



# SECURITIES AND EXCHANGE COMMISSION

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**Company Name:** INTRA INVEST SECURITIES INC.

**Industry Classification:** J66930

**Company Type:** Stock Corporation

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**INTRA-INVEST SECURITIES, INC.**  
**ANNUAL AUDITED FINANCIAL REPORT**  
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**DECEMBER 31, 2023**

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

**COVER PAGE**

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

Report for the Year Beginning January 1, 2023 and Ended December 31, 2023.

<b>IDENTIFICATION OF BROKER OR DEALER</b>	
Name of Broker/Dealer:	Intra-Invest Securities, Inc.
Address of Principal Place of Business:	11th Floor, ACT Tower 135 Gil Puyat Ave. Salcedo Village, Makati City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Norman T. Pe	Tel. No.: (02) 8-815-8066 Fax No.: (02) 8-884-1384

<b>IDENTIFICATION OF ACCOUNTANT</b>	
Name of Independent Auditors whose opinion is contained in this report:	
Name: Reyes Tacandong & Co. SEC Accreditation No.: 4782 Group A; Valid until April 13, 2025	Tel. No.: (02) 8-982-9100 Fax No.: (02) 8-982-9111
Address: 26th Floor, BDO Towers Valero, 8741 Paseo de Roxas Makati City 1226 Philippines	
BELINDA B. FERNANDO Partner CPA Certificate No. 81207 Tax Identification No. 102-086-538-000 BOA Accreditation No. 4782; Valid until April 13, 2024 BIR Accreditation No. 08-005144-004-2022 Valid until October 16, 2025 PTR No. 10072407 Issued January 2, 2024, Makati City	



# INTRA-INVEST SECURITIES INC.

MEMBER: PHILIPPINE STOCK EXCHANGE

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Intra-Invest Securities, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

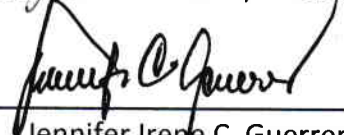
The Board of Directors is responsible in overseeing the Company's financial reporting process.

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

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

Signature   
Jovencio F. Cinco, Chairman

Signature   
Jose Ma. A. De Leon, President

Signature   
Jennifer Irene C. Guerrero,  
Treasurer and General Manager

Signed this 21st day of March 2024



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Intra-Invest Securities, Inc.  
11th Floor, ACT Tower  
135 Gil Puyat Ave.  
Salcedo Village, Makati City

### *Opinion*

We have audited the accompanying financial statements of Intra-Invest Securities, Inc. (a subsidiary of Penta Capital & Investment Corporation) (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

### *Basis for Opinion*

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

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

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



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

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

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

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

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





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

**REYES TACANDONG & Co.**

BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

March 15, 2024

Makati City, Metro Manila

**INTRA-INVEST SECURITIES, INC.**  
(A Subsidiary of Penta Capital & Investment Corporation)

**STATEMENTS OF FINANCIAL POSITION**

December 31							
		2023			2022		
	Note	Money Balance	Security Valuation		Money Balance	Security Valuation	
			Long	Short		Long	Short
<b>ASSETS</b>							
Cash and cash equivalents	7	₱46,563,233			₱62,568,403		
Financial asset at fair value through profit or loss (FVPL)	8	17,700	₱17,700		29,700	₱29,700	
Trade and other receivables	9	1,075,430	1,204,275		4,663,424	3,539,818	
Financial assets at fair value through other comprehensive income (FVOCI)	10	246,225	246,225		685,650	685,650	
Exchange trading right	11	1,000,000			1,000,000		
Property and equipment	12	126,616			25,273		
Net deferred tax assets	17	464,050			353,896		
Other assets	13	19,723,028			9,008,762		
		<b>₱69,216,282</b>			<b>₱78,335,108</b>		
<b>Securities in Vault, Transfer Offices and Philippine Depository and Trust Corporation</b>				<b>₱1,697,399,657</b>			<b>₱1,848,359,991</b>
<b>LIABILITIES AND EQUITY</b>							
<b>Liabilities</b>							
Trade payables	14	₱28,623,537	1,695,931,457		₱35,408,015	1,844,104,823	
Accrued expenses and other payables	15	628,371			637,440		
Retirement benefit liability	16	405,847			337,979		
Total Liabilities		<b>29,657,755</b>			<b>36,383,434</b>		
<b>Equity</b>							
Capital stock	5	30,000,000			30,000,000		
Retained earnings:							
Appropriated	5	9,548,507			9,548,507		
Unappropriated		1,466,115			3,507,722		
Cumulative unrealized losses on fair value changes of financial assets at FVOCI (net of deferred tax)	10	(1,456,095)			(1,104,555)		
Total Equity		<b>39,558,527</b>			<b>41,951,674</b>		
		<b>₱69,216,282</b>	<b>₱1,697,399,657</b>	<b>₱1,697,399,657</b>	<b>₱78,335,108</b>	<b>₱1,848,359,991</b>	<b>₱1,848,359,991</b>

See accompanying Notes to Financial Statements.

**INTRA-INVEST SECURITIES, INC.**  
(A Subsidiary of Penta Capital & Investment Corporation)

**STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31	
	Note	2023	2022
<b>REVENUES</b>			
Interest income	7	₱2,051,469	₱1,798,746
Commission income		1,855,644	2,211,773
Dividend income	10	–	65,519
Others		28,869	18,486
		<b>3,935,982</b>	<b>4,094,524</b>
<b>COST OF SERVICES</b>			
Commission		1,004,161	706,826
Stock exchange dues and fees		491,942	365,650
Salaries and other employee benefits	16	358,000	350,700
Communication		67,752	68,313
		<b>1,921,855</b>	<b>1,491,489</b>
<b>GROSS PROFIT</b>		<b>2,014,127</b>	<b>2,603,035</b>
<b>OPERATING EXPENSES</b>			
Salaries and other employee benefits	16	1,881,769	2,564,373
Professional fees		517,876	545,799
Communication		428,703	486,568
Rental	19	364,092	364,092
Utilities	18	209,976	226,824
Office supplies		110,364	121,872
Taxes and licenses		99,356	67,620
Fines, penalties and other charges		61,000	100,692
Depreciation	12	20,157	19,613
Unrealized losses on fair value changes of financial asset at FVPL	8	12,000	37,600
Provision for impairment losses on trade receivables	9	1,689	17,975
Others		371,021	173,862
		<b>4,078,003</b>	<b>4,726,890</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>2,063,876</b>	<b>2,123,855</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>			
Current	17	–	7,388
Deferred		(22,269)	1,804,788
		<b>(22,269)</b>	<b>1,812,176</b>
<b>NET LOSS</b>		<b>₱2,041,607</b>	<b>₱3,936,031</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
	10		
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Unrealized losses on fair value changes of financial assets at FVOCI		439,425	389,550
Deferred tax benefit		(87,885)	(77,910)
		<b>351,540</b>	<b>311,640</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>₱2,393,147</b>	<b>₱4,247,671</b>

See accompanying Notes to Financial Statements.

**INTRA-INVEST SECURITIES, INC.**  
(A Subsidiary of Penta Capital & Investment Corporation)

**STATEMENTS OF CHANGES IN EQUITY**

	Note	Years Ended December 31	
		2023	2022
<b>CAPITAL STOCK</b>	5	<b>₱30,000,000</b>	₱30,000,000
<b>RETAINED EARNINGS</b>			
<b>Appropriated</b>			
Balance at beginning and end of year	5	<b>9,548,507</b>	9,548,507
<b>Unappropriated</b>			
Balance at beginning of year		<b>3,507,722</b>	7,443,753
Net loss		<b>(2,041,607)</b>	(3,936,031)
Balance at end of year		<b>1,466,115</b>	3,507,722
		<b>11,014,622</b>	13,056,229
<b>CUMULATIVE UNREALIZED LOSSES ON FAIR VALUE CHANGES OF FINANCIAL ASSETS AT FVOCI (Net of Deferred Tax)</b>			
	10		
Balance at beginning of year		<b>(1,104,555)</b>	(792,915)
Unrealized losses on fair value changes of financial assets at FVOCI		<b>(351,540)</b>	(311,640)
Balance at end of year		<b>(1,456,095)</b>	(1,104,555)
		<b>₱39,558,527</b>	₱41,951,674

*See accompanying Notes to Financial Statements.*

**INTRA-INVEST SECURITIES, INC.**  
(A Subsidiary of Penta Capital & Investment Corporation)

**STATEMENTS OF CASH FLOWS**

		Years Ended December 31	
	Note	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		(₱2,063,876)	(₱2,123,855)
Adjustments for:			
Interest income	7	(2,051,469)	(1,798,746)
Retirement benefit expense	16	67,868	238,490
Depreciation	12	20,157	19,613
Unrealized losses on fair value changes of financial asset at FVPL	8	12,000	37,600
Provision for impairment losses on trade receivables	9	1,689	17,975
Unrealized foreign exchange loss (gain)		553	(29,234)
Dividend income	10	–	(65,519)
Operating losses before working capital changes		(4,013,078)	(3,703,676)
Decrease (increase) in:			
Trade and other receivables		3,445,110	(1,728,496)
Other assets		(10,703,832)	1,247,729
Increase (decrease) in:			
Trade payables		(6,784,478)	15,743,000
Accrued expenses and other payables		(9,069)	(37,003)
Net cash provided by (used in) operations		(18,065,347)	11,521,554
Interest received		2,192,664	1,674,919
Income taxes paid		(10,434)	(34,728)
Retirement benefits paid	16	–	(851,749)
Dividends received		–	65,519
Net cash generated from (used in) operating activities		(15,883,117)	12,375,515
<b>CASH FLOWS FROM AN INVESTING ACTIVITY</b>			
Acquisitions of property and equipment	12	(121,500)	–
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		(16,004,617)	12,375,515
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
		(553)	29,234
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
		62,568,403	50,163,654
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		₱46,563,233	₱62,568,403

See accompanying Notes to Financial Statements.

**INTRA-INVEST SECURITIES, INC.**  
**(A Subsidiary of Penta Capital & Investment Corporation)**

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**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**1. Corporate Information**

Intra-Invest Securities, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 7, 1988. The Company is a licensed broker/dealer of securities with the SEC and a holder of an exchange trading right in the Philippine Stock Exchange (PSE).

The Company is a 68%-owned subsidiary of Penta Capital & Investment Corporation (PCIC or the Parent Company), a corporation registered in the Philippines. The Parent Company is engaged in the business of financing, investing, securities brokerage, and providing financial services such as underwriting, financial advisory, and management consultancy.

The registered office address of the Company is 11th Floor, ACT Tower, 135 Gil Puyat Ave., Salcedo Village, Makati City.

**Approval of the Financial Statements**

The financial statements of the Company as at and for the years ended December 31, 2023 and 2022 were approved and authorized for issuance by the Board of Directors (BOD) on March 15, 2024.

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

**Basis of Preparation**

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

The material accounting policy information used in the preparation of the financial statements are consistently applied to all the years presented, unless otherwise stated.

The Company presents its statements of financial position broadly in the order of liquidity. An analysis of the recoveries or settlements within 12 months (current) and more than 12 months (noncurrent) after the reporting date is presented in Note 9 and 13 to the financial statements.

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

**Measurement Bases**

The financial statements are presented in Philippine Peso, the Company's functional currency. All values are rounded to the nearest peso, unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value either through profit or loss or through other comprehensive income (OCI).

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

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

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

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

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

Further information on the assumptions used in fair value measurement is disclosed in the following notes to the financial statements:

- Note 6 - Fair Value Measurement
- Note 8 - Financial Asset at Fair Value through Profit or Loss (FVPL)
- Note 10 - Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

#### **Adoption of Amendments to PFRS**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity’s right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amended PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

#### **Amendments to PFRS in Issue But Not Yet Effective or Adopted**

Relevant amendments to PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning January 1, 2024 -

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.



Effective for annual periods beginning January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

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

### **Financial Instruments**

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

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

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

### **Financial Assets**

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

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Company’s business model for managing the asset and its contractual cash flow characteristics.

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2023 and 2022, the Company's cash and cash equivalents, trade and other receivables, and short-term investments and refundable deposit (recorded under "Other assets" account in the statements of financial position) are classified under this category (see Notes 7, 9 and 13).

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

Short-term investments are money market placements with maturity of more than three (3) months to one (1) year and earns an annual interest income which is recognized in profit or loss.

*Financial Assets at FVOCI.* For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and are presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at December 31, 2023 and 2022, certain investments in certain quoted equity securities were irrevocably designated as financial assets at FVOCI (see Note 10).

*Financial Asset at FVPL.* Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

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

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

As at December 31, 2023 and 2022, certain investment in a quoted equity security is classified under this category (see Note 8).

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

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

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

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new carrying amount.

*Impairment of Financial Assets at Amortized Cost.* The Company assesses on a forward-looking basis the expected credit losses (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual term.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment and an assessment of both the current as well as the forecast direction or condition at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort, which is indicative of significant increases in credit risk since initial recognition.

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

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

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

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

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

## **Financial Liabilities**

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

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

As at December 31, 2023 and 2022, the Company does not have financial liabilities at FVPL.

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

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

As at December 31, 2023 and 2022, the Company's trade payables and accrued expenses and other payables (excluding statutory payables) are classified under this category (see Notes 14 and 15).

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

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

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

#### **Exchange Trading Right**

Exchange trading right is carried at cost less accumulated impairment losses, if any. It is considered as an intangible asset with an indefinite useful life. The exchange trading right is deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized, but is tested for impairment annually. The assumption that the exchange trading right remains to be an intangible asset with indefinite useful life is reviewed annually to determine whether this continues to be supportable as such. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight-line basis, unless a more appropriate amortization method is warranted. Any impairment losses determined are recognized in profit or loss.

Gains or losses arising from derecognition of exchange trading right are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period of derecognition.

#### **Other Assets**

Other assets include excess tax credits and prepayments.

*Excess Tax Credits.* Excess tax credits pertain to income taxes of the Company withheld and remitted to the Bureau of Internal Revenue (BIR) by customers of the Company and are deducted from income tax payable on the same year the revenue was recognized. Unapplied or excess creditable withholding tax over income tax payable is carried forward to be utilized in succeeding years.

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. These are apportioned over the period covered by the payment, or to be consumed in operations, and included in profit or loss when incurred. Prepayments that are expected to be realized within 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the nonfinancial asset is increased to its recoverable amount. However, 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 reversal, the depreciation charges are adjusted in future years to allocate the nonfinancial asset's revised carrying amount on a systematic basis over its remaining useful life.

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

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

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

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

The net amount of VAT recoverable from or payable to the taxation authority is included as part of "Other current assets" account or "Statutory payables" under "Accrued expenses and other payables" account, respectively, in the statements of financial position.

## **Equity**

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

*Retained Earnings.* Retained earnings represent the cumulative balance of net income or loss of the Company, net of any dividend declaration.

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

*OCI.* OCI pertains to changes in fair value of financial assets at FVOCI that are not to be reclassified to profit or loss in subsequent periods.

## **Revenue Recognition**

Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits as the Company perform its obligations;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time.

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

*Commission Income.* Commission income pertains to revenue from brokerage transactions and is recorded on a trade date basis as trade transactions occur.

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

The following specific recognition criteria must also be met for other revenues outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

*Interest Income.* Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the assets.

*Dividend Income.* Dividend income is recognized when the right to receive the dividends is established.

## **Cost and Expense Recognition**

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

*Cost of Services.* Cost of services are recognized as expense when the related services are rendered.

*Operating Expenses.* Operating expenses constitute costs of administering the business and costs incurred to sell and market the services. These are recognized in profit or loss as incurred.

### **Employee Benefits**

*Short-term Benefits.* The Company recognizes short-term employee benefits based on contractual arrangements with employees. Unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of “Accrued expenses and other payables” account in the statements of financial position.

*Retirement Benefits.* The Company accrues minimum retirement benefit liability in accordance with Republic Act (R.A.) No. 7641, “*Retirement Pay Law*,” which requires a company to pay minimum retirement benefits to employees who retire after reaching the mandatory retirement age of 65 years old or the optional retirement age of 60 years old, with at least five (5) years of service to the Company.

The retirement benefit liability recognized by the Company is the present value of the defined benefit obligation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free rates of government bonds that have terms to maturity approximating the terms of the related retirement liability.

Under PAS 19(R), *Employee Benefits*, the cost of defined retirement benefits, including those mandated under R.A. No. 7641, should have been actuarially determined using the projected unit credit method. The management believes, however, that the effect on the financial statements of the difference between the current method used by the Company and the required valuation method is not significant.

### **Leases**

The Company assesses whether the contracts are, or contain a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

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

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

The Company also assesses whether a contract contains a lease for each potential separate lease component.

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

The Company elected to apply the recognition exemption on short-term leases. The related lease expenses on these lease agreements are recognized in profit or loss on a straight-line basis.



### **Income Taxes**

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

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

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

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

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

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

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

### **Related Party Transactions**

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

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related parties in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form. The key management personnel of the Company and post-employment benefit plans for the benefit of the Company's employees are also considered to be related parties.

**Foreign Currency-Denominated Transactions**

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

**Provisions and Contingencies**

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

*Contingencies.* Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the 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 Company's financial position at reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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

The preparation of the financial statements in compliance with PFRS requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and related notes. The judgments, accounting estimates, and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

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

### **Judgments**

*Classification and Measurement of Financial Assets.* Classification and measurement of financial assets depend on the results of the contractual cash flow and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed. The Company monitors financial assets measured at FVPL, FVOCI, or amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

At initial recognition, the Company irrevocably designated investments in quoted equity securities as financial assets at FVOCI (see Note 10). Further, quoted equity security which is held for trading was classified as financial asset at FVPL (see Note 8).

Cash and cash equivalents, trade and other receivables, short-term investments, and refundable deposit were classified as financial assets at amortized cost since the Company's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 7, 9 and 13).

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

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

Assumptions and methods of determining the fair values of financial instruments are presented in Note 6 to the financial statements.

*Determination of Lease Commitment - Company as a Lessee.* The Company rents its office and parking spaces under a cancellable operating lease agreement. The Company has determined that it does not retain all the significant risks and rewards of ownership of this property. Accordingly, the lease is accounted for as an operating lease.

Rental expense amounted to ₱364,092 in 2023 and 2022 (see Note 19).

### **Accounting Estimates and Assumptions**

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

The Company adjusts historical default rates if forecasted economic conditions, such as the stock market index, are expected to improve which can lead to decreased number of defaults in the stock brokering industry. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience. The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for impairment loss on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Provision for impairment losses on trade receivables amounted to ₱1,689 and ₱17,975 in 2023 and 2022, respectively. Allowance for impairment losses amounted to ₱70,428 and ₱68,739 as at December 31, 2023 and 2022, respectively (see Note 9).

As at December 31, 2023 and 2022, the carrying amount of trade receivables amounted to ₱894,970 and ₱4,358,929, respectively (see Note 9).

*Assessment of the Impairment of Other Financial Assets at Amortized Cost.* The Company determines the allowance for impairment losses using the general approach which is based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. Impairment loss is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case impairment loss is provided based on lifetime ECL.

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

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

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

The Company has assessed that impairment losses on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for impairment losses on other financial assets at amortized cost was recognized in 2023 and 2022.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2023	2022
Cash in banks and cash equivalents	7	<b>₱46,553,233</b>	₱62,558,403
Short-term investments	13	<b>18,545,267</b>	7,877,326
Other receivables	9	<b>180,460</b>	304,495
Refundable deposit	13	<b>673,463</b>	667,695

*Estimation of the Useful Life and Assessment of the Impairment of Exchange Trading Right.* Exchange trading right is carried at cost less any allowance for impairment loss. Exchange trading right is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

There was no change in the classification of exchange trading right as intangible asset with indefinite useful life in 2023 and 2022. Further, no impairment loss on the exchange trading right was recognized in 2023 and 2022. The carrying amount of the exchange trading right is ₱1,000,000 as at December 31, 2023 and 2022 (see Note 11).

*Assessment of the Impairment of Other Nonfinancial Assets.* The Company assesses impairment of other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

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

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

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's length transaction. In assessing value in use, the estimated 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.

No impairment loss on other nonfinancial assets was recognized in 2023 and 2022.

The carrying amounts of other nonfinancial assets are as follows:

	Note	2023	2022
Property and equipment	12	<b>₱126,616</b>	₱25,273
Excess tax credits	13	<b>361,158</b>	350,724
Prepayments	13	<b>137,142</b>	113,017

*Determination of the Retirement Benefits.* The Company accrues its retirement benefits for past and current services rendered by qualified employees under R.A. No. 7641. The management believes that the accrual made is a reasonable estimate of future retirement obligations.

Retirement benefit expense amounted to ₱67,868 and ₱238,490 in 2023 and 2022, respectively. Retirement benefit liability amounted to ₱405,847 and ₱337,979 as at December 31, 2023 and 2022, respectively (see Note 16).

*Assessing Realizability of Deferred Tax Assets.* The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets recognized amounted to ₱464,050 and ₱359,743 as at December 31, 2023 and 2022, respectively. The Company has unrecognized deferred tax assets amounting to ₱2,752,188 and ₱1,996,699 as at December 31, 2023 and 2022, respectively (see Note 17). Management believes that the Company will not have sufficient taxable income against which the benefits of the deferred tax assets from NOLCO and excess of MCIT over RCIT can be utilized.

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

The Company has significant exposure to credit risk, liquidity risk, and market risks from its use of financial instruments.

The BOD has the responsibility over the Company's risk management framework. The BOD has delegated to the senior management the responsibility for developing and monitoring the Company's policies, which address specific risk management areas.

The Senior Management is responsible for monitoring compliance with the Company's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the Company. The Senior Management anticipates risks currently affecting the industry and addresses the same so as not to affect the Company's operations and detriment forecasted results.

### **Credit Risk**

The Company's exposure to credit risk arises from the failure of its counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of financial assets at amortized cost.

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

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

The table below presents the summary of the Company's maximum amount of credit risk exposure without taking into account any collateral, other credit enhancement or credit risk mitigating features:

	2023	2022
Financial assets at amortized cost:		
Cash in banks and cash equivalents	<b>₱46,553,233</b>	₱62,558,403
Trade and other receivables	<b>1,145,858</b>	4,732,163
Short-term investments*	<b>18,545,267</b>	7,877,326
Refundable deposit*	<b>673,463</b>	667,695
	<b>66,917,821</b>	75,835,587
Less allowance for impairment losses on trade and other receivables	<b>70,428</b>	68,739
	<b>₱66,847,393</b>	₱75,766,848

\*Included under "Other assets".

The credit quality analysis of financial assets at amortized cost is as follows:

	2023					Total
	12-month ECL			Lifetime EC		
	High Grade	Standard Grade	Substandard Grade	Not Credit Impaired	Credit Impaired	
Cash in banks and cash equivalents	<b>₱46,553,233</b>	₱-	₱-	₱-	₱-	<b>₱46,553,233</b>
Trade and other receivables	-	180,460	-	894,970	70,428	1,145,858
Short-term investments*	-	18,545,267	-	-	-	18,545,267
Refundable deposit*	-	-	673,463	-	-	673,463
	<b>₱46,553,233</b>	<b>₱18,725,727</b>	<b>₱673,463</b>	<b>₱965,398</b>	<b>₱70,428</b>	<b>₱66,917,821</b>

\*Included under "Other assets" account.

	2022					Total
	12-month ECL			Lifetime EC		
	High Grade	Standard Grade	Substandard Grade	Not Credit Impaired	Credit Impaired	
Cash in banks and cash equivalents	₱62,558,403	₱-	₱-	₱-	₱-	₱62,558,403
Trade and other receivables	-	304,495	-	4,358,929	68,739	4,732,163
Short-term investments*	-	7,877,326	-	-	-	7,877,326
Refundable deposit*	-	-	667,695	-	-	667,695
	₱62,558,403	₱8,181,821	₱667,695	₱4,358,929	₱68,739	₱75,835,587

\*Included under "Other assets" account.

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

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

**Standard Grade** - The borrower has no history of default. The borrower has sufficient liquidity to fully service its debt over the medium term. The borrower has adequate capital to readily absorb any potential losses from its operations and any reasonably foreseeable contingencies. The borrower reported profitable operations for at least the past three years.

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

Credit-impaired financial assets pertain to outstanding loans and other receivables that were deemed uncollectible with carrying amount of ₱70,428 and ₱68,739 as at December 31, 2023 and 2022, respectively.

#### *Trade Receivables*

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and number of days outstanding. The provision matrix is based on the Company's historical default rates, which are adjusted for forward-looking information if forecast of economic conditions (i.e., stock market index) are expected to improve over the next year, which can lead to a decreased number of defaults in the stock brokering industry. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.



The aging analysis of the Company's trade receivables from customers and related parties are as follows:

Days from Transaction Date of Counterparty	2023		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 to 2 days	₱—	₱—	₱—
3 to 13 days	—	—	—
14 to 31 days	—	—	—
Over 31 days	215,750	2,004,195	70,428
	<b>₱215,750</b>	<b>₱2,004,195</b>	<b>₱70,428</b>

Days from Transaction Date of Counterparty	2022		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1 to 3 days	₱20,228	₱13,065	₱7,163
4 to 14 days	—	—	—
15 to 31 days	—	—	—
Over 31 days	263,413	3,625,617	68,739
	<b>₱283,641</b>	<b>₱3,638,682</b>	<b>₱75,902</b>

Counterparty exposure is computed based on the rules provided by SRC 52.1.11 which considers the age of the receivables and the market value of related securities, net of haircut, as its collateral. The percentage of haircut is determined based on whether the security is within or outside the PSE index (PSEi).

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

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

As at December 31, 2023 and 2022, trade receivables from customers and related parties amounting to ₱215,750 and ₱283,641, respectively, are secured by collateral comprising of equity securities of listed companies with a total market value of ₱1,204,275 and ₱3,539,818, respectively (see Note 9).

Trade receivables from clearing house are due and collectible after two (2) and three (3) business days from the transaction date in 2023 and 2022, respectively. Accordingly, trade receivables from clearing house amounting to ₱749,648 and ₱4,144,027 as at December 31, 2023 and 2022 were fully collected in January 2024 and 2023, respectively (see Note 9).

*Other Financial Assets at Amortized Cost*

The Company's other financial assets at amortized cost consist of cash in banks and cash equivalents, other receivables, short-term investments and refundable deposit recorded as part of "Other assets". The Company limits its exposure to credit risk by investing its cash in banks, cash equivalents and short-term investments only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For refundable deposit and other receivables, credit risk is low because the Company only transacts with reputable companies with respect to these financial assets.

It is the Company's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers the factors discussed in Note 3 to the financial statements in assessing the ECL in other financial assets at amortized cost.

**Liquidity Risk**

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

The Company monitors its cash flows, particularly by reviewing, on a periodic basis, the collectability of receivables from customers and credit facilities available for the Company to meet the funding requirements needed for operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained with a bank (see Note 7).

The table below summarizes the maturity profile of the Company's financial assets and liabilities based on remaining contractual undiscounted cash flows:

	2023			2022		
	Due within One Year	Due beyond One Year	Total	Due within One Year	Due beyond One Year	Total
<b>Financial Assets</b>						
Cash in banks and cash equivalents	₱46,553,233	₱-	₱46,553,233	₱62,558,403	₱-	₱62,558,403
Trade and other receivables	1,145,858	-	1,145,858	4,732,163	-	4,732,163
Short-term investments*	18,545,267	-	18,545,267	7,877,326	-	7,877,326
Refundable deposit*	-	673,463	673,463	-	667,695	667,695
	<b>66,244,358</b>	<b>673,463</b>	<b>66,917,821</b>	<b>75,167,892</b>	<b>667,695</b>	<b>75,835,587</b>
<b>Financial Liabilities</b>						
Trade payables	28,623,537	-	28,623,537	35,408,015	-	35,408,015
Accrued expenses and other payables**	573,170	-	573,170	580,476	-	580,476
	<b>29,196,707</b>	<b>-</b>	<b>29,196,707</b>	<b>35,988,491</b>	<b>-</b>	<b>35,988,491</b>
<b>Net Liquidity Gap</b>	<b>₱37,047,651</b>	<b>₱673,463</b>	<b>₱37,721,114</b>	<b>₱39,179,401</b>	<b>₱667,695</b>	<b>₱39,847,096</b>

\*Included under "Other assets" account.

\*\*Excluding statutory payables amounting to ₱55,201 and ₱56,964 as at December 31, 2023 and 2022, respectively.

**Market Risks**

Market risks are risks that the Company's earnings decline, either immediately or over time, as a result of a change in market factors, such as volatility of stock prices or foreign exchange rates. The level of market risk to which the Company is exposed varies continually as a result of changing market expectations and changing market conditions.

Market risk originates from securities held as a principal, or in a proprietary or dealer account. In accordance with RBCA requirements, limits are imposed for all equity, debt, and foreign exchange positions.

The Company's risk management committee is responsible for managing the market risk. It aims to ensure that the Company's market risk position conforms to the corporation policies and risk limits of the Company.

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

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

The table below sets forth the impact of changes in PSEi in the Company's unrealized gain or loss on its financial assets at FVPL and FVOCI:

	2023		2022	
Changes in PSEi	<b>14.07%</b>	<b>(14.07%)</b>	20.55%	(20.55%)
Effect in trading income at equity portfolio under holding firms	<b>₱1,885</b>	<b>(₱1,885)</b>	₱5,621	(₱5,621)
Effect on OCI at equity portfolio under electricity, energy, power and water	<b>₱53,760</b>	<b>(₱53,760)</b>	₱38,276	(₱38,276)

The Company determined the reasonable possible change in the PSEi using the specific adjusted beta for each equity security the Company holds as at the reporting dates. The adjusted beta is the forecasted measure of the volatility of security or a portfolio in comparison to the market as a whole.

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

The Company's transactional currency exposures arise from its US dollar-denominated cash in banks amounting to US\$1,932 and US\$6,152 as at December 31, 2023 and 2022, respectively. The Company periodically reviews the trend of the foreign exchange rates to address its exposure to foreign currency risk. The Company's policy is to maintain foreign currency exposure within acceptable limits and within the existing regulatory guidelines.

As at December 31, 2023 and 2022, the Company's exposure to foreign currency risk is insignificant.

## 5. Capital Management

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

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

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

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

In compliance with SRC Rule 28 of the 2015 *Implementing Rules and Regulations of SRC*, trading participants are required to have an unimpaired paid-up capital of ₱100,000,000 for those who will be participating in a registered clearing agency. However, other broker/dealers not meeting the ₱100,000,000 capitalization and not seeking authorization to engage in market making transaction shall maintain a ₱30,000,000 unimpaired paid-up capital and file surety bond not less than ₱10,000,000 for brokers and not less than ₱2,000,000 for dealers.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit.

The unimpaired paid-up capital of the Company amounted to ₱30,000,000 as at December 31, 2023 and 2022. The Company's surety bond amounted to ₱12,000,000 as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, the Company is compliant with the capital requirements.

Details of the Company's common shares with par value of ₱100 per share as at December 31, 2023 and 2022 are as follows:

	<b>Number of Shares</b>	<b>Amount</b>
<b>Authorized</b>	300,000	₱30,000,000
<b>Issued and Outstanding</b>	300,000	₱30,000,000

### **Reserve Fund**

The Company shall annually appropriate a certain minimum percentage of its audited income after tax and transfer the same to "Appropriated Retained Earnings" as prescribed by SRC Rule 49.1 (B).

No appropriation was made in 2023 and 2022 because of the Company's net loss position.

Cumulative retained earnings appropriated for the reserve fund amounted to ₱9,548,507 as at December 31, 2023 and 2022.

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

The Company is required, at all times, to have and maintain an NLC of at least ₱5,000,000 or 5% of its Aggregate Indebtedness (AI), whichever is higher.

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

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

The equity eligible for NLC shall exclude deferred income tax, revaluation reserves, and minority interests and any outside investment in affiliates and associates.

In computing for NLC, the equity eligible for NLC is adjusted by the following:

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

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

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

	<b>2023</b>	2022
NLC:		
Equity eligible for NLC	<b>₱40,914,596</b>	₱42,978,472
Less ineligible assets	<b>2,653,651</b>	2,908,422
	<b>38,260,945</b>	40,070,050
Required NLC (higher of):		
5% of AI	<b>1,482,888</b>	1,819,172
Minimum amount	<b>5,000,000</b>	5,000,000
	<b>5,000,000</b>	5,000,000
<b>Net Risk-Based Capital Excess</b>	<b>₱33,260,945</b>	₱35,070,050

#### **Ratio of AI to NLC**

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

The Company's AI consisted of 78% and 91% of its NLC as at December 31, 2023 and 2022, respectively.

**RBCA Requirement/Ratio**

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

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

The TRCR is the sum of:

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

	<b>2023</b>	2022
NLC	<b>₱38,260,945</b>	₱40,070,050
TRCR:		
ORR	<b>938,410</b>	1,349,533
Position risk requirement	<b>14,755</b>	37,833
Counterparty risk requirement	-	7,163
	<b>₱953,165</b>	₱1,394,529
RBCA Ratio	<b>4,014%</b>	2,873%

As at December 31, 2023 and 2022, the Company is in compliance with the required RBCA ratio.

**Ratio of Core Equity to ORR**

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

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

The Company's ratio of Core Equity to ORR is as follows:

	<b>2023</b>	2022
Capital stock	<b>₱30,000,000</b>	₱30,000,000
Beginning retained earnings	<b>13,056,229</b>	16,992,260
Core equity	<b>43,056,229</b>	46,992,260
ORR	<b>938,410</b>	1,349,533
Ratio of Core Equity to ORR	<b>4,588%</b>	3,482%

## 6. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets measured at fair value and the corresponding fair value hierarchy:

		2023			
		Fair Value			
		Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note				
Financial asset at FVPL	8	P17,700	P17,700	P-	P-
Financial assets at FVOCI	10	246,225	246,225	-	-
		<b>P263,925</b>	<b>P263,925</b>	<b>P-</b>	<b>P-</b>

		2022			
		Fair Value			
		Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note				
Financial asset at FVPL	8	P29,700	P29,700	P-	P-
Financial assets at FVOCI	10	685,650	685,650	-	-
		<b>P715,350</b>	<b>P715,350</b>	<b>P-</b>	<b>P-</b>

The Company's financial asset at FVPL and financial assets at FVOCI as at December 31, 2023 and 2022 are carried at fair values based on sources classified under Level 1 category. The fair values are based on prevailing quoted market price or bidding dealer price quotations from active markets as at reporting date.

There was no transfer between levels of fair value hierarchy measurements in 2023 and 2022.

The table below presents the financial assets and liabilities of the Company whose carrying amounts approximate their fair value due to their short-term nature or whose fair value cannot be reliably measured.

	2023	2022
Financial assets at amortized cost:		
Cash in bank and cash equivalents	P46,563,233	P62,568,403
Trade and other receivables	1,075,430	4,663,424
Short-term investments*	18,545,267	7,877,326
Refundable deposit*	673,463	667,695
	<b>P66,857,393</b>	<b>P75,776,848</b>
Financial liabilities at amortized cost:		
Trade payables	P28,623,537	P35,408,015
Accrued expenses and other payables**	573,170	580,476
	<b>P29,196,707</b>	<b>P35,988,491</b>

\*Included under "Other assets" account.

\*\*Excluding statutory payables amounting to P55,201 and P56,964 as at December 31, 2023 and 2022, respectively.

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## 7. Cash and Cash Equivalents

This account consists of:

	<b>2023</b>	2022
Cash on hand	<b>₱10,000</b>	₱10,000
Cash in banks	<b>18,320,773</b>	24,131,994
Short-term placements	<b>28,232,460</b>	38,426,409
	<b>₱46,563,233</b>	₱62,568,403

Cash in banks represent the Company's savings and demand deposits with local banks bearing interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Short-term placements are made for varying periods of up to three (3) months depending on the Company's immediate cash requirements, and earn interest at the prevailing short-term placement rates ranging from 1.0% to 8.0% and 4.5% to 10.0% in 2023 and 2022, respectively.

Details of interest income are as follows:

	Note	<b>2023</b>	2022
Cash in banks		<b>₱8,044</b>	₱7,190
Short-term placements		<b>708,080</b>	751,870
Short-term investments	13	<b>1,335,345</b>	1,039,686
		<b>₱2,051,469</b>	₱1,798,746

In compliance with SRC Rule 49.2 covering customer protection and custody of securities, the Company maintains special reserve bank accounts for the exclusive benefit of its customers amounting to ₱25,008,241 and ₱26,299,932 as at December 31, 2023 and 2022, respectively. The Company's reserve requirement is determined monthly based on SEC's prescribed computation. As at December 31, 2023 and 2022, the Company's reserve bank accounts are adequate to cover its reserve requirements.

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## 8. Financial Asset at FVPL

Financial asset at FVPL represents a quoted equity security held by the Company for trading purposes amounting to ₱17,700 and ₱29,700 as at December 31, 2023 and 2022, respectively. Unrealized losses on fair value changes amounted to ₱12,000 and ₱37,600 in 2023 and 2022, respectively.

The fair value of financial asset at FVPL as at December 31, 2023 and 2022 is based on prevailing quoted market prices or bidding dealer price quotations from active market as at the reporting date. The fair value measurement is based on sources classified under Level 1 category (see Note 6).



## 9. Trade and Other Receivables

This account consists of:

	Note	2023	2022
Trade receivables from:			
Clearing house		<b>₱749,648</b>	₱4,144,027
Customers		<b>130,428</b>	218,749
Related parties	18	<b>85,322</b>	64,892
Interest receivable	18	<b>137,133</b>	278,328
Others		<b>43,327</b>	26,167
		<b>1,145,858</b>	4,732,163
Less allowance for impairment losses		<b>70,428</b>	68,739
		<b>₱1,075,430</b>	₱4,663,424

Trade receivables from customers and related parties are due within three (3) business days from the transaction date. However, the migration to the shortened T+2 settlement cycle on August 24, 2023, in accordance with the Securities Clearing Corporation of the Philippines (SCCP) Memo No. 01-0623 took effect. Trade receivables from customers and related parties are now due within two (2) business days from the transaction date.

Details of trade receivables from customers and related parties are as follows:

	2023		2022	
	Money Balances	Security Valuation - Long	Money Balances	Security Valuation - Long
Cash and fully secured accounts:				
More than 250%	<b>₱12,564</b>	<b>₱986,396</b>	₱60,577	₱3,297,883
Between 200%-250%	<b>6,019</b>	<b>12,760</b>	6,551	15,606
Between 150%-200%	<b>15,952</b>	<b>30,535</b>	36,844	62,818
Between 100%-150%	<b>130,646</b>	<b>163,185</b>	108,953	128,680
Partially secured accounts	<b>23,763</b>	<b>11,399</b>	43,991	34,831
Unsecured accounts	<b>26,806</b>	–	26,725	–
	<b>215,750</b>	<b>1,204,275</b>	283,641	3,539,818
Less allowance for impairment losses	<b>70,428</b>	–	68,739	–
	<b>₱145,322</b>	<b>₱1,204,275</b>	₱214,902	₱3,539,818

Collaterals related to trade receivables from customers and related parties pertain to listed equity securities amounting to ₱1,204,275 and ₱3,539,818 as at December 31, 2023 and 2022, respectively. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at the reporting date.

Trade receivables from clearing house is due and collectible after two (2) and three (3) business days from the transaction date in 2023 and 2022, respectively. Accordingly, balances as at December 31, 2023 and 2022 was fully collected in January 2024 and 2023, respectively.

Interest receivables are due and collectible within three (3) months.

Other receivables are normally settled within one (1) year.

Movements in the allowance for ECL are as follows:

	2023	2022
Balance at beginning of year	<b>₱68,739</b>	₱50,764
Provision	<b>1,689</b>	17,975
Balance at end of year	<b>₱70,428</b>	₱68,739

#### 10. Financial Assets at FVOCI

Financial assets at FVOCI represent quoted equity securities held by the Company amounting to ₱246,225 and ₱685,650 as at December 31, 2023 and 2022, respectively.

Dividend income earned from financial assets at FVOCI amounted to ₱65,519 in 2022.

The balances and movements in the cumulative unrealized losses on fair value changes of financial assets at FVOCI are as follows:

	2023		
	Cumulative Unrealized Losses	Deferred Tax (see Note 17)	Net
Balances at beginning of year	<b>₱1,380,694</b>	<b>₱276,139</b>	<b>₱1,104,555</b>
Unrealized losses	<b>439,425</b>	<b>87,885</b>	<b>351,540</b>
Balances at end of year	<b>₱1,820,119</b>	<b>₱364,024</b>	<b>₱1,456,095</b>

	2022		
	Cumulative Unrealized Losses	Deferred Tax (see Note 17)	Net
Balances at beginning of year	₱991,144	₱198,229	₱792,915
Unrealized losses	389,550	77,910	311,640
Balances at end of year	₱1,380,694	₱276,139	₱1,104,555

The fair value of financial assets at FVOCI as at December 31, 2023 and 2022 are based on quoted market prices or bidding dealer price quotations from active markets as at the reporting date. The fair value measurement is based on sources classified under Level 1 category (see Note 6).

#### 11. Exchange Trading Right

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

The carrying amount of the exchange trading right is ₱1,000,000 as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, the latest transacted price of the exchange trading right, as provided by the PSE, amounted to ₱8,000,000.

## 12. Property and Equipment

The balances and movements in this account are as follows:

	2023			
	Office Equipment	Furniture and Fixtures	Computer Equipment	Total
<b>Cost</b>				
Balances at beginning of year	₱540,817	₱446,992	₱319,500	₱1,307,309
Additions	–	121,500	–	121,500
Balances at end of year	540,817	568,492	319,500	1,428,809
<b>Accumulated Depreciation</b>				
Balances at beginning of year	515,544	446,992	319,500	1,282,036
Depreciation	15,094	5,063	–	20,157
Balances at end of year	530,638	452,055	319,500	1,302,193
<b>Carrying Amounts</b>	<b>₱10,179</b>	<b>₱116,437</b>	<b>₱–</b>	<b>₱126,616</b>

	2022			
	Office Equipment	Furniture and Fixtures	Computer Equipment	Total
<b>Cost</b>				
Balances at beginning and end of year	₱540,817	₱446,992	₱319,500	₱1,307,309
<b>Accumulated Depreciation</b>				
Balances at beginning of year	497,785	445,138	319,500	1,262,423
Depreciation	17,759	1,854	–	19,613
Balances at end of year	515,544	446,992	319,500	1,282,036
<b>Carrying Amounts</b>	<b>₱25,273</b>	<b>₱–</b>	<b>₱–</b>	<b>₱25,273</b>

Total cost of fully-depreciated property and equipment still used in the Company's operations amounted to ₱1,218,507 as at December 31, 2023 and 2022.

## 13. Other Assets

This account consists of:

	Note	2023	2022
Current:			
Short-term investments	18	₱18,545,267	₱7,877,326
Excess tax credits		361,158	350,724
Prepayments		137,142	113,017
Input VAT		5,998	–
Noncurrent -			
Refundable deposit		673,463	667,695
		<b>₱19,723,028</b>	<b>₱9,008,762</b>

Short-term investments pertain to funds invested with a related party with maturities of more than 90 days and earn interest at 3.38% to 5.25% in 2023 and 3.38% to 5.5% in 2022. Interest income earned amounted to ₱1,335,345 and ₱1,039,686 as at December 31, 2023 and 2022, respectively (see Note 7 and 18).

Prepayments include insurance, taxes and licenses, and other expenses paid in advance by the Company.

The Company, as a Clearing Member, is required to pay monthly contributions to the Clearing and Trade Guaranty Fund (CTGF) maintained by the Securities Clearing Corporation of the Philippines (SCCP) for an amount of 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag.

Under the amended SCCP Rule 5.2, the contributions to the CTGF, which is recognized as refundable deposit by the Company, shall be refunded as trade-related assets to the Company upon cessation of business and/or termination of membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

#### 14. Trade Payables

This account consists of:

	Note	2023	2022
Trade payables to:			
Customers		<b>₱22,157,092</b>	₱25,254,742
Related parties	18	<b>6,466,445</b>	10,153,273
		<b>₱28,623,537</b>	₱35,408,015

Trade payables to customers and related parties which are due within two (2) and three (3) business days in 2023 and 2022, respectively, consist of the following:

	2023		2022	
	Money Balances	Security Valuation - Long	Money Balances	Security Valuation - Long
With money balance	<b>₱28,623,537</b>	<b>₱636,745,332</b>	₱35,408,015	₱732,073,406
Without money balance	–	<b>1,059,186,125</b>	–	1,112,031,417
	<b>₱28,623,537</b>	<b>₱1,695,931,457</b>	₱35,408,015	₱1,844,104,823

#### 15. Accrued Expenses and Other Payables

This account consists of:

	Note	2023	2022
Accruals for:			
Outside services		<b>₱155,820</b>	₱148,169
Salaries and other employee benefits		<b>153,910</b>	157,111
Others		<b>54,427</b>	56,955
Accounts payable		<b>163,189</b>	157,697
Statutory payables		<b>55,201</b>	56,964
Due to a related party	18	<b>45,824</b>	60,544
		<b>₱628,371</b>	₱637,440

Accrued expenses and other payables are unsecured, noninterest-bearing and normally settled within one (1) year.

Statutory payables includes Social Security System, Pag-IBIG and PhilHealth payable, which are generally settled in the succeeding month from the transaction date.

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#### 16. Salaries and Other Employee Benefits

This account consists of:

	<b>2023</b>	2022
Salaries and wages	<b>₱1,351,080</b>	₱1,606,303
Retirement benefit expense	<b>67,868</b>	238,490
Other employee benefits	<b>820,821</b>	1,070,280
	<b>₱2,239,769</b>	₱2,915,073

Salaries and other employee benefits are presented in the statements of comprehensive income as follows:

	<b>2023</b>	2022
Operating expenses	<b>₱1,881,769</b>	₱2,564,373
Cost of services	<b>358,000</b>	350,700
	<b>₱2,239,769</b>	₱2,915,073

The Company provides for the estimated retirement benefits of qualified employees as required under R.A. No. 7641, "Retirement Pay Law". In the absence of a formal retirement plan, under R.A. No. 7641, an employee who retires shall be entitled to retirement pay equivalent to at least one-half month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

Management assessed that the difference between the retirement benefit liability as determined by an acceptable actuarial valuation method and the estimated retirement benefit liability will not significantly affect the Company's financial position and results of operations.

The movements in the retirement benefit liability are as follows:

	<b>2023</b>	2022
Balance at beginning of year	<b>₱337,979</b>	₱951,238
Retirement benefit expense	<b>67,868</b>	238,490
Retirement benefits paid	-	(851,749)
Balance at end of year	<b>₱405,847</b>	₱337,979

The discount rate used to determine the retirement benefit liability is 6.07% and 5.97% in 2023 and 2022, respectively.

Sensitivity analysis of retirement benefit liability is as follows:

	Change in Assumption	Effect on Retirement Benefit Liability	
		2023	2022
Discount rate	+1.00%	<b>(P55,299)</b>	(P37,610)
	-1.00%	<b>65,551</b>	44,588

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

As at December 31, 2023, the maturity analysis of the undiscounted retirement benefit liability is as follows:

More than 5 years to 10 years	P344,565
More than 15 years to 20 years	392,310
More than 20 years	355,500
	<b>P1,092,375</b>

As at December 31, 2023, the average duration of the retirement benefit liability at the end of the reporting period is 18.37 years.

## 17. Income Taxes

The components of income tax expense (benefit) are as follows:

	Note	2023	2022
Reported in profit or loss:			
Current - MCIT		<b>P-</b>	P7,388
Deferred		<b>(22,269)</b>	1,804,788
		<b>(P22,269)</b>	<b>P1,812,176</b>
Reported in OCI -			
Deferred tax benefit on unrealized losses on fair value changes of financial assets at FVOCI	10	<b>(P87,885)</b>	(P77,910)

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

	2023	2022
Deferred tax assets:		
Cumulative unrealized losses on financial assets at FVOCI	<b>₱364,024</b>	₱276,139
Retirement benefit liability	<b>81,169</b>	67,596
Allowance for impairment losses on trade and other receivables	<b>14,086</b>	13,748
Excess of cost over fair value of financial asset at FVPL	<b>4,660</b>	2,260
Unrealized foreign exchange losses	<b>111</b>	-
	<b>464,050</b>	359,743
Deferred tax liabilities -		
Unrealized foreign exchange gains	-	5,847
Net deferred tax assets	<b>₱464,050</b>	₱353,896

Deferred tax assets pertaining to NOLCO and excess of MCIT over RCIT were not recognized because the management has assessed that it is not probable that sufficient taxable profit will be available in the future against which the benefit of the deferred tax assets can be utilized. Details are as follows:

	2023	2022
NOLCO	<b>₱2,728,650</b>	₱1,956,694
Excess of MCIT over RCIT	<b>23,538</b>	40,005
	<b>₱2,752,188</b>	₱1,996,699

The carryforward benefits of NOLCO as at December 31, 2023 which can be claimed against future taxable income are as follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2023	₱3,859,779	₱-	₱3,859,779	2026
2022	4,394,754	-	4,394,754	2025
2021	1,991,343	-	1,991,343	2026
2020	3,397,372	-	3,397,372	2025
	<b>₱13,643,248</b>	<b>₱-</b>	<b>₱13,643,248</b>	

In accordance with Revenue Regulations (RR) No. 25-2020 which implements Republic Act (RA) No. 11494, "Bayanihan to Recover as One Act", net operating losses for taxable years 2020 and 2021 are allowed to be carried over for the next five (5) consecutive taxable years immediately following the year of such loss.

The carryforward benefits of excess of MCIT over RCIT as at December 31, 2023 which can be deducted against RCIT are as follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2022	₱7,388	₱-	₱7,388	2025
2021	16,150	-	16,150	2024
2020	16,467	16,467	-	2023
	<b>₱40,005</b>	<b>₱16,467</b>	<b>₱23,538</b>	

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

	2023	2022
Income tax benefit at statutory income tax rate	<b>(P412,775)</b>	<b>(P424,771)</b>
Increase (decrease) in income tax resulting from:		
Income subject to final tax	<b>(410,294)</b>	(372,853)
Nondeductible expenses	<b>28,844</b>	32,631
Expired excess of MCIT over RCIT	<b>16,467</b>	27,788
Expired NOLCO	<b>—</b>	552,682
Changes in unrecognized deferred tax assets	<b>755,489</b>	1,996,699
Income tax expense (benefit) at effective income tax rate	<b>(P22,269)</b>	<b>P1,812,176</b>

## 18. Related Party Transactions

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

Nature of Relationship	Nature of Transaction	Amount of Transaction		Outstanding Balance		Terms and Conditions
		2023	2022	2023	2022	
<b>Trade Receivables</b> (see Note 9)						
Key management personnel	Securities trading	<b>P29,436,682</b>	P53,579,826	<b>P85,322</b>	P64,892	2-day; noninterest-bearing; secured; collectible in cash
PCIC - Parent Company	Securities trading	<b>3,191,375</b>	5,939,940	—	—	2-day; noninterest-bearing; secured; collectible in cash
				<b>P85,322</b>	P64,892	
<b>Other Assets</b> (see Notes 9 and 13)						
PCIC - Parent Company	Short-term investments	<b>P18,545,267</b>	P7,877,326	<b>P18,545,267</b>	P7,877,326	Various maturities; interest-bearing unsecured; collectible in cash
	Interest	<b>1,335,345</b>	1,039,686	<b>137,133</b>	278,328	Various interest rates; collectible in cash
				<b>P18,682,400</b>	P8,155,654	
<b>Trade Payables</b> (see Note 14)						
Key management personnel	Securities trading	<b>P51,568,200</b>	P65,212,234	<b>P6,466,339</b>	P10,060,225	2-day; noninterest-bearing; secured; to be settled in cash
PCIC - Parent Company	Securities trading	<b>11,485,479</b>	5,976,135	<b>106</b>	93,048	2-day; noninterest-bearing; secured; to be settled in cash
				<b>P6,466,445</b>	P10,153,273	
<b>Due to a Related Party</b> (see Note 15)						
PCIC - Parent Company	Utilities	<b>P209,976</b>	P226,824	<b>P17,000</b>	P31,720	Noninterest-bearing; unsecured; to be settled in cash
PCIC - Parent Company	Rental	<b>364,092</b>	364,092	<b>28,824</b>	28,824	Cancellable operating lease agreement with PCIC; to be settled in cash
				<b>P45,824</b>	P60,544	

No impairment loss was recognized on receivables from related parties and short-term investments in 2023 and 2022.



**Compensation for Key Management Personnel**

The Company did not provide compensation to key management personnel in 2023 and 2022. The key management functions are performed at no cost by the Parent Company.

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**19. Lease Commitments**

The Company, as a lessee, has a cancellable operating lease agreement with PCIC for its office and parking spaces. The lease contract is renewable every year at the option of both parties.

The Company elected to apply the recognition exemption provided in PFRS 16, *Leases*, on short-term leases. Hence, no ROU asset and lease liability were recognized.

Rental expense amounted to ₱364,092 in 2023 and 2022 (see Note 18).

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**20. Supplementary Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue (BIR)**

The information for 2023 required by the above regulations is presented below.

**Output VAT**

Output VAT declared by the Company in 2023 and the commission revenues subject to output VAT amounted to ₱222,677 and ₱1,855,644, respectively.

**Input VAT**

Input VAT paid by the Company for the year ended December 31, 2023 are shown below:

Domestic purchase of goods	₱110,124
Domestic purchase of services	43,244
<u>Allowable input VAT</u>	<u>₱153,368</u>

The Company paid output VAT amounting to ₱75,307 in 2023. The net amount of input VAT is presented under "Other current assets" account in the statement of financial position.

**All Other Local and National Taxes**

All other local and national taxes paid by the Company for the year ended December 31, 2023 consist of:

Registration fees	₱98,396
Others	960
<u></u>	<u>₱99,356</u>

The above local and national taxes are included as part of "Taxes and licenses" account in the statements of comprehensive income.

**Withholding Taxes**

Withholding taxes paid by the Company for the year ended December 31, 2023 consist of:

Expanded withholding taxes	₱120,620
Withholding tax on compensation	5,148
<u></u>	<u>₱125,768</u>

**Tax Assessments**

The Company has no pending deficiency tax assessment from the BIR as at December 31, 2023.

**Tax Cases**

The Company has no pending tax case in courts or other regulatory bodies outside of the BIR as at December 31, 2023.

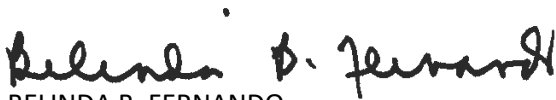
**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Intra-Invest Securities, Inc.  
11th Floor, ACT Tower  
135 Gil Puyat Ave.  
Salcedo Village, Makati City

We have audited the accompanying financial statements of Intra-Invest Securities, Inc. (a subsidiary of Penta Capital & Investment Corporation) (the Company), as at and for the years ended December 31, 2023 and 2022, on which we have rendered our report dated March 15, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has two (2) stockholders owning 100 or more shares each.

**REYES TACANDONG & Co.**



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

March 15, 2024  
Makati City, Metro Manila

## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES


The Stockholders and the Board of Directors  
Intra-Invest Securities, Inc.  
11th Floor, ACT Tower  
135 Gil Puyat Ave.  
Salcedo Village, Makati City

We have audited in accordance with the Philippine Standards on Auditing, the financial statements of Intra-Invest Securities, Inc. (a subsidiary of Penta Capital & Investment Corporation) (the Company), as at and for the years ended December 31, 2023 and 2022 and have issued our report thereon dated March 15, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- I. Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- II. Computation of Risk-Based Capital Adequacy Requirement Pursuant to SEC Memorandum Circular No. 16;
- III. Information Relating to the Possession or Control Requirements under Annex F of SRC Rule 49.2;
- IV. Computation for Determination of Reserve Requirements under Annex G of SRC Rule 49.2;
- V. A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit; and
- VI. Results of Monthly Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended.

The supplementary schedules are presented for purposes of complying with the Securities Regulation Code Rule 52.1.5, and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

### REYES TACANDONG & Co.



BELINDA B. FERNANDO

Partner

CPA Certificate No. 81207

Tax Identification No. 102-086-538-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-004-2022

Valid until October 16, 2025

PTR No. 10072407

Issued January 2, 2024, Makati City

March 15, 2024  
Makati City, Metro Manila

**SCHEDULE I**

**INTRA-INVEST SECURITIES, INC.  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2023**

There are no liabilities subordinated to claims of general creditors.

**SCHEDULE II**

**1 of 2**

**INTRA-INVEST SECURITIES, INC.**  
**COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO SECURITIES AND**  
**EXCHANGE COMMISSION MEMORANDUM CIRCULAR NO. 16**  
**DECEMBER 31, 2023**

Assets	₱69,216,282
Liabilities	29,657,755
<hr/> Equity as per books	<hr/> 39,558,527
Adjustments to equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated liability	-
Unrealized gain/(loss) in proprietary accounts	-
Deferred income tax	(464,050)
Revaluation reserves	1,820,119
Deposit for future stock subscription (No application with SEC)	-
Minority interest	-
<hr/> Total adjustments to equity per books	<hr/> 1,356,069
<hr/> Equity eligible for net liquid capital	<hr/> 40,914,596
Contingencies and guarantees	
Deduct: contingent liability	-
Guarantees or indemnities	-
Ineligible assets	
a. Trading Right and all Other Intangible Asset (net)	1,000,000
b. Intercompany receivables	-
c. Fixed Assets, net of accumulated and excluding those used as collateral	126,616
d. All other current assets	547,625
e. Securities not readily marketable	-
f. Negative exposure (SCCP)	59,722
g. Notes Receivable (non-trade related)	-
h. Interest and Dividends Receivables outstanding for more than 30 days	-
i. Ineligible Insurance claims	-
j. Ineligible deposits	673,463
k. Short security differences	-
l. Long Security Differences not resolved prior to sale	-
m. Other Assets including Equity Investment in PSE	246,225
<hr/> Total ineligible assets	<hr/> 2,653,651
<hr/> Net Liquid Capital (NLC)	<hr/> 38,260,945
Less:	
Operational risk requirement	938,410
Position risk requirement	14,755
Counterparty risk	-
Large exposure risk	
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	-
<hr/> Total Risk Capital Requirement (TRCR)	<hr/> 953,165
<hr/> Net RBCA Margin (NLC-TRCR)	<hr/> ₱37,307,780

**INTRA-INVEST SECURITIES, INC.**  
**COMPUTATION OF RISK-BASED CAPITAL ADEQUACY REQUIREMENT PURSUANT TO SECURITIES AND**  
**EXCHANGE COMMISSION MEMORANDUM CIRCULAR NO. 16**  
**DECEMBER 31, 2023**

Liabilities	₱29,657,755
Add: Deposit for future stock subscription (no application with SEC)	—
Less: Exclusions from Aggregate Indebtedness (AI)	
Subordinated liability	—
Loans and secured securities	—
Loans secured by fixed assets	—
Others	—
<hr/> Total adjustments to AI	<hr/> —
AI	29,657,755
5% of AI	1,482,888
Required net liquid capital (> of 5% of AI or ₱5,000,000)	5,000,000
Net risk-based capital excess	33,260,945
<hr/> Ratio of AI to Net Liquid Capital	<hr/> 78%
<hr/> RBCA Ratio (NLC/TRCR)	<hr/> 4,014%

**SCHEDULE III**

**INTRA-INVEST SECURITIES, INC.  
INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS UNDER ANNEX F OF SECURITIES  
REGULATION CODE (SRC) RULE 49.2  
DECEMBER 31, 2023**

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

Market valuation	<u>NIL</u>
Number of items	<u>NIL</u>

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

Market valuation	<u>NIL</u>
Number of items	<u>NIL</u>



**SCHEDULE IV**

**INTRA-INVEST SECURITIES, INC.  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER ANNEX G OF SRC RULE 49.2  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱22,157,092	₱-
2. Monies borrowed collateralized by securities carried for the account of customers.	-	-
3. Monies payable against customers' securities loaned.	-	-
4. Customers' securities failed to receive.	-	-
5. Credit balances in firm accounts, which are attributable to principal sales to customers.	-	-
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old.	-	-
7. Market value of the short security count differences over 30 calendar days old.	-	-
8. Market value of the short securities and credits (not to be offset by long or debits) in all suspense accounts over 30 calendar days old.	-	-
9. Market value of securities which are in transfer in excess of 40 calendar days and have been confirmed to in transfer agent or the issuer during the 40 days.	-	-
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.	-	39,374
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.	-	-
12. Failed to deliver customers' securities not older than 30 calendar days.	-	749,648
13. Others - sales/purchases of marketable securities	-	-
<b>Total</b>	<b>₱22,157,092</b>	<b>₱789,022</b>
<b>Net Credit</b>	<b>₱21,368,070</b>	
<b>Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)</b>	<b>₱22,436,474</b>	

**SCHEDULE V**

**INTRA-INVEST SECURITIES, INC.  
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED  
SINCE THE DATE OF THE PREVIOUS AUDIT  
DECEMBER 31, 2023**

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

**SCHEDULE VI**

**INTRA-INVEST SECURITIES, INC.  
RESULTS OF MONTHLY SECURITIES COUNT CONDUCTED  
PURSUANT TO SRC RULE 52.1-10, AS AMENDED  
DECEMBER 31, 2023**

There is no discrepancy in the results of the securities count conducted. Refer to pages 56 - 61 for the results of monthly securities count conducted as at December 31, 2023.

INTRA-INVEST SECURITIES, INC.

RESULTS OF MONTHLY SECURITIES COUNT  
CONDUCTED PURSUANT TO SEC RULE 52.1-10, AS AMENDED  
DECEMBER 31, 2023

CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
AB	ATOK-BIG WEDGE CO., INC.	238,946	₱1,271,193	238,946	₱1,271,193	–	–
ABA	ABACORE CAPITAL HLDGS. INC	17,655,000	15,006,750	17,655,000	15,006,750	–	–
ABS	ABS-CBN CORP.	107,684	497,500	107,684	497,500	–	–
ABSP	ABS-CBN HOLDINGS CORP. (PDR)	30	138	30	138	–	–
AC	AYALA CORPORATION	54,687	37,241,847	54,687	37,241,847	–	–
	ACESITE(PHILS.)HOTEL						
ACE	CORPORATION	170,000	292,400	170,000	292,400	–	–
ACEN	ACEN CORPORATION	4,378,393	19,177,361	4,378,393	19,177,361	–	–
	ACEN CORPORATION PREF SERIES						
ACENA	A	64,400	67,620,000	64,400	67,620,000	–	–
	AYALA CORPORATION: RE-						
ACPAR	ISSUANCE OF C	26,400	66,211,200	26,400	66,211,200	–	–
	ALSON CONSOLIDATED						
ACR	RESOURCES	40,000	21,600	40,000	21,600	–	–
AEV	ABOITIZ EQUITY VENTURES, INC.	156,456	6,977,938	156,456	6,977,938	–	–
AGI	ALLIANCE GLOBAL GROUP, INC.	154,300	1,740,504	154,300	1,740,504	–	–
ALCO	ARTHALAND CORPORATION	610,758	253,465	610,758	253,465	–	–
	ARTHALAND CORP. SERIES C						
ALCPC	PREFERRED	30,000	2,850,000	30,000	2,850,000	–	–
	ARTHALAND CORP SERIES D						
ALCPD	PREFERRED	30,000	15,000,000	30,000	15,000,000	–	–
ALI	AYALA LAND INC.	1,312,577	45,218,278	1,312,577	45,218,278	–	–
ALLDY	ALLDAY MARTS, INC	3,327,000	522,339	3,327,000	522,339	–	–
	AYALALAND LOGISTICS HOLDINGS						
ALLHC	CORP.	255,000	451,350	255,000	451,350	–	–
ANI	AGRINURTURE, INC.	1,500	1,125	1,500	1,125	–	–
ANS	A. SORIANO CORPORATION A	16,503	192,425	16,503	192,425	–	–
AP	ABOITIZ POWER CORPORATION	117,400	4,437,720	117,400	4,437,720	–	–
	AYALA CORP.RE-ISSUANCE OF						
APB2R	CLASS "B"	179,830	87,253,516	179,830	87,253,516	–	–
APC	APC GROUP, INC.	268,000	62,980	268,000	62,980	–	–
APCS	APC GROUP, INC. SUBS.	100,000	–	100,000	–	–	–
APL	APOLLO GLOBAL CAPITAL, INC.	12,015,000	156,195	12,015,000	156,195	–	–
	ANGLO PHILIPPINE HOLDINGS						
APO	CORPORATI	178,933	80,520	178,933	80,520	–	–
APVI	ALTUS PROPERTY VENTURES, INC	406	3,772	406	3,772	–	–
APX	APEX MINING CO., INC. A	66,031	198,093	66,031	198,093	–	–
AR	ABRA MNG. & INDL. CORP.	444,330,000	2,043,918	444,330,000	2,043,918	–	–
ARA	ARANETA PROPERTIES, INC.	38,201	37,437	38,201	37,437	–	–
AREIT	AREIT, INC.	920,100	30,731,340	920,100	30,731,340	–	–
ASLAG	RASLAG CORP.	281,000	362,490	281,000	362,490	–	–
AT	ATLAS CONS. MINING & DEV. A	733,472	2,589,156	733,472	2,589,156	–	–
ATI	ASIAN TERMINAL, INC.	999	14,985	999	14,985	–	–
ATN	ATN HOLDINGS, INC.	220,000	83,600	220,000	83,600	–	–
ATNB	ATN HOLDINGS, INC. B	206,000	78,280	206,000	78,280	–	–
AUB	ASIA UNITED BANK CORPORATION	15,300	500,310	15,300	500,310	–	–
	AXELUM RESOURCES						
AXLM	CORPORATION	2,837,600	6,810,240	2,837,600	6,810,240	–	–
BC	BENGUET CORP. A	90	438	90	438	–	–
BCB	BENGUET CORP. - B	10,218	50,068	10,218	50,068	–	–
BCOR	BERJAYA PHILIPPINES INC.	2,500	18,775	2,500	18,775	–	–
BDO	BDO UNIBANK, INC	643,789	84,014,464	643,789	84,014,464	–	–
BEL	BELLE CORP.	1,250,550	1,463,143	1,250,550	1,463,143	–	–
BHI	BOULEVARD HOLDINGS,INC.	5,865,000	357,765	5,865,000	357,765	–	–
BLOOM	BLOOMBERRY RESORTS CORP.	243,900	2,399,976	243,900	2,399,976	–	–
BNCOM	BANK OF COMMERCE	30,500	221,735	30,500	221,735	–	–
BPI	BANK OF PHIL. ISLANDS	450,088	46,719,134	450,088	46,719,134	–	–

CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
BRN	A. BROWN CO., INC. A BROWN COMPANY, INC SERIES	243,692	₱158,400	243,692	₱158,400	–	–
BRNP	“A” PRE	2,016,000	194,544,000	2,016,000	194,544,000	–	–
BSC	BASIC ENERGY CORP. CHEALSEA LOGISTICS HOLDINGS	5,652,224	1,000,444	5,652,224	1,000,444	–	–
C	CORP.	452,200	678,300	452,200	678,300	–	–
CA	CONCRETE AGGREGATES CORP.	17	664	17	664	–	–
CDC	CITYLAND DEV. CORP.	7,636	5,269	7,636	5,269	–	–
CEB	CEBU AIR, INC.	3,260	105,950	3,260	105,950	–	–
CEI	CROWN EQUITIES, INC.	352,000	23,584	352,000	23,584	–	–
CHI	CEBU HOLDINGS INC.	140,984	862,822	140,984	862,822	–	–
CHIB	CHINA BANKING CORPORATION CEMEX HOLDINGS	204,311	6,302,994	204,311	6,302,994	–	–
CHP	PHILIPPINES, INC.	761,348	715,667	761,348	715,667	–	–
CLI	CEBU LANDMASTER, INC.	705,655	1,742,968	705,655	1,742,968	–	–
CNPF	CENTURY PACIFIC FOOD, INC. CONVERGE INFORMATION AND	175,500	5,431,725	175,500	5,431,725	–	–
CNVRG	COMMUNICAT COAL ASIA HOLDINGS	779,900	6,535,562	779,900	6,535,562	–	–
COAL	INCORPORATED	2,938,000	326,118	2,938,000	326,118	–	–
COSCO	COSCO CAPITAL, INC.	1,018,423	4,705,114	1,018,423	4,705,114	–	–
CPG	CENTURY PROPERTIES, GROUP INC. CENTURY PEAK METAL HOLDINGS	6,450,000	1,806,000	6,450,000	1,806,000	–	–
CPM	CORP	2,000	6,960	2,000	6,960	–	–
CREIT	CITICORE ENERGY REIT CORP CROWN ASIA CHEMICALS	1,544,000	3,952,640	1,544,000	3,952,640	–	–
CROWN	CORPORATION	28,000	43,680	28,000	43,680	–	–
CTS	CTS GLOBAL EQUITY GROUP, INC	1,950,000	1,462,500	1,950,000	1,462,500	–	–
CYBR	CYBER BAY CORPORATION DOUBLED DRAGON PROPERTIES	196,730	64,921	196,730	64,921	–	–
DD	CORP.	38,050	289,180	38,050	289,180	–	–
DDMPR	DDMP REIT, INC. DOUBLED DRAGON PROPERTIES	4,358,000	5,273,180	4,358,000	5,273,180	–	–
DDPR	CORP. PFEFE	79,200	7,365,600	79,200	7,365,600	–	–
DELM	DEL MONTE PACIFIC LIMITED	85,907	557,536	85,907	557,536	–	–
DFNN	DFNN, INC.	120,000	370,800	120,000	370,800	–	–
DITO	DITO CME HOLDINGS CORP.	147,112	345,713	147,112	345,713	–	–
DIZ	DIZON COPPER-SILVER MINES	6,808	15,182	6,808	15,182	–	–
DMC	DMCI HOLDINGS, INC. D.M WENCESLAO &	623,900	6,095,503	623,900	6,095,503	–	–
DMW	ASSOCIATES, INC.	67,700	349,332	67,700	349,332	–	–
DNA	PHILAB HOLDINGS CORP.	78,200	223,652	78,200	223,652	–	–
DNL	D&L INDUSTRIES, INC.	96,100	606,391	96,100	606,391	–	–
ECP	EASYPAC PHILS., INC. -COM. EAST COAST VULCAN	5,000	11,300	5,000	11,300	–	–
ECVC	CORPORATION	17,633	10,580	17,633	10,580	–	–
EEL	EEL CORPORATION	158,218	944,561	158,218	944,561	–	–
EIBA	EXPORT AND INDUSTRY BANK, INC.	10,150	–	10,150	–	–	–
ELI	EMPIRE EAST LAND INC.	603,625	76,057	603,625	76,057	–	–
EMI	EMPERADOR INC.	5,000	104,250	5,000	104,250	–	–
ENEX	ENEX ENERGY CORP.	9,136	44,766	9,136	44,766	–	–
ETON	ETON PROP. PHILS., INC.	5,446	–	5,446	–	–	–
EVER	EVER GOTESCO RESOURCES EAST WEST BANKING	217,000	62,930	217,000	62,930	–	–
EW	CORPORATION	170,407	1,451,868	170,407	1,451,868	–	–
FAF	FIRST ABACUS FINANCIAL HOLDINGS	50,000	30,000	50,000	30,000	–	–
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	145,844	7,438,044	145,844	7,438,044	–	–
FCG	FIGARO COFFEE GROUP, INC	360,000	216,000	360,000	216,000	–	–
FDC	FILINVEST DEV. CORP.	314,952	1,684,993	314,952	1,684,993	–	–
FFI	FILIPINO FUND, INC	17,348	62,453	17,348	62,453	–	–
FGEN	FIRST GEN CORPORATION	78,420	1,364,508	78,420	1,364,508	–	–
FILRT	FILINVEST REIT CORP	3,244,000	8,369,520	3,244,000	8,369,520	–	–
FLI	FILINVEST LAND, INC. GLOBAL FERRONICKEL HOLDINGS	2,112,585	1,246,425	2,112,585	1,246,425	–	–
FNI	INC	136,873	281,959	136,873	281,959	–	–

CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
FOOD	ALLIANCE SELECT FOOD INT'L., INC.	140	₱64	140	₱64	-	₱-
FPH	FIRST PHIL. HOLDINGS CORP.	17,384	1,086,500	17,384	1,086,500	-	-
FPI	FORUM PACIFIC, INC.	3,944,000	788,800	3,944,000	788,800	-	-
FPIS	FORUM PACIFIC, INC. (SUBS.)	56,837,000	-	56,837,000	-	-	-
FRUIT	FRUITAS HOLDINGS, INC.	164,000	157,440	164,000	157,440	-	-
GEO	GEOGRACE RES. PHIL., INC.	430,053	11,611	430,053	11,611	-	-
GEOS	GEOGRACE RES. PHIL., INC. SUBS.	24,000	-	24,000	-	-	-
GERI	GLOBAL-ESTATE RESORTS, INC	366,359	348,041	366,359	348,041	-	-
GLO	GLOBE TELECOMS, INC.	7,519	12,932,680	7,519	12,932,680	-	-
GMA7	GMA NETWORK, INC.	88,500	743,400	88,500	743,400	-	-
GMAP	GMA HOLDINGS, INC.	69,370	575,771	69,370	575,771	-	-
GREEN	INCORPORATED	9,465	2,167	9,465	2,167	-	-
GSMI	GINEBRA SAN MIGUEL, INC.	900	151,830	900	151,830	-	-
GTCAP	GT CAPITAL HOLDINGS, INC.	23,821	14,054,390	23,821	14,054,390	-	-
HI	HOUSE OF INVESTMENTS, INC.	2,000	6,480	2,000	6,480	-	-
HLCM	HOLCIM PHILIPPINES, INC.	123	-	123	-	-	-
HOME	ALLHOME CORPORATION	136,500	152,880	136,500	152,880	-	-
I	I-REMIT, INC.	106,319	40,933	106,319	40,933	-	-
ICT	INTL. CONT. TERMINAL SER.INC.	78,749	19,435,253	78,749	19,435,253	-	-
IDC	ITALPINAS DEVELOPMENT CORPORATION	44,906	30,985	44,906	30,985	-	-
IMI	INC	160,475	507,101	160,475	507,101	-	-
IMP	IMPERIAL RES., INC. A	52,500	27,300	52,500	27,300	-	-
INFRA	PHILIPPINE INFRADEV HOLDINGS INC.	1,478,000	812,900	1,478,000	812,900	-	-
ION	IONICS CIRCUITS, INC.	12,350	12,474	12,350	12,474	-	-
IPO	IPEOPLE, INC.	2,173	15,972	2,173	15,972	-	-
IS	ISLAND INFO AND TECH, INC.	606,910	87,395	606,910	87,395	-	-
JFC	JOLLIBEE FOODS CORP.	35,286	8,870,900	35,286	8,870,900	-	-
JFCPA	JOLLIBEE FOODS CORP SERIES "A"	3,200	3,041,600	3,200	3,041,600	-	-
JFCPB	JOLLIBEE FOODS CORP SERIES "B"	184,600	173,893,200	184,600	173,893,200	-	-
JGS	JG SUMMIT HOLDINGS, INC.	129,109	4,925,508	129,109	4,925,508	-	-
KEEPR	THE KEEPERS HOLDINGS, INC	1,022,300	1,513,004	1,022,300	1,513,004	-	-
KEP	KEPPEL PHILS. PROPERTIES, INC.	52,374	257,156	52,374	257,156	-	-
KPH	KEPPEL PHIL HOLDINGS,INC-A	1,662	8,310	1,662	8,310	-	-
KPM	KEPPEL PHILS. MARINE, INC.	19,492	-	19,492	-	-	-
LC	LEPANTO CONS. MNG. A	24,059,272	1,924,742	24,059,272	1,924,742	-	-
LCB	LEPANTO CONS. MNG. B	1,505,123	117,400	1,505,123	117,400	-	-
LMG	LMG CHEMICALS CORP	25,000	83,500	25,000	83,500	-	-
LOTO	PACIFIC ONLINE SYSTEMS	36,550	180,923	36,550	180,923	-	-
LPZ	LOPEZ HOLDINGS CORPORATION	10,646,339	45,353,404	10,646,339	45,353,404	-	-
LRC	LANDOIL RESOURCES CORP. A	2,000,000	-	2,000,000	-	-	-
LRCB	LANDOIL RESOURCES CORP. - B	2,000,000	-	2,000,000	-	-	-
LRW	LEISURE & RESORTS WORLD CORPORATION	4,000	-	4,000	-	-	-
LSC	LORENZO SHIPPING CORP.	2,500	1,375	2,500	1,375	-	-
LTG	LT GROUP, INC.	1,096,878	9,849,964	1,096,878	9,849,964	-	-
MA	MANILA MINING CORP. A	145,560,880	669,580	145,560,880	669,580	-	-
MAB	MANILA MINING CORP. B	10,296,964	44,277	10,296,964	44,277	-	-
MAC	MACROASIA CORPORATION	6,600	27,390	6,600	27,390	-	-
MAH	METRO ALLIANCE HOLDINGS A	95,600	43,498	95,600	43,498	-	-
MARC	MARVENTURES HOLDINGS, INC.	147,137	158,908	147,137	158,908	-	-
MAXS	MAX'S GROUP, INC.	85,800	280,566	85,800	280,566	-	-
MB	MANILA BULLETIN PUBLISHING	298,930	69,053	298,930	69,053	-	-
MBT	METRO BANK & TRUST CO.	821,025	42,118,583	821,025	42,118,583	-	-
MED	MEDCO HOLDINGS	490,000	42,140	490,000	42,140	-	-
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	600,000	198,000	600,000	198,000	-	-
MEG	MEGAWORLD CORPORATION	1,553,641	3,060,673	1,553,641	3,060,673	-	-
MER	MANILA ELECTRIC CO.	45,126	18,005,274	45,126	18,005,274	-	-
MFC	MANULIFE FINANCIAL CORP.	34	38,420	34	38,420	-	-
MG	MILLENNIUM GLOBAL HOLDINGS,INC.";	37,000	3,737	37,000	3,737	-	-
MGH	METRO GLOBAL HOLDINGS CORPORATION	744,600	744,600	744,600	744,600	-	-

CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
MHC	MABUHAY HOLDINGS CORP.	30,000	₱3,360	30,000	₱3,360	-	₱-
MJC	MANILA JOCKEY CLUB, INC.	63	80	63	80	-	-
MJIC	MJCI INVESTMENTS, INC.	10,200	10,200	10,200	10,200	-	-
MM	MERRYMART CONSUMER CORP.	169,000	174,070	169,000	174,070	-	-
MONDE	MONDE NISSIN CORPORATION	2,543,500	21,314,530	2,543,500	21,314,530	-	-
MRC	MRC ALLIED IND. INC.	38,700	50,310	38,700	50,310	-	-
MREIT	MREIT, INC	1,387,500	17,066,250	1,387,500	17,066,250	-	-
MRP	MELCO RESORTS AND ENTERTAINMENT (PH METRO RETAIL STORES GROUP, INC.	587	-	587	-	-	-
MRSGL	MABUHAY VINYL CORPORATION	1,030,000	1,308,100	1,030,000	1,308,100	-	-
MVC	MANILA WATER COMPANY	31,200	182,832	31,200	182,832	-	-
MWC	MEGAWIDE CONSTRUCTION CORP.	505,500	9,402,300	505,500	9,402,300	-	-
MWIDE	MEGAWIDE CONSTRUCTION	93,437	287,786	93,437	287,786	-	-
MWP4	CORP.SERIES 4 NIHAO MINERAL RESOURCES INT'L INC.	48,000	4,231,200	48,000	4,231,200	-	-
NI	NICKEL ASIA CORPORATION	517,000	284,350	517,000	284,350	-	-
NIKL	NOW CORPORATION	3,694,497	20,245,844	3,694,497	20,245,844	-	-
NOW	NATIONAL REINSURANCE CORP.	379,900	436,885	379,900	436,885	-	-
NRCP	NEXTGENESIS CORPORATION	265,500	95,580	265,500	95,580	-	-
NXGEN	OMICO CORP.	90,700	634,900	90,700	634,900	-	-
OM	ORIENTAL PETROLEUM A	338,000	92,950	338,000	92,950	-	-
OPM	ORIENTAL PETROLEUM - B	9,132,680	73,061	9,132,680	73,061	-	-
OPMB	ORIENTAL PENINSULA RES., INC	243,925,261	1,975,795	243,925,261	1,975,795	-	-
ORE	THE PHILODRILL CORP.	13,800	8,694	13,800	8,694	-	-
OV	PACIFICA, INC. A	41,488,980	336,061	41,488,980	336,061	-	-
PA	PAL HOLDINGS, INC.	66,000	91,080	66,000	91,080	-	-
PAL	PAXYS, INC.	233,790	1,185,315	233,790	1,185,315	-	-
PAX	PHILIPPINE BUSINESS BANK	59,800	61,594	59,800	61,594	-	-
PBB	PHIL. BANK OF COMMUNICATIONS	22,261	193,671	22,261	193,671	-	-
PBC	PETRON CORP.	1,130	15,956	1,130	15,956	-	-
PCOR	PICOP RESOURCES, INC.	943,493	3,349,400	943,493	3,349,400	-	-
PCP	PETROENERGY RESOURCES CORP.	1,191,285	-	1,191,285	-	-	-
PERC	PUREGOLD PRICE CLUB, INC.	40,787	201,896	40,787	201,896	-	-
PGOLD	PREMIERE HORIZON ALLIANCE CORP	96,200	2,587,780	96,200	2,587,780	-	-
PHA	PHILCOMSAT HOLDINGS CORP.	1,425,000	230,850	1,425,000	230,850	-	-
PHC	PHIL. ESTATE CORPORATION	20,000	28,000	20,000	28,000	-	-
PHES	PHINMA CORPORATION	150,000	47,250	150,000	47,250	-	-
PHN	PH RESORTS GROUP HOLDINGS INC. (PHR	115	2,346	115	2,346	-	-
PHR	SHAKY'S PIZZA ASIA VENTURES, IN	525,300	457,011	525,300	457,011	-	-
PIZZA	PREMIUM LEISURE CORP.	45,800	448,840	45,800	448,840	-	-
PLC	DIGIPLUS INTERACTIVE INC	4,330,000	2,727,900	4,330,000	2,727,900	-	-
PLUS	PRIMETOWN PROP. GROUP	1,424	11,392	1,424	11,392	-	-
PMT	PHIL. NATIONAL BANK	2,600	-	2,600	-	-	-
PNB	PHOENIX PETROLEUM PHILS. INC.	206,267	3,815,940	206,267	3,815,940	-	-
PNX	PHOENIX PETROLEUM PH.INC	12,919	63,303	12,919	63,303	-	-
PNX3B	SERIES 3B PHOENIX PETROLEUM PHILIPPINES	1,008,100	23,639,945	1,008,100	23,639,945	-	-
PNX4	PRYCE CORPORATION	114,170	26,578,776	114,170	26,578,776	-	-
PPC	PHILTOWN PROPERTIES, INC.	425	2,257	425	2,257	-	-
PPI	PHIL. RACING CLUB	6,638	-	6,638	-	-	-
PRC	PETRON CORPORATION PREF 3B	234	1,498	234	1,498	-	-
PRF3B	PRIME MEDIA HOLDINGS, INC.	95	93,100	95	93,100	-	-
PRIM	PHIL. SAVINGS BANK	95	93,100	95	93,100	-	-
PSB	PHILIPPINE STOCK EXCHANGE, INC.	9,860	28,298	9,860	28,298	-	-
PSE	PHIL. TELEGRAPH & TEL.	14,131	748,943	14,131	748,943	-	-
PTT	PHILEX MNG. CORP.	840	142,800	840	142,800	-	-
PX	PXP ENERGY CORPORATION	285,938	94,360	285,938	94,360	-	-
PXP	RIZAL COMMERCIAL BANKING CORP	2,231,084	7,161,780	2,231,084	7,161,780	-	-
RCB	ROXAS AND COMPANY, INC	1,747,037	6,900,796	1,747,037	6,900,796	-	-
RCI	RL COMMERCIAL REIT, INC.	22,917	527,091	22,917	527,091	-	-
RCR		21,145	10,150	21,145	10,150	-	-
		9,172,500	44,853,525	9,172,500	44,853,525	-	-

CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
	REPOWER ENERGY DEVELOPMENT						
REDC	CORPORAT	3,000	₱21,000	3,000	₱21,000	-	₱-
REG	REP. GLASS CORPORATION A	32,059	96,177	32,059	96,177	-	-
RFM	RFM CORPORATION	55,832	167,496	55,832	167,496	-	-
RLC	ROBINSONS LAND CORP.	128,277	2,044,735	128,277	2,044,735	-	-
RLT	PHIL. REALTY & HOLDINGS CORP.	245,179	32,364	245,179	32,364	-	-
ROCK	ROCKWELL LAND CORPORATION	920,022	1,297,231	920,022	1,297,231	-	-
ROX	ROXAS HOLDINGS, INC.	12,960	9,979	12,960	9,979	-	-
	ROBINSONS RETAIL HOLDINGS,						
RRHI	INC.	36,830	1,460,309	36,830	1,460,309	-	-
SBS	SBS PHILIPPINES CORPORATION.	27,393	132,856	27,393	132,856	-	-
	SEMIRARA MINING AND POWER						
SCC	CORP.	146,100	4,419,525	146,100	4,419,525	-	-
SECB	SECURITY BANK CORP.	133,768	9,564,412	133,768	9,564,412	-	-
SFI	SWIFT FOODS, INC.	653,835	35,307	653,835	35,307	-	-
SFIP	SWIFT FOOD S, INC – PREFERRED	22,991	43,223	22,991	43,223	-	-
SGI	SOLID GROUP INC.	197,000	175,330	197,000	175,330	-	-
	SYNERGY GRID & DEVELOPMENT						
SGP	PHILS.,	814,300	5,333,665	814,300	5,333,665	-	-
	PILIPINAS SHELL PETROLEUM						
SHLPH	CORP.	377,720	4,132,257	377,720	4,132,257	-	-
SHNG	SHANG PROPERTIES, INC.	92,443	339,266	92,443	339,266	-	-
SINS	SINOPHIL SUBS.	100,000	-	100,000	-	-	-
SLF	SUNLIFE FINANCIAL, INC.	3	8,160	3	8,160	-	-
SLI	STA. LUCIA LAND, INC.	130,000	442,000	130,000	442,000	-	-
SM	SM INVESTMENT CORP.	19,083	16,640,376	19,083	16,640,376	-	-
SMC	SAN MIGUEL CORPORATION	241,804	24,688,188	241,804	24,688,188	-	-
SMC2J	SAN MIGUEL CORP. SUBSERIES 2-J	1,218,000	82,763,100	1,218,000	82,763,100	-	-
	SAN MIGUEL CORPORATION SUB						
SMC2K	"2" K	941,700	64,035,600	941,700	64,035,600	-	-
	SAN MIGUEL CORP. SERIES 2-O						
SMC2O	PREF	1,800	140,400	1,800	140,400	-	-
SMPH	SM PRIME HOLDINGS, INC.	1,262,817	41,546,679	1,262,817	41,546,679	-	-
SOC	SOCRESOURCES, INC.	2,086,000	750,960	2,086,000	750,960	-	-
SPM	SEAFRONT RESOURCES CORP.	6,100	8,601	6,100	8,601	-	-
SPNEC	SP NEW ENERGY CORPORATION	473,500	625,020	473,500	625,020	-	-
SSI	SSI GROUP, INC.	1,262,300	2,865,421	1,262,300	2,865,421	-	-
	SFA SEMICON PHILIPPINES						
SSP	CORPORATION	43,000	95,030	43,000	95,030	-	-
	STI EDUCATION SYSTEMS						
STI	HOLDINGS, INC	20,232	9,813	20,232	9,813	-	-
STN	STENIEL MANUFACTURING CORP.	180,607	46,958	180,607	46,958	-	-
STR	STARMALLS, INC	7,500	18,075	7,500	18,075	-	-
SUN	SUNTRUST HOME DEV., INC.	8,883,286	7,550,793	8,883,286	7,550,793	-	-
T	TKC STEEL CORPORATION	222,000	92,130	222,000	92,130	-	-
	TRANSPACIFIC BROADBAND						
TBGI	GRP,INT'L	3,170,000	431,120	3,170,000	431,120	-	-
TECH	CIRTEK HOLDINGS PHILS. CORP.	231,600	368,244	231,600	368,244	-	-
	CIRTEK HOLDINGS PHILIPPINES						
TECHW	CORP.W	88,300	23,400	88,300	23,400	-	-
TEL	PLDT INC.	3,980	5,090,420	3,980	5,090,420	-	-
	TOP FRONTIER INVESTMENT						
TFHI	HOLDINGS,IN	15,754	1,605,333	15,754	1,605,333	-	-
	HARBOR STAR SHIPPING						
TUGS	SEVICES,INC.	50,000	38,000	50,000	38,000	-	-
UBP	UNION BANK OF THE PHILS.	41,943	2,111,830	41,943	2,111,830	-	-
UNI	UNIOIL RES. HOLDINGS CO., INC.	3,185,000	-	3,185,000	-	-	-
UPM	UNITED PARAGON MINING CORP.	13,535,000	54,140	13,535,000	54,140	-	-
URC	UNIVERSAL ROBINA CORP.	34,207	4,043,267	34,207	4,043,267	-	-
V	VANTAGE EQUITIES, INC.	460,500	354,585	460,500	354,585	-	-
VITA	VITARICH CORP.	1,000	520	1,000	520	-	-
VLL	VISTA LAND & LIFESCAPES, INC.	478,475	803,838	478,475	803,838	-	-
VMC	VICTORIAS MILLING CO., INC.	47,144	141,903	47,144	141,903	-	-
VREIT	VISTAREIT,INC	4,960,000	8,283,200	4,960,000	8,283,200	-	-
VVT	VIVANT CORPORATION	6,124	87,573	6,124	87,573	-	-
WEB	PHILWEB CORPORATION	60,755	105,106	60,755	105,106	-	-
WIN	WELLEX INDUSTRIES, INC.	519,400	119,462	519,400	119,462	-	-



CODE	NAME	Per Records		Per Count		Unallocated Difference	
		No. of Shares	Market Value	No. of Shares	Marke Value	No. of Shares	Market Value
WLCON	WILCON DEPOT INC.	144,400	₱3,017,960	144,400	₱3,017,960	-	-
WPI	WATERFRONT PHILS. INC.	187,400	70,275	187,400	70,275	-	-
X	XURPAS INC.	1,859,500	355,164	1,859,500	355,164	-	-
ZHI	ZEUZ HOLDINGS, INC	420,000	29,820	420,000	29,820	-	-
		₱1,697,399,657		₱1,697,399,657		₱-	

**SCHEDULE VII**

**INTRA-INVEST SECURITIES, INC.  
SUPPLEMENTARY SCHEDULE OF FINANCIAL  
SOUNDNESS INDICATORS UNDER THE REVISED SRC RULE 68  
DECEMBER 31, 2023 AND 2022**

<b>Ratio</b>	<b>Formula</b>	<b>2023</b>	<b>2022</b>
Current ratio	Total current assets	<b>₱66,705,928</b>	₱75,602,594
	Divided by: Total current liabilities	<b>29,251,908</b>	36,045,455
	<b>Current ratio</b>	<b>2.28:1</b>	2.10:1
Solvency ratio	After-tax loss before depreciation	<b>(₱2,021,450)</b>	(₱3,916,418)
	Divided by: Total liabilities	<b>29,657,755</b>	36,383,434
	<b>Solvency ratio</b>	<b>(0.07:1)</b>	(0.11:1)
Debt-to-equity ratio	Total liabilities	<b>₱29,657,755</b>	₱36,383,434
	Divided by: Total equity	<b>39,558,527</b>	41,951,674
	<b>Debt-to-equity ratio</b>	<b>0.75:1</b>	0.87:1
Asset-to-equity ratio	Total assets	<b>₱69,216,282</b>	₱78,335,108
	Divided by: Total equity	<b>39,558,527</b>	41,951,674
	<b>Asset-to-equity ratio</b>	<b>1.75:1</b>	1.87:1
Interest rate coverage ratio	Loss before interest and taxes	<b>(₱2,063,876)</b>	(₱2,123,855)
	Divided by: Interest expense	–	–
	<b>Interest rate coverage ratio</b>	–	–
Return on equity	After-tax loss	<b>(₱2,041,607)</b>	(₱3,936,031)
	Divided by: Total equity	<b>39,558,527</b>	41,951,674
	<b>Return on equity</b>	<b>(0.05:1)</b>	(0.09:1)
Return on assets	After-tax loss	<b>(₱2,041,607)</b>	(₱3,936,031)
	Divided by: Total assets	<b>69,216,282</b>	78,335,108
	<b>Return on assets</b>	<b>(0.03:1)</b>	(0.05:1)
Net profit margin	After-tax loss	<b>(₱2,041,607)</b>	(₱3,936,031)
	Divided by: Revenues	<b>3,935,982</b>	4,094,524
	<b>Net profit margin</b>	<b>(0.52:1)</b>	(0.96:1)