Financial Group, Inc.)</li> </ol>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
Collectively, these webinars engaged 2,368 participants, with each session attracting an average of 300 to 400 attendees.	
<p><b>PSE Academy</b></p> <p>The PSE Academy is a comprehensive, interactive, web-based platform designed to enhance investor education for market participants, equity investors, and the public. Serving as the PSE's primary investor education platform, the PSE Academy caters to individuals with varying levels of knowledge and experience in stock trading and investing.</p> <p>Key features of the PSE Academy include an E-Learning section, offering video and reading materials ranging from beginner to advanced topics. It also has an events calendar which keeps users informed about upcoming market education programs, and users can register directly for events. The platform also provides an Investment Calculator to help users compute various investment figures such as capital gains, transaction costs, and financial ratios.</p> <p>Additionally, the website offers access to information on PSE products and services, a glossary of stock market terms, as well as PSE's library selection. The "Ask a Librarian" feature enables users to request for library visits or specific materials. Users may also book an exchange visit through the website.</p> <p>The PSE is also developing two new features for the Academy: a self-paced online course with 18 episodes covering basic to advanced topics, as well as the PSE Stock Trading Game (STG), a gamified simulation for new investors. Both are expected to launch within the year. As of writing, the PSE Academy has over 2,000 subscribers.</p>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>
<p><b>Participation in Investment Literacy Fairs</b></p> <p>The PSE actively participated in the SEC Investor Protection Fair 2024- an esteemed annual event dedicated to advancing financial literacy, fostering prudent investment practices, and raising awareness about investment scams. The fair brought together partners from both the public and private sectors, who collaboratively promoted investor education and protection through a variety of engaging activities, including quizzes, games, and interactive sessions aimed at attendees across diverse age groups. The PSE's booth attracted a total of 256 participants. Furthermore, the PSE was honored with an opportunity to deliver a presentation, offering valuable insights on when and where to invest.</p>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
 <p>Photo description: PSE's Booth at the SEC Investor Protection Week 2024</p>	
<p><b>Ring the Bell for Financial Literacy</b></p> <p>The PSE reaffirmed its commitment to investor education by participating in the global "Ring the Bell for Financial Literacy" initiative, organized by the World Federation of Exchanges (WFE). On October 4, 2024, Exchange officers rang the closing bell in a ceremony supporting the World Investor Week, an initiative of the International Organization of Securities Commissions (IOSCO). During the event, videos showcasing PSE's Market Education initiatives were displayed.</p> <p>Additionally, PSE's Market Education Department, in collaboration with COL Financial Group, Inc., hosted a free webinar focused on building a reliable income stream through dividends. The session covered income-paying stocks and funds, along with practical strategies for dividend investing to help participants achieve their financial goals. The webinar was attended by 665 individuals. Online quizzes on PSE trivia were also made available to the public, with winners selected.</p>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>




Key Products and Services	Societal Value / Contribution to UN SDGs
 <p><b>Photo description:</b> PSE Management Officers and employees gather for a group photo with Bulit after the Bell Ringing activity.</p>	
<p><b>Collaborations with Government Institutions</b></p> <p>In line with its mission to promote financial literacy and empower Filipinos, The Philippine Stock Exchange (PSE) has successfully collaborated with various government institutions to deliver educational initiatives tailored to the specific needs of different sectors. These partnerships aim to enhance financial awareness and investment knowledge among Overseas Filipino Workers (OFWs), government employees, and the Filipino diaspora. Below are the details of the ongoing collaborations:</p>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p> <p><b>Target 10.5</b> Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations</p>
<p><b>Department of Migrant Workers (DMW)</b></p> <p>Recognizing the unique financial needs of Overseas Filipino Workers (OFWs) and their families, The PSE partnered with the Department of Migrant Workers (DMW) to create and implement a Financial Education Program designed to equip OFWs with the necessary knowledge to make sound financial decisions. A key initiative in this collaboration is the Kapital Kabayan Webinar Series, which was launched on July 27, 2024, attracting close to 300 attendees. The webinar series is designed specifically for OFWs and their families, addressing their unique financial requirements and investment opportunities. This webinar attracted OFWs from 36 countries and 2 overseas territories, with a significant portion of the participants being family members of OFWs or reintegrated former OFWs based in the Philippines.</p> <p>Additionally, the PSE has participated in Migrant Fairs organized by the Inter-Agency Council on Migrant Workers and Overseas Filipinos (IAC-MOF) last September 19 in Tacloban City, and last December 18 in Pasay. These fairs aim to provide</p>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p> <p><b>Target 10.c</b> By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
<p>various services to OFWs, including educational programs and livelihood opportunities.</p>  <p>Photo description: PSE's booth at the IAC-MOF Migrant Fair in Tacloban City</p>  <p>Photo description: PSE's booth at the National Forum on Migration &amp; Celebration of International Migrants Day held at the PICC</p>	



Key Products and Services	Societal Value / Contribution to UN SDGs
<p><b>Training on the Application of the IFRS Sustainability Disclosure Standards for Stock Exchange Employees</b></p> <p>Last January 9, 2024, key employees of The Philippine Stock Exchange, Inc. ("PSE") attended a training on the application of the International Financial Reporting Standards Foundation (IFRS) S1, "General Requirements for Sustainability-related Financial Information" and IFRS S2, "Climate-related Disclosures", organized by the United Nations Sustainable Stock Exchanges (UN SSE) Initiative. The training helped stock exchange employees build their basic understanding and familiarity with the reporting requirements under the new standards.</p>	<p><b>Target 10.5</b> Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations</p>
<p><b>Capacity Building for Publicly-listed Companies and PSE Employees on Gender Equality</b></p> <p>In celebration of Women's Month, PSE co-hosted a virtual training for publicly-listed companies (PLCs) entitled "Gender Equality in Global Markets" last March 4 and 6, 2024. The training sought to build awareness on the financial implications of gender inequality and improve corporate reporting and literacy on gender equality. This training has been developed by the UN SSE, in partnership with the International Finance Corporation ("IFC"), UN Women, and Columbia University's Sustainable Investing Research Initiative.</p> 	<p><b>SDG 5: Gender Equality</b></p> <p><b>Target 5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p><b>Target 5.a</b> Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws</p>
<p><b>2024 Bell Ringing for Gender Equality</b></p> <p>The PSE joined 121 member-organizations of the World Federation of Exchanges ("WFE") in raising awareness on the importance of gender equality and women empowerment through the annual Ring the Bell for Gender Equality program, organized by the WFE, UN SSE, UN Global Compact, and IFC.</p>	<p><b>SDG 5: Gender Equality</b></p> <p><b>Target 5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
<p>During the event, Atty. Veronica V. Del Rosario, PSE General Counsel and Compliance Officer, was lauded for being recognized as one of twenty WFE Women Leaders 2024. WFE selects twenty exemplary women leaders from its member-organizations to highlight their contribution to the industry. Atty. Del Rosario is the first woman general counsel of the PSE and also the longest-serving general counsel.</p> 	<p><b>Target 5.a</b> Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws</p> <p><b>SDG 17: Partnerships for the Goals</b></p>
<p><b>Nature-based Solutions</b></p> <p>The PSE contributed to climate action by planting Philippine indigenous forest trees in the Sierra Madre Mountains, Siniloan, Laguna last May 18, 2024 as part of its efforts to counteract biodiversity loss and mitigate climate change. By taking part in this activity, PSE was able to contribute to the FEED Scholarship Fund. This fund is allocated to support financially challenged graduate and post-graduate students who are pursuing studies in Agriculture, Farming, Forestry, Fisheries, Social Enterprise, and Sustainability.</p>	<p><b>SDG 13: Climate Action</b></p> <p><b>SDG 15: Life on Land</b></p>
<p><b>PSE joined the Sustainability Working Group (SWG) of the World Federation of Exchanges (WFE)</b></p> <p>PSE joined the SWG of the WFE which gathers Chief Sustainability Officers and ESG experts across the Exchanges that sit within the WFE. Membership to the working group will allow the Exchange to learn from ESG best practices among its peers. This demonstrates the collective commitment of Exchanges to lead and guide listed companies and other market participants towards innovation and adoption of sustainable business models.</p>	<p><b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
<p><b>Sustainable Investing: Driving Positive Change in the Philippine Stock Market</b></p> <p>Last June 20, 2024, BPI Securities Corporation conducted a one and a half hour information session entitled "Sustainable Investing: Driving Positive Change in the Philippine Stock Market". The PSE, represented by Atty. Roel Refran, was invited to discuss the benefits of sustainable investing and how local investors can align their investment strategies with sustainability goals. He also shared the initiatives and efforts of the PSE in promoting ESG practices among listed corporates.</p>	<p><b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries</p> <p><b>Target 10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>
<p><b>LEAP Insights in Partnership with S&amp;P Global</b></p> <p>On July 23, PSE hosted LEAP Insights in partnership with S&amp;P Global Market Intelligence. The event had the theme "Philippines Rising: Exploring Avenues for Growth" and covered several topics on sustainability, effective investor communication, and strategies to maintain investor interest for potential issuers and listed companies. The Listing Engagement and Assistance (LEAP) Program of the Exchange is the premier engagement mechanism of the PSE with prospective IPO candidates towards guiding them through the nuts and bolts of an IPO.</p>	<p><b>Target 12.6</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 10.5:</b> Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations</p> <p><b>Target 12.6</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p><b>Target 17.9</b> Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals,</p>



Key Products and Services	Societal Value / Contribution to UN SDGs
	<p>including through North-South, South-South and triangular cooperation</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p>
<p>PSE joined the United Nations Sustainable Stock Exchanges (UN SSE) Advisory Groups on Climate Transition Plans and SME Sustainability; PSE appointed Co-chair of the SME Sustainability Advisory Group</p> <p>As a member of the UN Sustainable Stock Exchanges (UN SSE) Initiative, the PSE joined advisory groups on climate transition plans and SME sustainability. The advisory group on climate transition plans will allow the Exchange to contribute towards shaping how exchanges can guide its market participants in the adoption and implementation of climate transition plans within the context of an emerging economy.</p> <p>Meanwhile, the SME Sustainability Advisory Group – of which PSE acts as Co-Chair - will be creating a model guidance tailored specifically for SMEs to provide exchanges with practical tools and guidance to help these enterprises integrate sustainability principles into their operations while taking into consideration their unique constraints towards unlocking opportunities in the sustainability space. The UN SSE appointed The Philippine Stock Exchange, Inc. and Amman Stock Exchange to be Co-Chairs of the Advisory Group on Sustainable SMEs. PSE President &amp; CEO Mr. Ramon S. Monzon, PSE COO Atty. Roel A. Refran and members of the Sustainability Unit attended the virtual launch of the advisory group on July 30, 2024.</p>	<p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries</p> <p><b>Target 17.14</b> Enhance policy coherence for sustainable development</p> <p><b>Target 17.15</b> Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
	achievement of the Sustainable Development Goals in all countries, in particular developing countries
<p><b>PSE participated in an Exclusive Executive Session on ISSB Standards</b></p> <p>On September 24, 2024, PSE Executive Vice President and CDO Atty. Roel A. Refran spoke at an Exclusive Executive Session on ISSB Standards. The session was organized by the University of Asia and the Pacific – Center for Social Responsibility (UA&amp;P-CSR) and was attended by a select number of sustainability officers from different public and private companies. The seminar was mainly a discussion of issuers' transition to sustainable business practices and more sophisticated sustainability reporting practices.</p> <p>Atty. Refran was joined by UA&amp;P-CSR Executive Director Colin Hubo, First Philippine Holdings Corporation Chief Sustainability Officer (CSO) Agnes De Jesus, Maynilad Water Services CSO Atty. Roel Espiritu, and Filinvest Development Corporation CSO Mark Mulingbayan.</p>	<p><b>Target 17.14</b> Enhance policy coherence for sustainable development</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p>
<p><b>PSE signed a MOU to join the ASEAN Interconnected Sustainability Ecosystem (ASEAN – ISE)</b></p> <p>The PSE signed a Memorandum of Understanding with co-members of the ASEAN Exchanges to be a part of the ASEAN Interconnected Sustainability Ecosystem at the 37<sup>th</sup> ASEAN Exchanges headquarters of Bursa Malaysia on July 12, 2024. This significant development underscores the ASEAN bloc's commitment in adopting and implementing Common ESG Metrics within their respective ESG data infrastructures, hence significantly improving transparency, comparability, and exemplary ESG practices across the region.</p>	<p><b>Target 17.5:</b> Adopt and implement investment promotion regimes for least developed countries</p> <p><b>Target 17.14</b> Enhance policy coherence for sustainable development</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p>
<p><b>ASEAN-ISE Workshop</b></p> <p>PSE's continued its active collaboration with ASEAN Exchanges through its membership in the ESG Working Group. Representatives from the Sustainability Unit of The Philippine Stock Exchange, Inc. attended the workshop centered on the</p>	<p><b>Target 17.5:</b> Adopt and implement investment promotion regimes for least developed countries</p>



Key Products and Services	Societal Value / Contribution to UN SDGs
<p>development of an ASEAN-level ESG Data Infrastructure. The purpose of this Data Infrastructure is to enable accurate, efficient and standardization of ESG data collection, analysis and reporting, towards promoting sustainable investment in the region.</p> <p>To move forward, ASEAN-ISE members collectively agreed to issue a Request for Information (RFI) to identify fit-for-purpose solutions that will support the initiative in achieving its target outcome over the next three years. To date, the RFI process is still ongoing.</p>	<p><b>Target 17.14</b> Enhance policy coherence for sustainable development</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p>
<p><b>PSE Participated in the Gokongwei Group's Corporate Governance Webinar</b></p> <p>The Gokongwei Group held its Corporate Governance Webinar for directors and management on September 10, 2024. At this webinar, PSE Executive Vice President and Chief Operating Officer Atty. Roel A. Refran spoke on the challenges of adopting the IFRS Sustainability Disclosure Standards and the steps regulators may take to incentivize and facilitate the adoption of said Standards. Atty. Refran was joined by Mr. Wilson Tan from SGV &amp; Co. and UBS' Global Head for ESG &amp; Sustainability Research, Victoria Kalb.</p>	<p><b>Target 17.14</b> Enhance policy coherence for sustainable development</p>
<p><b>SEC-PSE 11<sup>th</sup> Annual Corporate Governance Forum</b></p> <p>The PSE collaborated with the SEC for the 11th Annual Corporate Governance Forum. The overall theme was <i>Sustainlympics: Corporate Governance and Sustainability through Sustainability Champions</i>.</p> <p>The first part of the program was a panel discussion on Pivoting Board Strategies on Climate Resiliency. The second main part of the program was the discussion of <i>Key Regulatory Updates on Corporate Governance and Sustainability</i>.</p>	<p><b>Target 12.6</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p><b>Target 17.14</b> Enhance policy coherence for sustainable development</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
	Development Goals in all countries, in particular developing countries
<p><b>Applying the IFRS Sustainability Disclosure Standards – Online Interactive Training in partnership with the UN Sustainable Stock Exchanges Initiative</b></p> <p>On November 12, 2024, the PSE held an online interactive training on the application of the IFRS Sustainability Disclosure Standards. This workshop provided a high-level overview of the standards as well as technical guidance on getting started to meet its basic requirements. The training content was developed collaboratively by the United Nations Sustainable Stock Exchanges initiative, IFRS Foundation, and International Finance Corporation, through its integrated ESG program implemented in partnership with the State Secretariat for Economic Affairs of Switzerland.</p>	<p><b>Target 10.5</b> Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations</p>
<p><b>WFE's Ring the Bell for Climate</b></p> <p>PSE heeded the call of the World Federation of Exchanges (WFE) to highlight the importance of addressing climate and sustainability-related issues by participating in the Ring the Bell for Climate campaign. This global initiative underscores the role of financial markets in funding green initiatives and sustainable development.</p> <p>This bell-ringing ceremony was conducted on November 13, 2024. Comm. Rachel Anne S. Herrera of the Climate Change Commission joined the ceremony to ring the opening bell.</p>	<p><b>Target 13.3</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p>
<p><b>PSE Partnership with MOBILIST</b></p> <p>In July 2023, the PSE forged a partnership with MOBILIST or Mobilising Institutional Capital Through Listed Product Structures, the flagship program of the UK Foreign Commonwealth &amp; Development Office. Through MOBILIST, potential issuers whose business models align with the UN Sustainable Development Goals (SDGs) can access a range of support services, including technical assistance, advisory services, and equity capital investment. This assistance may entail conducting market research and receiving partial subsidies for auditor, legal, or other IPO team services. Equity investment upon the company's listing can also be provided,</p>	<p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to</p>



Key Products and Services	Societal Value / Contribution to UN SDGs
<p>among other benefits. This initiative is anticipated to encourage new listings and promote the growth of capital markets.</p> <p>In 2024, MOBILIST made its first investment in the IPO of Citicore Renewable Energy Corporation on the PSE. This investment amounted to \$12.5 million.</p> <p>Also in 2024, PSE and MOBILIST co-hosted the annual Road to IPO Forum. The forum had industry leaders share their experiences and insights on how they themselves undertook the process towards a successful Initial Public Offering. This forum took place at SEC Headquarters in Makati City.</p>	<p>banking, insurance and financial services for all</p> <p><b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries</p> <p><b>Target 17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p>
<p><b>Philippine Capital Markets Roundtable Dialogue</b></p> <p>On October 23, 2024, PSE and MOBILIST partnered for the Philippine Capital Markets Roundtable Dialogue. The event tackled opportunities to improve efficiencies in the capital market and how sustainable investing can be used as a key driver for the market. There was also a discussion on the clean energy investment focus of the Maharlika Investment Fund.</p>	<p><b>Target 7.1</b> By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p> <p><b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries</p>
<p><b>PSE STAR (Strengthening Access and Reach): Investor Day</b></p> <p>Introduced in 2022, PSE STAR (Strengthening Access and Reach): Investor Day, serves as one of PSE's issuer services initiatives. PSE STAR: Investor Day was co-presented by Bloomberg L.P., with the Fund Managers Association of the Philippines (FMAP)</p>	<p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-,</p>



Key Products and Services	Societal Value / Contribution to UN SDGs
<p>and Trust Officers Association of the Philippines (TOAP) as event partners.</p> <p>The first edition of PSE STAR for 2024 took place on May 15-16. Featured companies were SM Prime Holdings, Inc. (SMPH), Bank of Commerce (BNCOM), Alternergy Holdings Corporation (ALTER), Ayala Corporation (AC), The Keepers Holdings, Inc. (KEEPR), Converge Information and Communications Technology Solutions, Inc. (CNVRG), Alliance Global Group, Inc. (AGI), Citicore Energy REIT Corp. (CREIT), Haus Talk, Inc. (HTI), Shell Pilipinas Corporation (SHLPH), Manila Water Company, Inc. (MWC), Shakey's Pizza Asia Ventures, Inc. (PIZZA).</p> <p>PLCs that took part in the investor briefing from August 14 to 16, 2024 were ACEN CORPORATION (ACEN), AREIT, Inc. (AREIT), BDO Unibank, Inc. (BDO), Cebu Landmasters, Inc. (CLI), D.M. Wenceslao &amp; Associates, Incorporated (DMW), East West Banking Corporation (EW), Global Ferronickel Holdings, Inc. (FNI), GT Capital Holdings, Inc. (GTCAP), MacroAsia Corporation (MAC), Megawide Construction Corporation (MWIDE), Philippine Business Bank (PBB), PLDT Inc. (TEL), and Semirara Mining and Power Corporation (SCC).</p> <p>On November 19 to 20, PSE held its Q4 2024 edition of PSE STAR featuring 10 publicly-listed companies. The companies bannered in the live briefings were Cebu Air, Inc. (CEB), China Banking Corporation (CBC), D&amp;L Industries, Inc. (DNL), DigiPlus Interactive Corp. (PLUS), Filinvest REIT Corp. (FILRT), Itaipinas Development Corp. (IDC), Megaworld Corporation (MEG), Philippine National Bank (PNB), Robinsons Retail Holdings, Inc. (RRHI), and Raslag Corp (ASLAG).</p>	<p>small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p> <p><b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries</p>
<p><b>Embracing the IPO Mindset</b></p> <p>On February 28, 2024 the Exchange launched its "Embracing the IPO Mindset" initiative by showcasing the IPO journey of select PSE listed companies (CLI, DNL, FRUIT, ASLAG, WLCON, DD, JFC) with the goal of motivating private enterprises to contemplate going public. The video campaign underscored the motives behind their choice to pursue an IPO and the significant benefits it yielded for their businesses, shareholders, stakeholders, and the broader economy.</p>	<p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to</p>

Key Products and Services	Societal Value / Contribution to UN SDGs
	banking, insurance and financial services for all <b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries
<p><b>PSE Equities Information Platform (PSE EQUIP)</b></p> <p>The PSE launched its new data analytics platform, PSE EQUIP, for both mobile and web in 2024. This platform aims to democratize access to comprehensive and reliable information on the Philippine stock market. The system features real-time quotes and charts for all Philippine-listed securities, listed company disclosures, and fundamental and technical analysis tools. The platform also allows users to create their own portfolio, monitor specific stocks via a watch list, and get customizable price alerts. The initial release sets the stage for enhancements based on user interactions and feedback on functionality and user experience.</p>	<p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p> <p><b>Target 9.b</b> Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities</p> <p><b>Target 17.5</b> Adopt and implement investment promotion regimes for least developed countries</p>
<p><b>Community Outreach Program</b></p> <p>We conducted our Christmas Outreach Program on December 18, 2024. This project entitled "Bringing Joy to the Community" is a voluntary charity work which aimed to spread goodness of bringing smiles to elderly, children, persons with disabilities, and victims of abuse of Hospicio De San Jose, Manila. Through our gift giving and fun games, we know that we are providing hope and new opportunities to the less fortunate communities.</p> <p>Employees of the Exchange donated diapers, milk, food, and others while also singing Christmas songs for the residents.</p>	<p><b>SDG 1: End poverty in all its forms everywhere</b></p>
<p><b>Employee Wellness Program</b></p> <p>The Exchange conducted an Employee Wellness Program in the form of the 2024 Annual Sports Festival. Employees participated in various sports such as basketball, volleyball, bowling, badminton, chess and E-sports.</p>	<p><b>SDG 3: Ensure healthy lives and promote well-being for all at all ages</b></p> <p><b>Target 12.8</b> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>

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<p><b>Team Building Activities</b></p> <p>The Exchange continued to run projects with the goal creating camaraderie per group/division. Participants were given activities that demonstrated the need for effective communication in order to achieve the stated activities' goals.</p> <p>The activities also had the goal of developing future leaders through effective delegation.</p>	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages</p> <p><b>Target 12.8</b> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>
<p><b>Employee Retention Program</b></p> <p>In 2024, launched the Employee Retention Program for probationary hires. The Human Resources Department conducted one-on-one sessions with new hires during their first, third and fifth months with the company with the goal of improving the company's retention rate. The monthly sessions included interactive activities with colleagues as well as "Meet and Greet with PSE Management" where the HR Department introduces the Exchange's President and/or COO to newly-hired employees.</p>	<p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 8.5</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>