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5/1/2024 9:42 AM

Re: 2023 AFS of Venture Securities, Inc.

To doris@venturesec.com

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COMPANIES -----

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1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

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1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

eafs@bir.gov.ph

5/1/2024 8:26 AM

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Hi VENTURE SECURITIES INC.,

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Submission Date/Time: **May 01, 2024 08:26 AM**

Company TIN: **000-170-513**

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VENTURE 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 Securities Regulation Code (SRC).

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

IDENTIFICATION OF BROKER OR DEALER

Name of Broker/Dealer:	Venture Securities, Inc.
Address of Principal Place of Business:	8 th Floor, STI Holdings Center Ayala Avenue, Makati City
Name and Phone Number of Person to Contact in Regard to this Report	
Name: Adora M. Aguilar	Tel. No.: 8848-6505 Fax No.: 8848-6505

IDENTIFICATION OF ACCOUNTANT

Name of Independent Auditors whose opinion is contained in this report:

Name: SyCip Gorres Velayo & Co.	Tel. No.: 8891-0307
BOA/PRC Reg. No. 0001	Fax No.: 8818-1377
SEC Accreditation No. 0012-FR-5 (Group A)	

Address: 6760 Ayala Avenue, Makati City
CPA Certificate No. 108795
Tax Identification No. 216-950-288
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 108795-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10079900, January 5, 2024, Makati City





**VENTURE
SECURITIES,
INC.**

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

The management of **Venture 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 for overseeing the Company's financial reporting process.

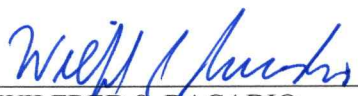
The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

Sycip Gorres Velayo & 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.


Signed:



EUSEBIO N. TANCO
Chairman



WILFRED S. RACADIO
President



YOLANDA M. BAUTISTA
Treasurer

Member: Philippine Stock Exchange

APR 30 2024

SUBSCRIBED AND SWORN to me before this _____ day of April, 2024 affiants exhibiting to me their Tax Identification Number as follows:

NAME	TIN NO.
EUSEBIO H. TANCO	TIN# 141-978-255
WILFRED S. RACADIO	TIN# 116-284-048
YOLANDA M. BAUTISTA	TIN# 107-098-796

MAKATI CITY

WITNESS BY HAND AND SEAL on the ay first above-mentioned in _____ City.

NOTARY PUBLIC

ATTY. EUGENIO GAMAL FERRER
Notary Public for and in Makati city
Until Dec. 31, 2024 (2023-2024), Appt. No. M-522
Roll No. 85695, TIN 208286514
Rm. 412,4th Flr. VGP Center, Ayala, Makati City
PTR N. 10075927, 01/03/2024, Makati City
IBP No. 338328, 05/05/2023, Makati City

Doc. No. 386
Page No. 79
Book No. 50
Series of 2024

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Venture Securities, Inc.
8th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Venture Securities, Inc. (the Company), which comprise the statements of financial condition as at December 31, 2023 and 2022, and the statements of income, 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 material accounting policy information.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1 to the financial statements which described that on June 11, 2021, a Special Hearing Panel (SHP) of the Securities and Exchange Commission (SEC) rendered a decision revoking the registration and license of the Company as a broker-dealer in securities and imposed penalties on the Company and its officers for certain violations of securities laws. On June 28, 2021, the Company filed a motion for reconsideration with the SHP of the SEC. On March 29, 2022, the SHP partially granted the Company's motion for reconsideration and set aside the penalty of revocation of the registration and license of the Company as a broker-dealer and reduced the monetary penalties imposed against the Company. On May 2, 2022, the Investigating and Review Committee (IRC) of the Market and Securities Regulation Department (MSRD) of the SEC filed an appeal memorandum to the SEC En Banc to declare



the SHP resolution dated March 29, 2022 void and to reinstate the decision of the SHP dated June 11, 2021. On June 9, 2022, the Company filed a comment/opposition to the appeal memorandum filed by the IRC of the MSRDC asking the SEC En Banc to dismiss outright and/or deny the appeal for lack of merit. On July 5, 2022, the Enforcement and Investor Protection Department (EIPD) of the SEC filed a complaint against the Company and its officers, among others, for alleged violation of the SRC. On July 21, 2022, the Company and its employees filed an Entry of Appearance with Motion to Suspend Proceedings due to pending appeals before the SEC En Banc being a prejudicial question. On December 9, 2022, the DOJ resolved to suspend the case filed by the EIPD of the SEC pending resolution of the cases with the SEC En Banc.

Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Venture Securities, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

April 30, 2024



VENTURE SECURITIES, INC.
STATEMENTS OF FINANCIAL CONDITION

	December 31					
	2023			2022		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
ASSETS						
Current Assets						
Cash (Note 6)	₱49,749,489			₱45,050,646		
Receivable from						
Clearing house	1,999,490			2,313,460		
Customers (Note 7)	9,536,314	₱2,703,160,072		9,874,269	₱62,262,842	
Non-customers (Note 7)	7,371,031			11,931,375		
Financial assets at fair value through profit or loss (FVTPL) (Note 8)	10,790,517	10,790,517		5,701,439	5,701,439	
Other assets (Note 13)	3,250,053			3,302,789		
	<u>82,696,894</u>			<u>78,173,978</u>		
Noncurrent Assets						
Investment properties (Note 9)	46,282,260			47,288,396		
Property and equipment (Note 10)	95,415			108,528		
Right-of-use asset (Note 11)	506,189			1,265,472		
Exchange trading right (Note 12)	950,000			950,000		
Other assets (Notes 13 and 20)	5,886,936			5,971,990		
	<u>53,720,800</u>			<u>55,584,386</u>		
	<u>₱136,417,694</u>			<u>₱133,758,364</u>		
Securities in Vault, Transfer Offices and Philippine Depository and Trust Corp.			₱7,694,070,151			₱5,284,772,262



	December 31					
	2023			2022		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
	Long	Short		Long	Short	
LIABILITIES AND EQUITY						
Liabilities						
Current Liabilities						
Payable to						
Customers (Note 15)	₱24,768,260	₱4,980,119,562	₱-	₱23,291,542	₱5,216,807,981	₱-
Clearing house	799,370			1,909,060		
Accounts payable and accrued expenses (Note 16)	3,110,390			3,077,191		
Lease liability (Note 11)	392,214			747,848		
	29,070,234			29,025,641		
Noncurrent Liabilities						
Accounts payable and accrued expenses (Note 16)	770,913			733,383		
Deferred tax liability (Note 21)	1,369,342			28,486		
Retirement liability (Note 19)	3,352,070			2,760,364		
Lease liability (Note 11)	-			417,124		
	5,492,327			3,939,357		
	34,562,561			32,964,998		
Equity						
Capital stock (Note 17)	100,000,000			100,000,000		
Retained earnings (Notes 2 and 17)						
Appropriated	7,146,437			7,025,033		
Unappropriated	(4,868,021)			(5,960,659)		
Remeasurement losses on retirement plan (Note 19)	(423,283)			(271,008)		
	101,855,133			100,793,366		
	₱136,417,694	₱7,694,070,151	₱7,694,070,151	₱133,758,364	₱5,284,772,262	₱5,284,772,262

See accompanying Notes to Financial Statements.



VENTURE SECURITIES, INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2023	2022
REVENUE		
Commissions	₱4,431,367	₱4,257,959
Trading and securities gains (losses) - net (Note 8)	5,655,683	(513,926)
	10,087,050	3,744,033
COST OF SERVICES		
Personnel costs (Note 19)	1,218,203	1,624,571
Stock exchange and transfer fees	1,157,854	727,879
Commission expense	20	20
	2,376,077	2,352,470
GROSS MARGIN	7,710,973	1,391,563
OPERATING EXPENSES		
Personnel costs (Notes 19 and 20)	4,955,214	4,498,357
Depreciation expense (Notes 9, 10 and 11)	1,798,682	1,888,245
Professional fees, membership dues and other costs (Notes 16 and 18)	1,419,932	1,604,394
Telephone, postage and telegram	520,737	458,207
Taxes and licenses	398,870	1,452,227
Reversal of provision for credit losses (Note 14)	(338,604)	(3,565,308)
Stationery and office supplies	192,524	204,720
Miscellaneous (Note 18)	509,724	814,445
	9,457,079	7,355,287
OTHER INCOME (EXPENSES)		
Rent income (Note 9)	4,194,082	3,006,501
Dividend income (Note 8)	188,745	138,408
Interest income (Notes 6 and 7)	40,629	39,691
Interest expense on lease liabilities (Note 11)	(16,612)	(47,143)
Foreign exchange gains (losses)	(1,105)	13,445
Others	-	58,827
	4,405,739	3,209,729
INCOME (LOSS) BEFORE INCOME TAX	2,659,633	(2,753,995)
PROVISION FOR INCOME TAX (Note 21)	1,445,591	(136,438)
NET INCOME (LOSS)	₱1,214,042	(₱2,617,557)

See accompanying Notes to Financial Statements.



VENTURE SECURITIES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2023	2022
NET INCOME (LOSS)	₱1,214,042	(₱2,617,557)
OTHER COMPREHENSIVE LOSS		
<i>Item that do not recycle to profit or loss in subsequent periods:</i>		
Remeasurement losses on retirement plan (Note 19)	(152,275)	(392,123)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱1,061,767	(₱3,009,680)

See accompanying Notes to Financial Statements.



VENTURE SECURITIES, INC.
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 17)	Retained Earnings Appropriated (Note 17)	Retained Earnings Unappropriated (Note 17)	Remeasurement Losses on Retirement Plan (Note 19)	Total
Balances at January 1, 2023	₱100,000,000	₱7,025,033	(₱5,960,659)	(₱271,008)	₱100,793,366
Net income	-	-	1,214,042	-	1,214,042
Other comprehensive loss	-	-	-	(152,275)	(152,275)
Total comprehensive income	-	-	1,214,042	(152,275)	1,061,767
Appropriation of retained earnings	-	121,404	(121,404)	-	-
Balances at December 31, 2023	₱100,000,000	₱7,146,437	(₱4,868,021)	(₱423,283)	₱101,855,133
Balances at January 1, 2022	₱100,000,000	₱7,025,033	(₱3,343,102)	₱121,115	₱103,803,046
Net loss	-	-	(2,617,557)	-	(2,617,557)
Other comprehensive loss	-	-	-	(392,123)	(392,123)
Total comprehensive loss	-	-	(2,617,557)	(392,123)	(3,009,680)
Balances at December 31, 2022	₱100,000,000	₱7,025,033	(₱5,960,659)	(₱271,008)	₱100,793,366

See accompanying Notes to Financial Statements.



VENTURE SECURITIES, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	₱2,659,633	(₱2,753,995)
Adjustments for:		
Unrealized trading and securities gains	(5,477,369)	–
Depreciation expense (Notes 9, 10 and 11)	1,798,682	1,888,245
Reversal of provision for credit losses (Note 14)	(338,604)	(3,565,308)
Dividend income (Note 8)	(188,745)	(138,408)
Interest income (Notes 6 and 7)	(40,629)	(39,691)
Interest expense (Note 11)	16,612	47,143
Changes in operating assets and liabilities:		
Decreases (increases) in the amounts of:		
Receivable from:		
Non-customers	4,552,226	(846,428)
Customers	676,559	2,715,176
Clearing house	313,970	3,926,260
Financial Assets at FVTPL	388,291	475,060
Other assets	49,292	143,091
Increases (decreases) in the amounts of:		
Payable to customers	1,476,717	(5,772,439)
Payable to clearing house	(1,109,690)	1,909,060
Retirement liability	439,431	(6,307)
Accounts payable and accrued expenses	70,730	(448,324)
Net cash provided by (used in) operations	5,287,106	(2,466,865)
Income taxes paid	(8,118)	(57,727)
Dividends received (Note 8)	188,745	138,408
Interest received (Notes 6 and 7)	40,629	39,691
Net cash provided by (used in) operating activities	5,508,362	(2,346,493)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Note 10)	(20,150)	(37,946)
CASH FLOWS FROM FINANCING ACTIVITY		
Payments of lease liabilities (Note 11)	(789,369)	(789,369)
NET INCREASE (DECREASE) IN CASH	4,698,843	(3,173,808)
CASH AT BEGINNING OF YEAR	45,050,646	48,224,454
CASH AT END OF YEAR (Note 6)	₱49,749,489	₱45,050,646

See accompanying Notes to Financial Statements.



VENTURE SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Venture Securities, Inc. (the Company) is a domestic corporation organized to engage in the business of buying, selling of, or dealing in stocks, bonds, debentures and other securities and commercial papers for its own account as a dealer or for the account of others as a stockbroker; to be a member of any stock exchange; and to render financial advisory services. It was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on April 5, 1979. The Company is a holder of an exchange trading right in the Philippine Stock Exchange, Inc. (PSE).

The Company's principal address is at 8th Floor STI Holdings Center, Ayala Avenue, Makati City.

Status of Operations

In 2019, the SEC and Capital Markets Integrity Corporation (CMIC) started separate investigations related to the transactions of one of its customers. This is in relation to the investigation of an alleged fraud incident in another stock brokerage company.

In 2020, the CMIC completed its investigation and imposed penalties to the Company amounting to ₱5.21 million. In January 2021, the Company filed an appeal to the SEC requesting to reverse and set aside CMIC's decision. In March 2021, the Company paid the penalties under protest, subject to the resolution of the appeal to the SEC. On June 15, 2021, the SEC En Banc denied the appeal filed by the Company to reverse the decision of the CMIC thereby affirming the resolution of the CMIC board and the penalties imposed. On July 15, 2021, the Company filed an appeal through a Petition for Review with the Court of Appeals. On June 15, 2022, the Court of Appeals issued a resolution directing parties to file their respective Memorandum. On August 1, 2022, the Company filed its Memorandum pursuant to the Resolution of the Court of Appeals. As of April 30, 2024, the Court of Appeals has not decided on the Company's petition.

In September 2020, the Market Securities and Regulation Department of the SEC filed a formal charge against the Company and certain officers for alleged violations of certain provisions of the Securities and Regulations Code. The Company has filed its verified answer to the SEC within the same month. In March 2021, the Company submitted its position paper as directed in a clarificatory conference held in February 2021.

On June 11, 2021, the Special Hearing Panel (SHP) rendered a decision revoking the registration and license of the Company as a broker-dealer in securities and imposed penalties totaling ₱32.0 million against the Company and its officers, of which ₱8.0 million pertains to the Company and ₱24.0 million pertains to its officers.

On June 28, 2021, the Company filed a motion for reconsideration of the decision with the SHP. On March 29, 2022, the SHP partially granted the Company's motion for reconsideration and set aside the penalty of revocation of the registration and license of the Company as a broker-dealer and reduced the penalties imposed against the Company from ₱8.0 million to ₱1.6 million. The fines and penalties imposed against the officers were affirmed.



On May 2, 2022, the officers of the Company filed a memorandum of appeal to the SEC En Banc praying to reverse and set aside the decision dated June 11, 2021 and the resolution dated March 29, 2022 insofar as the imposed monetary penalties and the disqualifications against the officers of the Company and to dismiss the formal charge filed in September 2020 for lack of merit.

Also, on May 2, 2022, the Investigating and Review Committee (IRC) of the MSRSD also filed an appeal memorandum to the SEC En Banc to declare the SHP resolution dated March 29, 2022 as void and to reinstate the decision of the SHP dated June 11, 2021. On June 8, 2022, the Company filed a comment/opposition to the appeal memorandum filed by the IRC of the MSRSD asking the SEC En Banc to dismiss outright and/or deny the appeal for lack of merit. On April 11, 2023, in relation to the motions filed, the SEC En Banc ordered both the Company and the IRC of the MSRSD to file their Position Papers. On April 27, 2023, the Company submitted its Position Paper while the IRC of the MSRSD has yet to file the same. As of April 30, 2024, the SEC En Banc has not decided on the appeal.

On July 5, 2022, the Enforcement and Investor Protection Department (EIPD) of the SEC filed a complaint against the Company and its officers, among others, for alleged violation of the SRC. On July 21, 2022, the Company and its employees filed an Entry of Appearance with Motion to Suspend Proceedings due to pending appeals before the SEC En Banc being a prejudicial question. On December 9, 2022, the DOJ resolved to suspend the case filed by the EIPD of the SEC pending resolution of the cases with the SEC En Banc.

Management undertakes to pursue and exhaust all legal courses of action to continue its stock brokerage business. Since the SHP has reconsidered and decided to set-aside the revocation of the Company's license as a broker-dealer and considering that the appeal of the IRC of the MSRSD is still pending before SEC En Banc, the Company continues to operate as a broker-dealer in securities. Management also expects the Company to continue generating rent income from leasing out real properties.

2. Summary of Material Accounting Policies

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis except for equity investment securities that have been measured at fair value. The financial statements are presented in Philippine pesos (₱), which is also the Company's functional currency, and all amounts are rounded to the nearest peso except when otherwise indicated.

Statement of Compliance

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

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting January 1, 2023. Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance, unless otherwise indicated.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*



- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

Fair Value Measurement

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 (i.e., an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Company.

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

If the asset or liability measured at fair value has a bid and ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value, regardless of where the input is categorized within the fair value hierarchy.

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

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

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

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

For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of hierarchy.

Cash

Cash includes cash on hand and in banks. Cash in banks earn interest at prevailing bank deposit rates.

Financial Instruments - Initial Recognition

Date of recognition

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provision of the instrument. Purchases or sales of financial



assets that require delivery of assets within the time frame established by regulation or market convention are recognized on trade date. Securities transactions and the related commission income and expense are recorded on trade date.

Initial recognition of financial instruments

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

Financial Instruments - Classification and Measurement

The Company classifies its financial assets in the following categories: financial assets at FVTPL, financial assets at FVOCI and financial assets measured at amortized cost while financial liabilities are classified as financial liabilities at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Relevant factors considered by the Company in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel. The Company also considers the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers, if any, of the business are compensated.

Subsequent to initial recognition, the Company may reclassify its financial assets only when there is a change in its business model for managing these financial assets, except for equity securities irrevocably designated at FVOCI at initial recognition. Reclassification of financial liabilities is not allowed.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets 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. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are recorded in the statement of financial position at fair value, with changes in the fair value included under the 'Trading and securities gains - net' account in the statement of income.

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

These include 'Cash', 'Receivable from customers', 'Receivable from non-customers', 'Receivable from clearing house' and refundable deposits under 'Other assets' account in the statement of financial condition.

As of December 31, 2023 and 2022, the Company has no financial assets at FVOCI.

Other financial liabilities

Issued financial instruments or their components, which are not designated at FVTPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

This policy applies to the Company's 'Payable to customers', 'Payable to clearing house' and 'Accounts payable and other accrued expenses' in the statement of financial condition.

As of December 31, 2023 and 2022, the Company has no financial liabilities at FVTPL.

Derecognition of Financial Assets and Liabilities

Financial assets

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

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

Financial liabilities

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

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECLs) for all loans and other debt financial assets not classified as at FVTPL, together with loan commitments and financial guarantee contracts. ECLs are 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 of the original effective interest rate, including cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss



allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Company used this general approach for its cash and receivable from non-customers.

The Company used the simplified approach to calculate ECL for its receivable from customers and clearing house which do not contain significant financing component. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company uses a provision matrix that estimates provision rates per days past due bucket based on SEC requirements, which considers the collateral securities with market value adjusted by certain factor, as required in the Company's risk-based capital calculation and incorporates forward-looking information. A broad range of forward-looking factors are considered as economic inputs, such as growth of the gross domestic product, inflation rates, unemployment rates, interest rates and Philippine Stock Exchange Composite Index (PSEi) statistical indicators.

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

Offsetting Financial Instruments

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

Exchange Trading Right

Exchange trading right was acquired, together with PSE shares, in exchange for the Exchange membership seat under the conversion program of PSE. The exchange trading right is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment losses, if any. The Company does not intend to sell the exchange trading right in the near future.

The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company. It is tested annually for any impairment in value. Any impairment loss is charged directly under profit or loss in the statement of comprehensive income.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred and if the recognition criteria are met. Costs of day-to-day servicing of an investment property is recognized as expense on the period they are incurred.

Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment losses. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties but not to exceed 25 years. The Company starts depreciating the items of investment properties when these are available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management) and continues depreciating them until derecognized or until estimated useful life.



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

Property and Equipment

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

The initial cost of property and equipment comprises of its purchase price and any directly attributable cost of bringing the property and equipment to its working condition and location for its intended use. The cost of minor repairs and maintenance is charged to income as incurred; significant renewals and improvements are capitalized. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation and any impairment in value are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Depreciation is computed using the straight-line method over the following estimated useful lives of property and equipment as follows:

	Years
Computer equipment	2 to 5
Furniture, fixtures and equipment	2 to 5
Leasehold improvements	10 years or lease term, whichever is shorter

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, an impairment loss is recognized in profit or loss.

Group Life Insurance Policy

The group pension plan under 'Other Assets' is carried at the amount that could be realized under the contract based on its cash surrender value (CSV) as of the statement of financial position date. The change in CSV is recognized as 'Other Expense' under 'Miscellaneous Expenses' in the statement of income.

Impairment of Nonfinancial Assets

At each reporting date, the Company assesses whether there is any indication that its nonfinancial assets such as property and equipment, investment properties and exchange trading right may be impaired. When an indication of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash-generating unit (CGU) to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing 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.



Exchange trading right is reviewed and tested at each reporting date or more frequently, irrespective whether there is indication of impairment or none. Property and equipment and investment properties are reviewed and tested whether there is indication of impairment and at least on each reporting date.

An impairment loss is charged to operations in the year in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimate used to determine the recoverable amount of an asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Revenue Recognition

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

Commissions

The Company is in the business of rendering brokerage services, which include trade execution and clearing services, to various customers. Management assessed that these services are considered a single performance obligation as they are both inputs to the combined output of security trading.

Revenue from commissions is recognized at a point in time at which the Company transfers control of the service to the customer. The Company performs the service of providing the customer with the ability to acquire or dispose of rights to obtain the economic benefits of a financial instrument (e.g., stocks). Therefore, management assessed that the transfer of control of the performance obligation generally occurs on the trade date because that is when the underlying financial instrument (for a purchase) or purchaser (for a sale) is identified and the pricing is agreed upon (i.e., the Company has identified the counterparty and enters into the contract on behalf of the customer). On the trade date, the customer has obtained control of the service because it can direct the use of, and obtain substantially all of the remaining benefits from, the asset that comes from the trade service.

Revenue Recognition (outside the scope of PFRS 15)

Trading gains and losses

Trading gains and losses represent result arising from trading activities including all gains and losses from changes in fair value of financial assets at FVTPL.

Interest income

Interest income on cash in bank is recorded on a time proportion basis taking into account the effective yield on the asset. Interest income also includes interest from margin account which is recorded on a transaction date basis as securities transactions occur.

Rent income

Rent income is recognized on a straight-line basis over the lease term.

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders of the issuer approve the dividend.

Expense Recognition

Expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses encompass losses as well as those expenses that arise in the normal course of business of the Company.



Cost of services

Cost that includes all expenses associated with the specific service income. Such costs are recognized when the related service income have been recognized.

Operating expenses

Operating expenses constitute costs incurred in administering the business and are recognized when incurred.

Leases

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

Company as a lessee

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

i. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life of five years.

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

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and exercise price of a purchase option reasonably certain to be exercised by the Company or payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest recognized under 'Interest expense' and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Lease income is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.



Retirement Benefits

The Company's retirement plan requires the Company to pay fixed contributions based on the employees' monthly salaries. However, the annual contribution of the Company on its plan does not qualify as a pension plan asset as the insurance policy held by the Company did not meet the definition of a qualifying insurance policy since the insurer is a related party of the Company (i.e. Philippine Life Financial Assurance Corporation). The contributions made under the insurance policy are recognized as a separate asset under 'Other assets'.

The retirement cost of the Company is actuarially determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current period.

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period.

Defined benefit costs comprise the following:

- Service cost
- Interest on the defined benefit liability
- Remeasurements of defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. All remeasurements recognized in the OCI account 'Remeasurement gains (losses) on retirement plan' are not classified to another equity account in subsequent periods.

Income Tax

Current tax

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

Deferred tax

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

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



Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at each end of the reporting period 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 end of the reporting period 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 applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. Movements in the deferred tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

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

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

Value-added Tax (VAT)

The input VAT pertains to the 12% indirect tax paid by the Company in the course of the Company's trade or business on local purchase of goods or services.

Output VAT pertains to the 12% tax due on commissions earned from the Company's trading transactions with customers and sale of financial assets and other services.

If at the end of any taxable month, the output VAT exceeds the input VAT, the outstanding balance is included under 'Accounts payable and accrued expenses' account. If the input VAT exceeds the output VAT, the excess shall be carried over to the succeeding months and included under 'Other assets' account.

Provisions and Contingencies

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Events After the Statement of Financial Condition Date

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



New Standards and Interpretations Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these standards to have significant changes on the Company's financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

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

Deferred effectivity

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

3. Significant Accounting Judgments and Estimates

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

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

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

Judgments

(a) Going Concern Assumption

The SHP rendered a decision revoking the registration and license of Company as a broker-dealer in securities on June 11, 2021. As discussed in Note 1, the SHP subsequently set aside the penalty of revocation of the registration and license of the Company as a broker-dealer. The IRC of the MSRDC has filed a memorandum of appeal to the SEC En Banc to declare the SHP resolution to be void. The Company filed a comment/opposition asking the SEC En Banc to dismiss outright and/or deny the appeal of the IRC for lack of merit. The Company continues to operate as a broker-dealer in securities (see Note 1). Further, management assessed that the Company could continue to operate as the Company has sufficient resources and capital. Management also assessed that the Company will continue to earn rental income from leasing out real properties. The Company made an assessment of the Company's ability to continue as a going concern and based on the foregoing, the Company assessed that it could continue its business for the foreseeable future. Therefore, the financial statements continue to be prepared on a going concern basis.



(b) Offsetting of financial assets and liabilities

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

(c) Recognition of provisions and contingencies

The Company is currently involved in legal proceedings and regulatory investigations. The Company currently does not believe these proceedings will have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 23).

Estimates

(a) Impairment of receivables from customers

The measurement of impairment losses under PFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company applies the simplified approach for its measurement of ECL for receivable from customers and clearing house that are considered trade receivables, and therefore, does not track significant increases in credit risk. The Company uses a provision matrix that estimates provision rates per days past due bucket based on the SEC requirements, which considers the collateral securities with market value adjusted by certain factor, as required in the Company's risk-based capital calculation, and incorporates forward-looking information.

The carrying values of the receivables are disclosed in Note 7 and the related allowance for credit losses are disclosed in Note 14.

(b) Recognition of deferred tax asset

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used or when sufficient taxable temporary differences will be available to allow all or part of the deferred tax assets to be utilized.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. Management assessed that it is not probable that the temporary differences will be realized in the foreseeable future. The amounts of unrecognized deferred tax assets are disclosed in Note 21.

(c) Present value of retirement obligation

The cost of defined benefit retirement plan as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at reporting date, with extrapolated maturities corresponding to the expected duration of the



defined benefit retirement plan. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements.

Future salary increases and pension increases are based on expected future inflation rates for the specific country.

The carrying value of the retirement liability is disclosed in Note 19.

4. Financial Risk Management Objectives and Policies

The Company's risk management framework is managed through a systematic application of management policies, procedures and practices to identify, measure and control risks inherent in the Company's activities; disseminate the risk philosophy and policies; assist risk-taking business unit(s) in understanding and measuring risk/reward profile; and develop a risk control infrastructure. The key outcome of a structural framework of managing risk is to provide a more effective strategic planning to ensure maximizing opportunities and minimizing losses (integral facet of effective business practice and provides management with a deeper insight and wider perspective for effective management of the Company with a dynamic changing environment).

The Company's principal financial instruments include cash, receivables, FVTPL investments, refundable deposits and liabilities at amortized cost.

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

- Credit risk
- Liquidity risk
- Market risk

Risk Management Framework

The BOD has overall responsibility for the oversight of the Company's risk management process. The management, with BOD, is responsible for developing, managing and monitoring risk management policies.

Risk Measurement and Reporting System

The volatility of the stock market is the central focus of risk measurement methodologies and limits. It also gauges the returns the Company requires from its activities. The risk measurement framework strives to quantify the potential change in the value of the portfolio as a result of a change in the market risk factors (correlation between changes in value with market forces). This includes marking to market all open positions which the Company is exposed to; the sensitivity of the position or portfolio to a movement in the market risk factor to which it is exposed to; technical and fundamental analysis of equity including movement of the stock index; average turnover, market capitalization, fundamentals, earning projections and trends of a particular equity.

These methodologies would enable the management to assess and evaluate in determining the tolerance for amount of exposure of portfolio based on the market risk factors.

Monitoring and controlling risks are performed based on limits established by the Company on each counterparty transaction. These limits reflect the counterparty's capacity to pay based on his risk profile, financial trends/projections, assets, reputation/integrity, and the adequacy and enforceability of collateral under various scenarios.



The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The nature of the business exposes the Company to potential risk of loss due to a counterparty defaulting on a contract. To a stockbroker, credit risk, such as counterparty risk, settlement risk, large exposure risk and margin financing risk normally arises from unsettled customer purchases, undelivered securities, unsettled loans and advances, margin lending, default by bond issuer, undelivered services, among others. Trading limits for each customer are set after assessment of the true risk and profile of the customers (i.e., financial capacity, reputation and collateral) on top of risk management procedures. Settlement details are pre-matched with the customers or their custodian banks at least a day before settlement date. Receivable balances are also monitored regularly. In accordance with the Risk Based Capital Adequacy (RBCA) Requirement, a limit is imposed to avoid large exposures on single client/counterparty, single debt issue and single equity relative to particular issuer company and its group of companies.

Maximum exposure to credit risk and collateral and other credit enhancements

Except for receivable from customers, the carrying values of the Company's financial assets as reflected in the statements of financial condition as of December 31, 2023 and 2022 represent the financial asset's maximum exposure to credit risk as there are no collateral held or other credit enhancements related to these financial assets.

For receivables from customers, these are secured by collaterals comprising of equity securities of listed companies and amounts payable to customers. The Company does not have financial guarantees and loan commitments and other credit related liabilities as of December 31, 2023 and 2022.

Maximum credit exposure by counterparty

The table below shows the maximum credit exposure of the Company per counterparty type classifications before and after taking into account any collateral held or other credit enhancements:

2023				
	Gross Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial effect of collateral and other credit enhancements
Receivable from customers				
Unsecured	₱2,839,811	₱-	₱2,839,811	₱-
Partially secured	14,332,141	7,008,487	7,323,654	7,008,487
Fully secured	4,742,975	2,696,151,585	-	4,742,975
	₱21,914,927	₱2,703,160,072	₱10,163,465	₱11,751,462
2022				
	Gross Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial effect of collateral and other credit enhancements
Receivable from customers				
Unsecured	₱3,070,331	₱-	₱3,070,031	₱-
Partially secured	14,031,693	6,702,988	7,406,461	6,625,232
Fully secured	5,489,462	55,559,854	-	5,489,462
	₱22,591,486	₱62,262,842	₱10,476,492	₱12,114,694



Credit quality of financial assets

The Company's funds are deposited only in banks that are directly, or comparably with the peer institutions, rated as investment grade by the global external rating agency. Accordingly, placements in these banks are considered to be low credit risk investments. As of December 31, 2023 and 2022, the Company determined that the impact of 12-month ECL ("Stage 1") is not material.

For trade receivables, the Company applied simplified approach in calculating ECLs and does not track changes in credit risk but instead recognizes an allowance based on lifetime ECL at each reporting period. The ECL calculation is based on historical loss experience adjusted for current conditions and forecasts of future economic conditions using reasonable and supportable information available as of the reporting date. The receivables are secured by collateral comprising of equity securities listed in the local stock exchange. Unsecured or partially secured receivables which are already past due (i.e. more than T+2) are provided with allowance for credit losses (see Note 7).

Set out below is the information about the credit risk exposure on the Company's receivable from customers using a provision matrix as of December 31, 2023 and 2022.

	2023				
	Days after trade date				
	T+0 to T+1	T+2 to T+12	T+13 to T+30	T+31 to T+365	Total
Expected loss rate	0.00%	1.13%	0.00%	64.33%	56.48%
Gross amounts of receivables	₱1,721,696	₱967,637	₱-	₱19,225,594	₱21,914,927
Expected credit loss	-	10,940		12,367,673	₱12,378,613

	2022				
	Days after trade date				
	T+0 to T+2	T+3 to T+13	T+14 to T+30	T+31 to T+365	Total
Expected loss rate	0.00%	1.70%	33.08%	63.14%	56.29%
Gross amounts of receivables	₱2,391,277	₱56,610	₱204,380	₱19,939,219	₱22,591,486
Expected credit loss	-	960	67,614	12,648,644	₱12,717,218

As of December 31, 2023, the Company assessed that receivables from clearing house are considered as high grade and ECL is negligible as there is no default experience and historically, these are collected within 2 trading days. The Company's due from related parties are due on demand and therefore the related ECL is considered negligible except for specific loans receivable from a related party amounting to ₱12.71 million which was fully-provided as of December 31, 2023 and 2022 (see Note 20).

Liquidity risk

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

The Company's liquidity risk is managed by holding sufficient liquid assets to ensure short-term funding requirements are met. Prudent liquidity risk management implies maintaining a balance between continuity of funding and flexibility of funding. The Company has established a strong liquidity risk management system characterized by such elements as good management information system, effective analysis of net funding requirements under various scenarios, and/or diversification of funding sources in order to make timely payments on any of the financial obligations to customers. Liquidity is monitored by the Company on a regular basis.



The following tables summarize the maturity profile of the Company's financial assets and liabilities as of December 31, 2023 and 2022 based on the undiscounted gross amounts and contractual maturity (except for the financial assets at FVTPL which are based on expected disposal date). The tables also analyze the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments and liquidity.

	December 31, 2023					Total
	On demand	Up to 1 Month	Over 1 to 6 Months	6 to 12 Months	More than 1 year	
Financial Assets						
Cash	₱49,780,080	₱-	₱-	₱-	₱-	₱49,780,080
FVTPL investments						
Quoted equity securities	-	-	-	10,790,517	-	10,790,517
Loans and receivables						
Receivables from:						
Customers	20,193,230	1,721,697	-	-	-	21,914,927
Clearing house	-	1,999,490	-	-	-	1,999,490
Non-customers	17,954,711	-	-	-	2,129,648	20,084,359
Other assets	-	-	-	-	153,044	153,044
	₱87,928,021	₱3,721,187	₱-	₱10,790,517	₱2,282,692	₱104,722,417
Financial Liabilities						
Other financial liabilities						
Payables to:						
Customers	₱24,768,260	₱-	₱-	₱-	₱-	₱24,768,260
Clearing house	-	799,370	-	-	-	799,370
Accounts payable and accrued expenses*	301,690	440,263	1,896,957	-	471,480	3,110,390
Lease liabilities	-	64,795	327,419	-	-	392,214
	25,069,950	1,304,428	2,224,376	-	471,480	29,070,234
	₱62,858,071	2,416,759	(₱2,224,376)	₱10,790,517	₱1,811,212	₱75,652,183

*amounts exclude statutory liabilities

	December 31, 2022					Total
	On demand	Up to 1 Month	Over 1 to 6 Months	6 to 12 Months	More than 1 year	
Financial Assets						
Cash	₱45,045,646	₱-	₱-	₱-	₱-	₱45,045,646
FVTPL investments						
Quoted equity securities	-	-	-	5,701,439	-	5,701,439
Loans and receivables						
Receivables from:						
Clearing house	-	22,591,486	-	-	-	22,591,486
Customers	-	2,313,460	-	-	-	2,313,460
Non-customers	22,529,999	-	-	-	2,114,704	24,644,703
Other assets	-	-	-	-	153,044	153,044
	₱67,575,645	₱24,904,946	₱-	₱5,701,439	₱2,267,748	₱100,449,778
Financial Liabilities						
Other financial liabilities						
Payables to						
Customers	₱23,291,543	₱-	₱-	₱-	₱-	₱23,291,543
Clearing House	-	1,909,060	-	-	-	1,909,060
Accounts payable and accrued expenses*	86,978	316,613	2,202,119	-	471,481	3,077,191
Lease liabilities	-	63,186	313,559	371,103	417,123	1,164,971
	23,378,521	2,288,859	2,515,678	371,103	888,604	29,442,765
	₱66,512,036	2,415,878	(₱2,515,678)	₱5,330,336	(₱735,560)	₱71,007,013

*amounts exclude statutory liabilities

Market risk

Market risk is the risk of loss to future earnings, to fair value or future cash flows of a financial instrument as a result of changes in its price, in turn caused by changes in interest rates, equity prices and other market factors. The Company's market risk emanates from its securities in proprietary account which are held for trading purposes and financial instruments classified as FVTPL. In accordance with RBCA requirement, limit is imposed for all equity and foreign exchange positions of the Company.



Interest rate risk

Interest rate risk arises from possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As of December 31, 2023 and 2022, the Company does not have any financial instrument subject to interest rate risk.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposures arise from the Company's equity investment portfolio. The Company do not expect the impact of the sensitivity of its investment securities to be material.

5. Fair Value Measurement

As of December 31, 2023 and 2022, the carrying values of the Company's financial assets and financial liabilities as reflected in the statements of financial condition and related notes approximate their respective fair values.

The methods and assumptions used by the Company in estimating the fair value of the assets and liabilities are:

Cash, receivables from and payable to customer, receivables from non-customer, receivables from and payable to clearing house and accounts payables and accrued expenses - Carrying amounts approximate fair values due to either the demand nature or the relatively short-term nature of the accounts.

Refundable deposit - Fair value is estimated using present value technique, which links the future amounts to a present amount using PHP Bloomberg Valuation (BVAL) as the discount rate. This valuation technique captures the estimate of future cash flows, time value of money as represented by the rate on risk free monetary assets that have maturity dates or durations that coincide with the period covered by the cash flows and other factors that market participants would take into account in the circumstances.

Financial assets at FVTPL - The fair values are based on closing prices as published at PSE and are classified under Level 1 in the fair value hierarchy.

Investment properties - The fair values of the Company's investment properties have been determined based on valuations made by independent appraisers on the basis of recent sales price of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made. They make use of market data approach which involves correlation and analysis of comparable lots, either recently sold or offered for sale in the market, upon which the market value of subject property is estimated.



The following tables show comparison by category of carrying amounts and fair values of the Company's financial and non-financial assets as of December 31, 2023 and 2022:

		December 31, 2023		
		Fair value measurement using		
	Carrying Values	Total	Quoted prices in active markets (Level 1)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Financial assets				
Financial assets at FVTPL	₱10,790,517	₱10,790,517	₱10,790,517	₱-
Assets for which fair values are disclosed:				
Investment properties	46,282,260	109,076,000	-	109,076,000
Refundable security deposits	153,044	147,197	-	147,197
		December 31, 2022		
		Fair value measurement using		
	Carrying Values	Total	Quoted prices in active markets (Level 1)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Financial assets				
Financial assets at FVTPL	₱5,701,439	₱5,701,439	₱5,701,439	₱-
Assets for which fair values are disclosed:				
Refundable security deposits	47,288,396	89,745,000	-	89,745,000
Investment properties	153,044	147,197	-	147,197

In 2023 and 2022, there were no fair values of financial and non-financial assets classified as Level 2.

6. Cash

This account consists of:

	2023	2022
Petty cash fund	₱10,000	₱5,000
Cash in banks	49,739,489	45,045,646
	₱49,749,489	₱45,050,646

Cash in banks earn interest at the respective bank deposit rates.

In compliance with SRC Rule 49.2-1, *Customer Protection Reserves and Custody of Securities*, the Company maintains a special reserve bank account (included under Cash in banks) for the exclusive benefits of its customers amounting to ₱16.51 million and ₱16.50 million as of December 31, 2023 and 2022, respectively. The Company's reserve requirement is determined monthly based on the Philippine SEC's prescribed computations. As of December 31, 2023 and 2022, the Company has complied with the SRC prescribed reserve requirement.

Interest income earned on bank deposits amounted to ₱0.04 million in 2023 and 2022.



7. Receivable from Customers and Non-customers

Receivables from customers are due within one year from the respective reporting dates:

	2023		2022	
	Money Balances	Security Valuation - Long	Money Balances	Security Valuation - Long
Cash accounts:				
Fully secured				
More than 250%	₱1,869,501	₱2,692,645,032	₱3,083,362	₱52,003,345
Between 150% and 250%	2,105,857	2,489,486	1,196,930	2,199,119
Between 100% and 150%	767,616	1,017,067	1,209,171	1,357,390
Partially secured				
Below 100%	14,332,142	7,008,487	14,031,693	6,702,988
Unsecured accounts	2,839,811	–	3,070,331	–
	21,914,927	2,703,160,072	22,591,486	62,262,842
Less allowance for credit losses (Note 14)	12,378,613	–	12,717,217	–
	₱9,536,314	₱2,703,160,072	₱9,874,269	₱62,262,842

As of December 31, 2023 and 2022, receivable from customers represents commission and interest income amounting to ₱1.35 million and ₱1.27 million, respectively, and non-revenue amounts from clients' buying transactions amounting to ₱20.56 and ₱21.32 million, respectively.

The composition of receivable from non-customers is as follows:

	2022	2022
Due from related parties (Note 20)	₱16,434,632	₱20,991,441
Accrued rent receivable	882,571	882,571
Advances to employees	229,424	319,688
Other receivables	2,537,732	2,451,003
	20,084,359	24,644,703
Less allowance for credit losses (Note 14)	12,713,328	12,713,328
	₱7,371,031	₱11,931,375

'Other receivables' include contributions made to the Clearing and Trade Guarantee Fund (CTGF). Contributions to the CTGF are refundable upon cessation of their business and/or termination of their membership with SCCP, provided that all liabilities owing to SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full. As of December 31, 2023 and 2022, the balance of the refundable CTGF amounted to ₱2.13 million and ₱2.11 million, respectively.

8. Financial Assets at Fair Value through Profit or Loss

As of December 31, 2023 and 2022, financial assets at FVTPL consist of investments in equity securities amounting to ₱10.79 million and ₱5.70 million, respectively. Dividends earned in 2023 and 2022 amounted to ₱0.19 million and ₱0.09 million, respectively, and is presented under 'Dividend income' in the statements of income.

In 2023 and 2022, changes in fair value of financial assets at FVTPL recorded as 'Trading and securities gains (losses) - net' in the statements of income amounted to ₱5.48 million and (₱0.51 million), respectively.



9. Investment Properties

The composition of and movements in this account follow:

	2023	2022
Cost		
Balances at beginning and end of year	₱55,524,454	₱55,524,454
Accumulated Depreciation		
Balances at beginning of the year	8,236,058	7,229,922
Depreciation expense	1,006,136	1,006,136
Balances at end of year	9,242,194	8,236,058
Net Book Values	₱46,282,260	₱47,288,396

The Company entered into property leases on its condominium units for up ten years. Rent income amounted to ₱4.19 million and ₱3.01 million in 2023 and 2022, respectively.

Direct expenses pertaining to condominium dues, and real estate property taxes arising from investment properties amounted to ₱0.10 million in 2023 and 2022, respectively.

10. Property and Equipment

The composition of and movement in this account follow:

	2023			
	Computer Equipment	Furniture, Fixtures, and Equipment	Leasehold Improvements	Total
Cost				
Balances at beginning of year	₱1,486,479	₱ 1,051,721	₱1,651,786	₱ 4,189,986
Additions	20,150	-	-	20,150
Balances at end of year	1,506,629	1,051,721	1,651,786	4,210,136
Accumulated Depreciation				
Balances at beginning of year	1,406,386	1,051,721	1,623,351	4,081,458
Depreciation expense	29,145	-	4,118	33,263
Balances at end of year	1,435,531	1,051,721	1,627,469	4,114,721
Net Book Values	₱71,098	₱-	₱24,317	₱95,415
2022				
	Computer Equipment	Furniture, Fixtures, and Equipment	Leasehold Improvements	Total
Cost				
Balances at beginning of year	₱1,448,533	₱ 1,051,721	₱1,651,786	₱ 4,152,040
Additions	37,946	-	-	37,946
Balances at end of year	1,486,479	1,051,721	1,651,786	4,189,986
Accumulated Depreciation				
Balances at beginning of year	1,351,026	1,051,721	1,555,885	3,958,632
Depreciation expense	55,360	-	67,466	122,826
Balances at end of year	1,406,386	1,051,721	1,623,351	4,081,458
Net Book Values	₱80,093	₱-	₱28,735	₱108,528



As of December 31, 2023 and 2022, the cost of fully depreciated property and equipment still in use by the Company amounted to ₱2.67 million and ₱2.46 million, respectively.

11. Right-of-use Asset and Lease Liabilities

The Company has a lease contract for its office space used in operations which has a lease term of five (5) years subject to renewal upon mutual agreement of the parties. The lease contract expired on August 31, 2021 and was subsequently renewed for another three (3) years subject to further renewal upon mutual agreement of the parties.

The rollforward analysis of right-of-use asset account follows:

	2023	2022
Cost		
Balances at beginning and end of year	₱2,277,849	₱2,277,849
Accumulated Depreciation		
Balance at beginning of year	1,012,377	253,094
Depreciation	759,283	759,283
Balances at end of year	1,771,660	1,012,377
Net book value	₱506,189	₱1,265,472

The rollforward analysis of lease liabilities account follows:

	2023	2022
Balances at beginning of year	₱1,164,971	₱1,907,197
Interest expense	16,612	47,143
Payments	(789,369)	(789,369)
Balances at end of year	₱392,214	₱1,164,971

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

	2023	2022
Within one year	₱394,685	₱789,369
More than 1 year to 2 years	-	394,685
More than 2 years to 3 years	-	-
	₱394,685	₱1,184,054



12. Exchange Trading Right

As of December 31, 2023 and 2022, the carrying value of the exchange trading right amounted to ₱0.95 million. As of December 31, 2023 and 2022, the Company has no intention of selling the exchange trading right in the near future.

As of December 31, 2023 and 2022, the latest transacted price of the exchange trading right as provided by the PSE and used for determining the net realizable value of exchange trading right, amounted to ₱8.00 million.

13. Other Assets

This account consists of:

	2023	2022
Current		
Creditable withholding tax	₱3,071,817	₱2,435,778
Prepaid expenses	376,479	337,051
Input VAT	–	728,203
Other current assets – gross	3,448,296	3,501,032
Less: Allowance for impairment losses	(198,243)	(198,243)
Other current assets – net	3,250,053	3,302,789
Noncurrent		
Group life insurance policy (Notes 19 and 20)	5,733,892	5,818,946
Advance rent and refundable deposit	153,044	153,044
	5,886,936	5,971,990
	₱9,136,989	₱9,274,779

Group life insurance policy pertain to the cash surrender value of the total annual contributions to the Company's group insurance policy that did not qualify as a pension plan asset.

14. Allowance for Credit Losses

The breakdown of allowance for credit losses is shown in the table below;

	2023	2022
Receivable from customers	₱12,378,613	₱12,717,217
Receivable from non-customers	12,713,328	12,713,328
Other assets	198,243	198,243
	₱25,290,184	₱25,628,789



The movement in ECLs for receivable from customers is as follows:

	2023	2022
ECL amounts as at January 1	₱12,717,217	₱16,282,525
Reversal during the year	(338,604)	(3,565,308)
ECL amounts as at December 31	₱12,378,613	₱12,717,217

In 2023 and 2022, there were no write-offs for receivable from customers.

There were no movements in the ECL amounts for receivables from non-customers and other assets in 2023 and 2022.

15. Payable to Customers

This account consists of payables to customers which are due within one year.

	2023		
	Money Balances	Security Valuation	
		Long	Short
With money balances	₱24,768,260	₱459,438,146	₱-
No money balances	-	4,520,681,416	-
	₱24,768,260	₱4,980,011,562	₱-

	2022		
	Money Balances	Security Valuation	
		Long	Short
With money balances	₱23,291,542	₱205,550,309	-
No money balances	-	5,011,257,672	-
	₱23,291,542	₱5,216,807,981	-

16. Accounts Payable and Accrued Expenses

This account consists of:

	2023	2022
Financial Liabilities		
Accrued expenses and provisions (Note 1)	₱1,872,817	₱1,749,167
Security deposits	948,437	939,099
Other payables	289,136	388,926
	3,110,390	3,077,191
Nonfinancial Liabilities		
Rental deposits	634,433	625,095
Accrued other expenses	72,514	77,100
Withholding taxes	48,464	31,188
Output VAT	15,502	-
	770,914	733,383
	₱3,881,304	₱3,810,574



The non-current portion of accounts payable and accrued expenses amounting to ₱0.47 million as of December 31, 2023 and 2022 pertains to security deposits that are refundable upon expiration of its related lease term on December 31, 2029.

17. Equity

As of December 31, 2023 and 2022, details of capital stock are as follows:

	Number of shares	Amounts
Authorized capital stock, ₱100 par value	1,500,000	₱150,000,000
Issued and outstanding	1,000,000	100,000,000

Capital Management

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

Regulatory Qualifying Capital

SEC Memorandum Circular No. 16 dated November 11, 2004 provides the guidelines on the adoption in the Philippines of the Risk Based Capital Adequacy (RBCA) Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following risks:

- (a) position or market risk,
- (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and
- (c) operational risk.

RBCA ratio of a broker-dealer, computed by dividing the Net Liquid Capital (NLC) by the Total Risk Capital Requirement (TRCR), should not be less than 110.00%. NLC and TRCR are computed based on the existing SRC. NLC consists of total equity adjusted for allowance for credit and impairment losses, subordinated liabilities, deferred income tax, revaluation reserves, deposits for future stock subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the Aggregated Indebtedness (AI) of every stockbroker should not exceed 2,000.00% of its NLC and at all times shall have and maintain NLC of at least ₱5.00 million or 5.00% of the AI, whichever is higher.



On January 16, 2014, the Capital Markets Integrity Corporation (CMIC), the independent audit surveillance and compliance unit of PSE, issued a memorandum circular informing trading participants to maintain status quo for purposes of computing RBCA ratio despite the change in the financial statements presentation of receivables and payables for trading operations as required by the related accounting standards.

As of December 31, 2023 and 2022, the Company has complied with the above regulatory requirements.

As of December 31, 2023 and 2022, the Company's RBCA ratios are shown in the table below.

	2023	2022
Equity eligible for net liquid capital	₱102,278,416	₱100,793,365
Less: Ineligible assets	64,361,573	70,828,759
NLC	₱37,916,843	₱29,964,606
Operational risk	₱1,976,104	₱2,042,724
Position risk	3,773,697	1,898,761
Counterparty risk	-	67,768
TRCR	₱5,749,801	₱4,009,253
AI	₱33,193,218	₱30,949,696
5% of AI	₱1,659,661	₱1,547,485
Required NLC	5,000,000	5,000,000
Net risk-based capital excess	32,916,843	24,964,606
Ratio of AI to NLC	88%	103%
RBCA ratio	659%	747%

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

Ineligible assets

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

Operational risk requirement

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

Position risk requirement

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



Counterparty risk requirement

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

Aggregate indebtedness

This is the total money liabilities of a broker-dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, the market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short positions in securities, but subject to certain exclusions as mentioned in the SEC Memorandum Circular No. 16-Series of 2004.

Retained Earnings

In addition, SRC Rule 49.1 (B), *Reserve Fund*, of such circular requires that every broker-dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to Appropriated Retained Earnings. Minimum appropriation shall be 30.00%, 20.00% and 10.00% of profit after tax for broker-dealers with unimpaired paid up capital between ₱10.00 million to ₱30.00 million, between ₱30.00 million to ₱50.00 million and more than ₱50.00 million, respectively.

In 2023 and 2022, the Company reported net income amounting to ₱1.21 million and net loss of ₱2.62 million, respectively, resulting in an appropriation for reserve fund of ₱0.12 million and nil, respectively. As of December 31, 2023 and 2022, the appropriated retained earnings amounted to ₱7.15 million and ₱7.03 million, respectively.

18. Operating Expenses

Miscellaneous expenses consist of:

	2023	2022
Entertainment, amusement and recreation	₱140,461	₱84,523
Transportation and travel	52,701	47,420
Others	316,562	682,502
	₱509,724	₱814,445

Others include insurance expense, utilities, bank charges, among others.

19. Retirement Benefits

The Company does not have a formal retirement plan. Employees who will qualify for retirement benefits will be paid the minimum retirement benefit under Republic Act (RA) 7641, *Retirement Pay Law*. For purposes of complying with RA 7641, the Company engaged an independent actuary to determine the amount of benefit obligation as required by RA 7641. The most recent actuarial valuation was carried out as of December 31, 2023. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit actuarial method.



The principal actuarial assumptions used to determine the retirement benefits of the Company as of December 31, 2023 and 2022 are shown below:

	2023	2022
Discount rate	7.01%	7.14%
Salary increase rate	3.00%	3.00%

The movements in the retirement liability of the Company are as follows:

	2023	2022
Balances at beginning of year	₱2,760,364	₱2,374,548
Retirement expense	439,431	308,193
Benefits paid	-	(314,500)
Remeasurement losses	152,275	392,123
Balances at the end of year	₱3,352,070	₱2,760,364

The following table summarizes the components of the retirement expense recognized as part of 'Personnel costs' in profit or loss:

	2023	2022
Current service cost	₱292,876	₱235,828
Interest cost	146,555	72,365
	₱439,431	₱308,193

The movements in remeasurement gains (losses) on retirement plan recognized in OCI are as follows:

	2023	2022
Balances at beginning of year	(₱271,008)	₱121,115
Remeasurement gains (losses) arising from:		
Experience adjustments	(129,103)	(758,127)
Changes on experience adjustments	(23,172)	366,004
	(152,275)	(392,123)
Balances at end of year	(₱423,283)	(₱271,008)



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	2023	
	Increase (decrease) in basis points	Increase (decrease) in present value of obligation
Discount rates	+100	(₱168,917)
	-100	188,877
Salary increases	+100	209,611
	-100	(189,462)
	2022	
	Increase (decrease) in basis points	Increase (decrease) in present value of obligation
Discount rates	+100	(₱145,151)
	-100	162,921
Salary increases	+100	180,162
	-100	(162,103)

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

	2023	2022
Less than 1 year	₱1,565,865	₱1,415,542
More than 1 year to 5 years	1,682,608	243,403
More than 5 years to 10 years	-	1,293,959
More than 10 years to 15 years	3,053,945	2,830,052
More than 15 years to 20 years	983,207	869,257
More than 20 years	1,803,069	1,435,883

The average duration of the defined benefit obligation as of December 31, 2023 and 2022 is 6.92 years and 7.26 years, respectively.

The Company availed of a pension plan from PhilPlans First, Inc. (PhilPlans), a related party, through a Group Pension Plan Contract, whereby PhilPlans agrees and guarantees to pay the contracted pension benefits and such other benefits to the Company subject to the terms and conditions of the plan contract. PhilPlans enrolled the participants under a Group Life Insurance Policy issued by Philippine Life Financial Assurance Corporation. However, since PhilPlans is a related party, the insurance policies acquired therefrom shall not be considered as qualifying insurance policy nor shall be accounted for as a plan asset that can be deducted to determine the net defined benefit obligation. Instead, the Company recognizes its right to reimbursement under the insurance policies amounting to ₱5.73 million and ₱5.82 million as of December 31, 2023 and 2022, respectively, under 'Other assets' account.



20. Related Party Transactions

In the ordinary course of business, the Company transacts with its related parties. Parties are related if one party has the ability, directly or indirectly, to control the other parties or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. The transactions of the Company to its related parties are done in the normal conduct of operations and are recorded in the same manner as transactions are entered into with other parties.

The following table presents the balances of significant transactions with related parties as of December 31, 2023 and 2022:

Category	Outstanding Balance/Volume		Nature, Terms and Conditions
	2023	2022	
<u>Affiliates</u>			
Receivable from customers	₱703,846	₱593,287	Paid in cash on settlement date (Trade date + 3); unimpaired
Payable to customers	38,591	130,125	
<i>Buy transactions</i>	442,890,684	538,591,602	
<i>Sell transactions</i>	581,265,810	35,941,091	
Commission income	2,571,392	1,438,437	
Due from related parties	16,434,632	20,991,441	Due upon demand; non-interest bearing and are unsecured with impairment
Allowance for credit losses	(12,713,328)	(12,713,328)	
<u>Entities under common control</u>			
Other assets	5,733,892	5,818,946	Cash surrender value of the insurance policy (see Note 13)
Insurance expense	40,991	1,122	Payment of insurance premiums

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. An impairment assessment is undertaken each financial year through a review of financial position of the related party and the market in which the related party operates.

Remuneration of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company considers officer positions to constitute key management personnel for purposes of PAS 24.



Short-term employee benefits of key management personnel amounted to ₱1.49 million and ₱1.33 million in 2023 and 2022, respectively. Post-employment benefits and other long-term benefits granted to key management personnel amounted to ₱0.30 million and ₱0.19 million in 2023 and 2022, respectively.

21. Income Taxes

On March 26, 2021, Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was approved into law. CREATE provides that regular corporate income tax (RCIT) rate shall be reduced from 30% to 25% for domestic and foreign corporations effective July 1, 2020.

The regulations also provide for MCIT of 1.0% from July 1, 2020 to June 30, 2023, on modified gross income, before reverting back to 2.0% after June 30, 2023 and allows a NOLCO. Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

Provision for income tax consists of:

	2023	2022
Deferred	₱1,340,856	(₱194,165)
Current – MCIT	96,617	49,789
Final	8,118	7,938
	₱1,445,591	(₱136,438)

The Company did not recognize deferred tax assets on the following deductible temporary differences since management believes that these will not be realized in the foreseeable future:

	2023	2022
Allowance for credit losses	₱12,378,613	₱12,717,217
NOLCO	11,209,462	9,159,479
Retirement liability	3,352,070	2,760,364
Excess MCIT	146,406	131,126
Others	506,189	608,886
	₱27,592,740	₱25,377,072

As of December 31, 2023 and 2022, the deferred tax liability amounting to ₱1.34 million and ₱0.03 million, respectively, is related to unrealized trading and securities gains.

Tax regulations allow business or enterprise to carry over NOLCO for taxable years 2020 and 2021 as deduction from its taxable income for the next five consecutive taxable years immediately following the year of such loss subject to certain requirements, before reverting back to three consecutive taxable years. The excess of MCIT over the RCIT may be applied against the Company's income tax liability over a three-year period from the date of inception.



Details of the Company's NOLCO are as follows:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2023	₱2,049,983	₱-	₱2,049,983	2026
2022	3,978,647	-	3,978,647	2025
2020	5,180,832	-	5,180,832	2025
	₱11,209,462	₱-	₱11,209,462	

Details of the excess MCIT over RCIT are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2023	₱96,617	₱-	₱96,617	2026
2022	49,789	-	49,789	2025
2020	81,337	81,337	-	2023
	₱227,743	₱81,337	₱146,406	

The reconciliation between the statutory income tax and the effective income tax in 2023 and 2022 are as follows:

	2023	2022
Statutory income tax	₱664,908	(₱688,499)
Tax effect of:		
Movement in unrecognized deferred tax assets	553,917	(86,936)
Nondeductible expenses	284,109	675,584
Nontaxable income	(47,186)	(34,602)
Interest income subjected to final tax	(10,157)	(1,985)
Effective income tax	₱1,445,591	(₱136,438)

22. Offsetting of Financial Assets and Financial Liabilities

The amendments to PFRS 7 require the Company to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.

Financial assets

Financial assets recognized at end of reporting period by type	2023					
	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d-e]
				Financial instruments	Financial collateral	
	[a]	[b]	[c]	[d]	[e]	[f]
Receivable from customers	₱21,914,927	₱-	₱21,914,927	₱1,050,418	₱11,751,462	₱9,113,047
Receivable from clearing house	1,999,490	799,370	1,200,120	1,200,120	-	-



2022						
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d-e]
				Financial instruments	Financial collateral	
	[a]	[b]	[c]	[d]	[e]	[f]
Receivable from customers	₱22,591,486	₱-	₱22,591,486	₱77,756	₱15,237,857	₱7,275,874
Receivable from clearing house	2,763,680	450,220	2,313,460	1,909,060	-	404,400

Financial Liabilities

2023						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d-e]
				Financial instruments	Financial collateral	
	[a]	[b]	[c]	[d]	[e]	[f]
Payable to customers	₱24,768,260	₱-	₱24,768,260	₱1,050,418	₱-	₱23,717,842
Payable to clearing house	799,370	-	799,370	-	-	799,370

2022						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d-e]
				Financial instruments	Financial collateral	
	[a]	[b]	[c]	[d]	[e]	[f]
Payable to customers	₱23,291,542	₱-	₱23,291,542	₱77,756	₱-	₱23,213,786
Payable to clearing house	1,909,060	-	1,909,060	1,909,060	-	-

23. Commitments and Contingent Liabilities

In the normal course of the Company's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. The Company recognizes in its books any losses and liabilities incurred in the course of its operations as soon as these become determinable and quantifiable.

Management believes that, as of December 31, 2023 and 2022, no additional material losses or liabilities are required to be recognized in the accompanying financial statements as a result of the above commitments and transactions.

24. Approval of the Release of the Financial Statements

The accompanying comparative financial statements of the Company were authorized and approved for issue by the BOD on April 30, 2024.



25. Supplementary Information Required Under Revenue Regulations 15-2010

The Company reported and/or paid the following types of taxes in 2023:

Value-Added Tax (VAT)

The Company's sales or receipts are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.00%.

a. Net sales or receipts and output VAT

	Net Sales/ Receipts	Output VAT
VAT Sales	₱8,823,167	₱1,058,780
Less: Input VAT claimed	-	1,043,278
VAT remittances	-	15,502
	<u>₱8,823,167</u>	<u>₱-</u>

b. Details of the input VAT in 2023 are as follows:

Balance at January 1	₱728,833
Current year purchases/payments for:	
Capital goods	
Domestic purchases of services, goods and other adjustments	314,445
Input tax deferred on capital goods exceeding ₱1.00 million	-
Total	1,043,278
Less: Input tax exceeding ₱1.00 million deferred for the succeeding period	-
Balance available to be applied to Output VAT	1,043,278
Less: Input VAT claimed as deduction	1,043,278
Balance at December 31	<u>₱-</u>

Withholding Taxes

The Company incurred withholding taxes in 2023 as follows:

	Total remittance	Balance
Withholding taxes on compensation and benefits	₱327,520	₱32,500
Expanded withholding taxes	92,036	15,965
	<u>₱419,556</u>	<u>₱48,465</u>

Outstanding amounts of withholding taxes are included in 'Accounts payable and accrued expenses' account in the statement of financial condition.



Taxes and Licenses

Details of taxes and licenses account in 2023 are as follows:

Local government taxes and licenses	₱363,554
<u>SEC licenses and registration</u>	<u>35,316</u>
	<u>₱398,870</u>

Tax Assessment and Cases

The Company has no pending tax assessments and cases as of December 31, 2023.



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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Venture Securities, Inc.
8th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited the financial statements of Venture Securities, Inc. (the Company) as at December 31, 2023 and for the year then ended, on which we have rendered the attached report dated April 30, 2024.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Company has one (1) stockholder owning one hundred (100) or more shares.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

April 30, 2024




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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE

The Stockholders and the Board of Directors
Venture Securities, Inc.
8th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Venture Securities, Inc. as at and for the years ended December 31, 2023 and 2022 and have issued our report thereon dated April 30, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code 52.1, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

April 30, 2024



VENTURE SECURITIES, INC.
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2023

- Schedule I - Statement of changes in liabilities subordinated to claims of general creditors
- Schedule II - Computation of risk-based capital adequacy requirement pursuant to SEC Memorandum Circular No. 16
- Schedule III - Information relating to the possession or control requirements under SRC Rule 49.2 - Annex 49.2-A
- Schedule IV - Computation for determination of reserve requirements under SRC Rule 49.2 - Annex 49.2-B
- Schedule V - A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit
- Schedule VI - Results of monthly securities count conducted pursuant to SRC Rule 52.1.10 as of balance sheet date

SCHEDULE I

**VENTURE 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 as of December 31, 2023 and 2022.

SCHEDULE II

**VENTURE SECURITIES, INC.
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY WORKSHEET
PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16
DECEMBER 31, 2023**

Assets	136,417,694
Liabilities	34,562,561
Equity as per books	101,855,133
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in proprietary accounts	
Deferred Income Tax	
Revaluation Reserves	423,283
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	423,283
Equity Eligible For Net Liquid Capital	102,278,416
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	950,000
b. Intercompany Receivables	3,721,304
c. Fixed Assets, net of accumulated and excluding those used as collateral	46,883,864
d. All Other Current Assets	3,837,212
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	9,480
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	8,959,712
Total ineligible assets	64,361,573
Net Liquid Capital (NLC)	37,916,843
Less:	
Operational Risk Req't (Schedule ORR-1)	1,976,104
Position Risk Req't (Schedule PRR-1)	3,773,698
Counterparty Risk (Schedule CRR-1 and detailed schedules)	
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	5,749,801
Net RBCA Margin (NLC-TRCR)	32,167,043
Liabilities	34,562,561
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	1,369,343
Total adjustments to AI	(1,369,343)
Aggregate Indebtedness	33,193,218
5% of Aggregate Indebtedness	1,659,661
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess / (Deficiency)	32,916,843
Ratio of AI to Net Liquid Capital	88%
RBCA Ratio (NLC / TRCR)	659%

SCHEDULE III

**VENTURE SECURITIES, INC.
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER 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 to 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 to 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 49.2-1:

Market Valuation:	<u>NIL</u>
Number of items:	<u>NIL</u>

SCHEDULE IV

**VENTURE SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER SRC RULE 49.2
DECEMBER 31, 2023**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱24,539,349	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old.		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱10,476,835
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		
12. Failed to deliver customers' securities not older than 30 calendar days.		1,200,120
13. Others		
Total	₱24,539,349	₱11,676,955
Net Credit (Debit)	₱12,862,394	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱13,505,514	

SCHEDULE V

**VENTURE 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**

We will provide the Company a management letter, covering our comments and recommendations offered as constructive suggestions in support of management's continuing desire to improve internal controls and other financial and administrative practices and procedures.

SCHEDULE VI

**VENTURE SECURITIES, INC.
RESULTS OF MONTHLY SECURITIES COUNT CONDUCTED
PURSUANT TO SRC RULE 52.1-10, AS AMENDED,
AS OF THE DATE OF THE STATEMENT OF FINANCIAL CONDITION
IN THE ANNUAL AUDITED FINANCIAL REPORT
DECEMBER 31, 2023**

There is no discrepancy in the results of the securities count conducted. Refer to attached summary.

CODE	Status	PER PDTC	PER BOOKS	FINAL	TOTAL		IN VAULT		IN TRANSFER OFFICE		PCD		IN TRANSIT	
					No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
AAA	Suspended	1.6100	1.6100	1.6100	1,295,600	2,085,916.00	-	-	-	-	1,295,600	2,085,916	-	-
AB	Listed	5.3200	5.3200	5.3200	56,680	301,537.60	-	-	-	-	56,680	301,538	-	-
ABA	Listed	0.8500	0.8500	0.8500	24,000	20,400.00	-	-	-	-	24,000	20,400	-	-
ABG	Listed	3.0100	3.0100	3.0100	28,068	84,484.68	-	-	-	-	28,068	84,485	-	-
ABS	Listed	4.6200	4.6200	4.6200	89,954	415,587.48	-	-	-	-	89,954	415,587	-	-
ABSP	Listed	4.6000	4.6000	4.6000	14,000	64,400.00	-	-	-	-	14,000	64,400	-	-
AC	Listed	681.0000	681.0000	681.0000	4,094	2,788,014.00	-	-	-	-	4,094	2,788,014	-	-
ACEN	Listed	4.3800	4.3800	4.3800	2,367,098	10,367,889.24	20,000	87,600	-	-	2,527,098	11,068,689	(180,000)	(788,400)
ACR	Listed	0.5400	0.5400	0.5400	125,000	67,500.00	-	-	-	-	125,000	67,500	-	-
AEV	Listed	44.6000	44.6000	44.6000	109,652	4,890,479.20	-	-	-	-	109,652	4,890,479	-	-
AGI	Listed	11.2800	11.2800	11.2800	221,600	2,499,648.00	-	-	-	-	221,600	2,499,648	-	-
ALCO	Listed	0.4600	0.4150	0.4150	351,774	145,986.21	-	-	-	-	351,774	145,986	-	-
ALHI	Listed	4.0100	4.0100	4.0100	6,000	24,060.00	-	-	-	-	6,000	24,060	-	-
ALI	Listed	34.4500	34.4500	34.4500	546,831	18,838,327.95	-	-	-	-	546,831	18,734,978	3,000	103,350
ALLDY	Listed	0.1570	0.1570	0.1570	6,002,000	942,314.00	-	-	-	-	6,002,000	942,314	-	-
ALLHC	Listed	1.7700	1.7700	1.7700	70,600	124,962.00	-	-	-	-	70,600	124,962	-	-
ALTER	Listed	0.7700	0.7700	0.7700	641,000	493,570.00	-	-	-	-	641,000	493,570	-	-
ANI	Listed	0.7500	0.7500	0.7500	840	630.00	-	-	-	-	840	630	-	-
ANS	Listed	11.6600	11.6600	11.6600	226,223	2,637,760.18	-	-	-	-	226,223	2,637,760	-	-
AP	Listed	37.8000	37.8000	37.8000	2,856,100	107,960,580.00	-	-	-	-	2,856,100	107,960,580	-	-
APB2R	Listed	485.2000	485.2000	485.2000	52,000	25,230,400.00	-	-	-	-	52,000	25,230,400	-	-
APC	Listed	0.2350	0.2350	0.2350	3,422,000	804,170.00	-	-	-	-	3,422,000	804,170	-	-
APL	Listed	0.0130	0.0130	0.0130	1,162,708,511	15,115,210.64	-	-	-	-	1,162,708,511	15,115,211	-	-
APO	Listed	0.4500	0.4500	0.4500	61,093	27,491.85	-	-	-	-	61,093	27,492	-	-
APX	Listed	3.0000	3.0000	3.0000	64,295	192,885.00	-	-	-	-	64,295	192,885	-	-
APVI	Listed	9.2900	9.2900	9.2900	1,048	9,735.92	-	-	-	-	1,048	9,736	-	-
AR	Listed	0.0046	0.0046	0.0046	81,500,000	374,900.00	-	-	-	-	81,500,000	374,900	-	-
ARA	Listed	0.9800	0.9800	0.9800	44,254	43,368.92	-	-	-	-	44,254	43,369	-	-
AREIT	Listed	33.4000	33.4000	33.4000	142,400	4,756,160.00	-	-	-	-	142,400	4,756,160	-	-
ASLAG	Listed	1.2900	1.2900	1.2900	6,500	8,385.00	-	-	-	-	6,500	8,385	-	-
AT	Listed	3.5300	3.5300	3.5300	58,990	208,234.70	-	-	-	-	58,990	208,235	-	-
ATI	Listed	15.0000	15.0000	15.0000	90,864,748	1,362,971,220.00	-	-	-	-	90,864,748	1,362,971,220	-	-
ATN	Listed	0.3800	0.3800	0.3800	480,000	182,400.00	-	-	-	-	480,000	182,400	-	-
ATNB	Listed	0.3800	0.3800	0.3800	-	-	-	-	-	-	130,000	49,400	-	-
AUB	Listed	32.7000	32.7000	32.7000	54,510	1,782,477.00	-	-	-	-	54,510	1,782,477	-	-
AXLM	Listed	2.4000	2.4000	2.4000	184,000	441,600.00	-	-	-	-	184,000	441,600	-	-
BALAI	Listed	0.3900	0.3900	0.3900	365,000	142,350.00	-	-	-	-	365,000	142,350	-	-
BC	Listed	4.8700	4.8700	4.8700	1,219,300	5,937,991.00	-	-	-	-	1,199,300	5,840,591	-	-
BCB	Listed	4.9000	4.9000	4.9000	22,916	112,288.40	-	-	-	-	42,916	210,288	-	-
BCOR	Listed	7.5100	7.5100	7.5100	15,000	112,650.00	-	-	-	-	15,000	112,650	-	-
BDO	Listed	130.5000	130.5000	130.5000	77,586	10,124,973.00	-	-	-	-	77,586	10,124,973	-	-
BEL	Listed	1.1700	1.1700	1.1700	174,730	204,434.10	-	-	-	-	174,730	204,434	-	-
BF	DeListed	90.0000	-	-	469	-	-	-	-	-	469	-	-	-
BFC	DeListed	100.0000	-	-	16	-	-	-	-	-	16	-	-	-
BHI	Listed	0.0610	0.0610	0.0610	1,140,000	69,540.00	-	-	-	-	1,140,000	69,540	-	-
BKR	Listed	1.4000	1.4000	1.4000	500	700.00	-	-	-	-	500	700	-	-
BLOOM	Listed	9.8400	9.8400	9.8400	134,880	1,327,219.20	-	-	-	-	162,880	1,602,739	(28,000)	(275,520)
BNCOM	Listed	7.2700	7.2700	7.2700	85,400	620,858.00	-	-	-	-	85,400	620,858	-	-
BPI	Listed	103.8000	103.8000	103.8000	714,826	74,198,938.80	-	-	-	-	714,826	74,198,939	-	-
BRN	Listed	0.7300	0.6500	0.6500	846,369	550,139.85	-	-	-	-	846,369	550,140	-	-
BSC	Listed	0.2800	0.1770	0.1770	1,365,526	241,698.10	-	-	-	-	1,365,526	241,698	-	-
C	Listed	1.2000	1.5000	1.5000	1,931,400	2,897,100.00	-	-	-	-	1,931,400	2,897,100	-	-
CA	Listed	40.0000	39.0500	39.0500	4,780	186,659.00	-	-	-	-	4,780	186,659	-	-
CAB	Listed	67.4500	67.4500	67.4500	1,000	67,450.00	-	-	-	-	1,000	67,450	-	-
CAL	DeListed	2.0400	2.0400	2.0400	254,352	518,878.08	-	-	-	-	254,352	518,878	-	-
CAT	Listed	11.5000	11.5000	11.5000	14,900	171,350.00	-	-	-	-	14,900	171,350	-	-
CBC	DeListed	3.0000	-	-	8,800	-	-	-	-	-	8,800	-	-	-
CDC	Listed	0.6900	0.6900	0.6900	5,120	3,532.80	-	-	-	-	5,120	3,533	-	-
CEB	Listed	32.5000	32.5000	32.5000	19,510	634,075.00	-	-	-	-	19,510	634,075	-	-
CEBCP	Listed	32.4500	32.4500	32.4500	5,888	191,065.60	-	-	-	-	5,888	191,066	-	-

CODE	Status	PER PDTC	PER BOOKS	FINAL	TOTAL		IN VAULT		IN TRANSFER OFFICE		PCD		IN TRANSIT	
					No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
CEI	Listed	0.0670	0.0670	0.0670	1,650,000	110,550.00	-	-	-	-	1,650,000	110,550	-	-
CEU	Listed	8.5000	8.5000	8.5000	3,000	25,500.00	-	-	-	-	3,000	25,500	-	-
CHI	Listed	6.1200	6.1200	6.1200	111,837	684,442.44	-	-	-	-	111,837	684,442	-	-
CHIB	Listed	30.8500	30.8500	30.8500	1,787,237	55,136,261.45	-	-	-	-	1,787,237	55,136,261	-	-
CHP	Listed	0.9400	0.9400	0.9400	109,283	102,726.02	-	-	-	-	109,283	102,726	-	-
CLI	Listed	2.4700	2.4700	2.4700	2,344,622	5,791,216.34	-	-	-	-	2,344,622	5,791,216	-	-
CNPF	Listed	30.9500	30.9500	30.9500	54,100	1,674,395.00	-	-	-	-	54,100	1,674,395	-	-
CNVG	Listed	8.3800	8.3800	8.3800	17,200	144,136.00	-	-	-	-	17,200	144,136	-	-
COAL	Listed	0.1200	0.1110	0.1110	598,000	66,378.00	-	-	-	-	598,000	66,378	-	-
COSCO	Listed	4.6200	4.6200	4.6200	319,300	1,475,166.00	-	-	-	-	319,300	1,475,166	-	-
CPG	Listed	0.2800	0.2800	0.2800	4,690,087	1,313,224.36	-	-	-	-	4,690,087	1,313,224	-	-
CREIT	Listed	2.5600	2.5600	2.5600	2,355,000	6,028,800.00	-	-	-	-	2,355,000	6,028,800	-	-
CROWN	Listed	1.5600	1.5600	1.5600	40,000	62,400.00	-	-	-	-	40,000	62,400	-	-
CTS	Listed	0.7500	0.7500	0.7500	323,000	242,250.00	-	-	-	-	323,000	242,250	-	-
CYBR	Listed	0.3300	0.3300	0.3300	470,200	155,166.00	-	-	-	-	470,200	155,166	-	-
DD	Listed	7.6000	7.6000	7.6000	450,770	3,425,852.00	-	-	-	-	450,770	3,425,852	-	-
DDMPR	Listed	1.2100	1.2100	1.2100	2,706,000	3,274,260.00	-	-	-	-	2,706,000	3,274,260	-	-
DELM	Listed	6.4900	6.4900	6.4900	10,049	65,218.01	-	-	-	-	10,049	65,218	-	-
DFNN	Listed	3.0900	3.0900	3.0900	20,795,447	64,257,931.23	-	-	-	-	20,795,447	64,257,931	-	-
DHI	Suspended	3.1600	-	-	16,445	-	-	-	-	-	16,445	-	-	-
DITO	Listed	2.3500	2.3500	2.3500	533,599	1,253,957.65	-	-	-	-	533,599	1,253,958	-	-
DIZ	Listed	3.0000	2.2300	2.2300	20,204	45,054.92	-	-	-	-	20,204	45,055	-	-
DMC	Listed	9.7700	9.7700	9.7700	1,179,800	11,526,646.00	-	-	-	-	1,179,800	11,526,646	-	-
DMW	Listed	5.1600	5.1600	5.1600	5,000	25,800.00	-	-	-	-	5,000	25,800	-	-
DNA	Suspended	2.8600	2.8600	2.8600	256,340	733,132.40	-	-	-	-	256,340	733,132	-	-
DNL	Listed	6.3100	6.3100	6.3100	277,500	1,751,025.00	-	-	-	-	277,500	1,751,025	-	-
ECP	Listed	2.2600	2.2600	2.2600	412	931.12	-	-	-	-	412	931	-	-
ECVC	Listed	0.6000	0.6000	0.6000	99,024	59,414.40	-	-	-	-	99,024	59,414	-	-
EEI	Listed	5.9700	5.9700	5.9700	44,662	266,632.14	-	-	-	-	44,662	266,632	-	-
EG	Listed	0.0094	0.0094	0.0094	1,700,000	15,980.00	-	-	-	-	1,700,000	15,980	-	-
EIBA	Delisted	0.2600	-	-	55,866,502	-	-	-	-	-	55,866,502	-	-	-
ELI	Listed	0.1260	0.1260	0.1260	5,085,487	640,771.36	-	-	-	-	5,085,487	640,771	-	-
ENEX	Listed	4.9000	4.9000	4.9000	65,232	319,636.80	-	-	-	-	65,232	319,637	-	-
ETON	Delisted	-	-	-	30,000	-	30,000	-	-	-	-	-	-	-
EURO	Listed	0.7500	0.7100	0.7100	3,000	2,130.00	-	-	-	-	3,000	2,130	-	-
EVER	Listed	0.2900	0.2900	0.2900	113,000	32,770.00	-	-	-	-	113,000	32,770	-	-
EW	Listed	8.5200	8.5200	8.5200	44,450	378,714.00	-	-	-	-	44,450	378,714	-	-
FB	Listed	51.0000	51.0000	51.0000	10,750	548,250.00	-	-	-	-	10,750	548,250	-	-
FCG	Listed	0.6000	0.6000	0.6000	485,000	291,000.00	-	-	-	-	485,000	291,000	-	-
FDC	Listed	5.3500	5.3500	5.3500	445,184	2,381,734.40	-	-	-	-	445,184	2,381,734	-	-
FERRO	Listed	2.9000	2.9000	2.9000	21,000	60,900.00	-	-	-	-	21,000	60,900	-	-
FFI	Listed	4.2000	3.6000	3.6000	16,644	59,918.40	-	-	-	-	16,644	59,918	-	-
FJP	Listed	1.6500	1.6500	1.6500	825,100	1,361,415.00	-	-	-	-	825,100	1,361,415	-	-
FILRT	Listed	2.5800	2.5800	2.5800	2,294,800	5,920,584.00	-	-	-	-	2,294,800	5,920,584	-	-
FLI	Listed	0.5900	0.5900	0.5900	6,322,273	3,730,141.07	-	-	-	-	6,322,273	3,730,141	-	-
FMETF	Listed	102.7000	102.7000	102.7000	12,360	1,269,372.00	-	-	-	-	12,360	1,269,372	-	-
FMIC	Delisted	80.0000	80.0000	80.0000	90	7,200.00	-	-	-	-	90	7,200	-	-
FNI	Listed	2.0600	2.0600	2.0600	180,293	371,403.58	-	-	-	-	180,293	371,404	-	-
FOOD	Listed	0.4600	0.4600	0.4600	17,247	7,933.62	-	-	-	-	17,247	7,934	-	-
FPH	Listed	62.5000	62.5000	62.5000	41,151	2,571,937.50	-	-	-	-	41,151	2,571,938	-	-
FPI	Listed	0.2000	0.2000	0.2000	26,512,240	5,302,448.00	24,582,640	4,916,528	-	-	1,929,600	385,920	-	-
FRUIT	Listed	0.9600	0.9600	0.9600	885,000	849,600.00	-	-	-	-	885,000	849,600	-	-
GEO	Listed	0.0270	0.0270	0.0270	1,424,217	38,453.86	-	-	-	-	1,424,217	38,454	-	-
GERI	Listed	0.9500	0.9500	0.9500	292,575	277,946.25	-	-	-	-	292,575	277,946	-	-
GLO	Listed	1,720.0000	1,720.0000	1,720.0000	5,611	9,650,920.00	-	-	-	-	5,611	9,650,920	-	-
GMA7	Listed	8.4000	8.4000	8.4000	1,811,400	15,215,760.00	-	-	-	-	1,811,400	15,215,760	-	-
GMAP	Listed	8.3000	8.3000	8.3000	655,000	5,436,500.00	-	-	-	-	655,000	5,436,500	-	-
GO	Delisted	0.1400	-	-	22,039	-	-	-	-	-	22,039	-	-	-
GOB	Delisted	0.1700	-	-	76,759	-	-	-	-	-	76,759	-	-	-
GPH	Listed	6.8400	6.8400	6.8400	72	492.48	-	-	-	-	72	492	-	-

CODE	Status	PER PDTC	PER BOOKS	FINAL	TOTAL		IN VAULT		IN TRANSFER OFFICE		PCD		IN TRANSIT	
					No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
GREEN	Listed	0.2290	0.2290	0.2290	81,685	18,705.87	-	-	-	-	81,685	18,706	-	-
GSMI	Listed	168.7000	168.7000	168.7000	16,000	2,699,200.00	-	-	-	-	16,000	2,699,200	-	-
GTCAP	Listed	590.0000	590.0000	590.0000	3,729	2,200,110.00	-	-	-	-	3,729	2,200,110	-	-
GTPPB	Listed	940.5000	940.5000	940.5000	3,000	2,821,500.00	-	-	-	-	3,000	2,821,500	-	-
HI	Listed	3.2700	3.2400	3.2400	900	2,916.00	-	-	-	-	900	2,916	-	-
HOME	Listed	1.1200	1.1200	1.1200	350,000	392,000.00	-	-	-	-	350,000	392,000	-	-
HTI	Listed	0.9500	0.9500	0.9500	852,000	809,400.00	-	-	-	-	852,000	809,400	-	-
ICT	Listed	246.8000	246.8000	246.8000	16,674	4,115,143.20	-	-	-	-	16,674	4,115,143	-	-
IDC	Listed	0.6900	0.6900	0.6900	13,395	9,242.55	-	-	-	-	13,395	9,243	-	-
IMI	Listed	3.1600	3.1600	3.1600	30,328	95,836.48	-	-	-	-	30,328	95,836	-	-
IMP	Listed	0.5500	0.5200	0.5200	37,200	19,344.00	-	-	-	-	37,200	19,344	-	-
INFRA	Listed	0.5500	0.5500	0.5500	832,767	458,021.85	-	-	-	-	832,767	458,022	-	-
ION	Listed	1.0100	1.0100	1.0100	34,300	34,643.00	-	-	-	-	34,300	34,643	-	-
IPM	Listed	3.3800	3.3800	3.3800	61,000	206,180.00	-	-	-	-	61,000	206,180	-	-
IPO	Listed	7.3500	7.3500	7.3500	60,137	442,006.95	-	-	-	-	60,137	442,007	-	-
IS	Listed	0.1440	0.1440	0.1440	4,418,000	636,192.00	-	-	-	-	4,418,000	636,192	-	-
JAS	Listed	1.0400	0.8100	0.8100	2,000	1,620.00	-	-	-	-	2,000	1,620	-	-
JFC	Listed	251.4000	251.4000	251.4000	864,773	217,403,932.20	-	-	-	-	868,473	218,334,112	(3,700)	(930,180)
JFCPA	Listed	950.5000	950.5000	950.5000	310	294,655.00	-	-	-	-	310	294,655	-	-
JFCPB	Listed	942.0000	942.0000	942.0000	70	65,940.00	-	-	-	-	70	65,940	-	-
JGS	Listed	38.1500	38.1500	38.1500	76,350	2,912,752.50	-	-	-	-	76,350	2,912,753	-	-
KEEPR	Listed	1.4800	1.4800	1.4800	3,522,983	5,214,014.84	-	-	-	-	3,522,983	5,214,015	-	-
KEP	Listed	6.9000	4.9100	4.9100	17,092	83,921.72	-	-	-	-	17,092	83,922	-	-
KPH	Listed	5.0000	5.0000	5.0000	1,698	8,490.00	-	-	-	-	1,698	8,490	-	-
KPHB	Listed	7.2000	5.5100	5.5100	160	881.60	-	-	-	-	160	882	-	-
KPPI	Listed	1.5300	1.5300	1.5300	300	459.00	-	-	-	-	300	459	-	-
LBC	Listed	18.2400	18.2400	18.2400	3,900	71,136.00	-	-	-	-	3,900	71,136	-	-
LC	Listed	0.0800	0.0800	0.0800	10,081,321	806,505.68	-	-	-	-	10,081,321	806,506	-	-
LCB	Listed	0.0780	0.0780	0.0780	3,744,249	292,051.42	-	-	-	-	3,744,249	292,051	-	-
LMG	Listed	3.3400	3.3400	3.3400	627,000	2,094,180.00	-	-	-	-	627,000	2,094,180	-	-
LODE	Listed	0.4650	0.4650	0.4650	20,000	9,300.00	-	-	-	-	20,000	9,300	-	-
LOTO	Listed	4.9500	4.9500	4.9500	589,250	2,916,787.50	-	-	-	-	589,250	2,916,788	-	-
LPC	Listed	0.0600	0.0600	0.0600	41,400	2,484.00	-	-	-	-	41,400	2,484	-	-
LSC	Listed	0.5500	0.5500	0.5500	8,500	4,675.00	-	-	-	-	8,500	4,675	-	-
LTG	Listed	8.9800	8.9800	8.9800	247,030	2,218,329.40	-	-	-	-	247,030	2,218,329	-	-
MA	Listed	0.0046	0.0046	0.0046	1,101,735.397	5,067,982.83	-	-	-	-	1,101,735.397	5,067,983	-	-
MAB	Listed	0.0043	0.0043	0.0043	170,324,962	732,397.34	-	-	-	-	170,324,962	732,397	-	-
MAC	Listed	4.1500	4.1500	4.1500	23,220	96,363.00	-	-	-	-	23,220	96,363	-	-
MACAY	Listed	6.3500	5.7000	5.7000	17,880	101,916.00	-	-	-	-	17,880	101,916	-	-
MAH	Listed	0.4550	0.4550	0.4550	25,294	11,508.77	-	-	-	-	25,294	11,509	-	-
MAHB	Listed	0.5000	0.5100	0.5100	10,100	5,151.00	-	-	-	-	10,100	5,151	-	-
MARC	Listed	1.0800	1.0800	1.0800	76,950	83,106.00	-	-	-	-	76,950	83,106	-	-
MAXS	Listed	3.2700	3.2700	3.2700	38,500	125,895.00	-	-	-	-	38,500	125,895	-	-
MB	Listed	0.2310	0.2310	0.2310	1,060,266	244,921.45	-	-	-	-	1,060,266	244,921	-	-
MBT	Listed	51.3000	51.3000	51.3000	141,542	7,261,104.60	-	-	-	-	141,542	7,261,105	-	-
MED	Listed	0.0900	0.0860	0.0860	1,810,000	155,660.00	-	-	-	-	1,810,000	155,660	-	-
MEDIC	Listed	0.3300	0.3300	0.3300	1,096,000	361,680.00	-	-	-	-	1,096,000	361,680	-	-
MEG	Listed	1.9700	1.9700	1.9700	2,870,216	5,654,325.52	-	-	-	-	2,870,216	5,654,326	-	-
MER	Listed	399.0000	399.0000	399.0000	422,816	168,703,584.00	-	-	-	-	422,816	168,703,584	-	-
MFC	Listed	1,130.0000	1,130.0000	1,130.0000	218	246,340.00	-	-	-	-	218	246,340	-	-
MG	Listed	0.1010	0.1010	0.1010	228,000	23,028.00	-	-	-	-	228,000	23,028	-	-
MGH	Suspended	1.0000	-	-	215,000	-	2,000	-	-	-	213,000	-	-	-
MHC	Listed	0.1120	0.1120	0.1120	21,213	2,375.86	-	-	-	-	21,213	2,376	-	-
MJC	Listed	1.2700	1.2700	1.2700	1,275	1,619.25	-	-	-	-	1,275	1,619	-	-
MJIC	Listed	1.0000	1.0000	1.0000	6,600	6,600.00	-	-	-	-	6,600	6,600	-	-
MM	Listed	1.0300	1.0300	1.0300	536,500	552,595.00	-	-	-	-	536,500	552,595	-	-
MON	De-listed	0.1000	-	-	198,280	-	-	-	-	-	198,280	-	-	-
MONDE	Listed	8.3800	8.3800	8.3800	26,200	219,556.00	-	-	-	-	26,200	219,556	-	-
MPI	Listed	5.1800	5.1800	5.1800	29,064	150,551.52	-	-	-	-	29,064	150,552	-	-
MRC	Listed	1.3000	1.3000	1.3000	63,600	82,680.00	-	-	-	-	63,600	82,680	-	-

CODE	Status	PER PDTC	PER BOOKS	FINAL	TOTAL		IN VAULT		IN TRANSFER OFFICE		PCD		IN TRANSIT	
					No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
MREIT	Listed	12.3000	12.3000	12.3000	782,300	9,622,290.00	-	-	-	-	782,300	9,622,290	-	-
MRSGL	Listed	1.2700	1.2700	1.2700	43,000	54,610.00	-	-	-	-	45,000	57,150	(2,000)	(2,540)
MVC	Listed	5.8600	5.8600	5.8600	44,480	260,652.80	-	-	-	-	44,480	260,653	-	-
MWC	Listed	18.6000	18.6000	18.6000	365,400	6,796,440.00	-	-	-	-	365,400	6,796,440	-	-
MWIDE	Listed	3.0800	3.0800	3.0800	106,251	327,253.08	-	-	-	-	106,251	327,253	-	-
NI	Listed	0.5500	0.5500	0.5500	415,040	228,272.00	-	-	-	-	415,040	228,272	-	-
NIKL	Listed	5.4800	5.4800	5.4800	1,167,353	6,397,094.44	-	-	-	-	1,167,353	6,397,094	-	-
NN	De-listed	0.3700	-	-	60	-	-	-	-	-	60	-	-	-
NOW	Listed	1.1500	1.1500	1.1500	176,444,811	202,911,532.65	-	-	-	-	176,443,811	202,910,383	1,000	1,150
NRCP	Listed	0.3850	0.3600	0.3600	516,000	185,760.00	-	-	-	-	516,000	185,760	-	-
NXGEN	Suspended	7.0000	-	-	131,750	-	-	-	-	-	131,750	-	-	-
OM	Listed	0.2750	0.2750	0.2750	334,954	92,112.35	-	-	-	-	334,954	92,112	-	-
OPM	Listed	0.0080	0.0080	0.0080	13,838,167	110,705.34	-	-	-	-	13,838,167	110,705	-	-
OPMB	Listed	0.0082	0.0081	0.0081	193,333,481	1,566,001.20	3,000,000	24,300	-	-	190,333,481	1,541,701	-	-
ORE	Listed	0.6300	0.6300	0.6300	4,243,100	2,673,153.00	-	-	-	-	4,243,100	2,673,153	-	-
OV	Listed	0.0081	0.0081	0.0081	91,658,690	742,435.39	-	-	-	-	91,658,690	742,435	-	-
PA	Listed	1.3800	1.3800	1.3800	19,200	26,496.00	-	-	-	-	19,200	26,496	-	-
PAL	Listed	5.0700	5.0700	5.0700	6,382	32,356.74	-	-	-	-	6,382	32,357	-	-
PAX	Listed	1.1500	1.0300	1.0300	213,000	219,390.00	-	-	-	-	213,000	219,390	-	-
PBB	Listed	8.7000	8.7000	8.7000	28,724	249,898.80	-	-	-	-	28,724	249,899	-	-
PCOR	Listed	3.5500	3.5500	3.5500	1,035,350	3,675,492.50	-	-	-	-	1,035,350	3,675,493	-	-
PCP	Suspended	0.2050	-	-	552,000	-	-	-	-	-	552,000	-	-	-
PERC	Listed	4.9500	4.9500	4.9500	144,883	717,170.85	-	-	-	-	144,883	717,171	-	-
PGOLD	Listed	26.9000	26.9000	26.9000	7,000	188,300.00	-	-	-	-	7,000	188,300	-	-
PHA	Listed	0.1620	0.1620	0.1620	771,000	124,902.00	-	-	-	-	771,000	124,902	-	-
PHC	Suspended	1.4000	-	-	42,000	-	-	-	-	-	42,000	-	-	-
PHES	Listed	0.3200	0.3150	0.3150	1,200,000	378,000.00	-	-	-	-	1,200,000	378,000	-	-
PHN	Listed	20.4000	20.4000	20.4000	1,193	24,337.20	-	-	-	-	1,193	24,337	-	-
PHR	Listed	0.8700	0.8700	0.8700	35,000	30,450.00	-	-	-	-	35,000	30,450	-	-
PIZZA	Listed	9.8000	9.8000	9.8000	22,300	218,540.00	-	-	-	-	22,300	218,540	-	-
PLC	Listed	0.6300	0.6300	0.6300	26,964,000	16,987,320.00	20,000	12,600	-	-	26,944,000	16,974,720	-	-
PLUS LISTED		8.0000	8.0000	8.0000	408,915,459	3,271,323,672.00	15	120	-	-	408,830,444	3,270,643,352	85,000	680,000
PMPD	Listed	5.8000	5.8000	5.8000	300	1,740.00	-	-	-	-	300	1,740	-	-
PMT	Suspended	0.3700	-	-	20,000	-	-	-	-	-	20,000	-	-	-
PNB	Listed	18.5000	18.5000	18.5000	112,661	2,084,228.50	-	-	-	-	112,661	2,084,229	-	-
PNC	Suspended	4.9000	-	-	8,724	-	-	-	-	-	8,724	-	-	-
PNX	Listed	4.9000	4.9000	4.9000	1,085	5,316.50	-	-	-	-	1,085	5,317	-	-
PORT	Suspended	7.3000	7.3000	7.3000	2,490	18,177.00	-	-	-	-	2,490	18,177	-	-
PPC	Listed	5.3100	5.3100	5.3100	17,600	93,456.00	-	-	-	-	17,600	93,456	-	-
PP1	De-listed	1.0000	-	-	19,002	-	-	-	-	-	19,002	-	-	-
PRC	Listed	6.4000	6.4000	6.4000	88,985,640	569,508,096.00	-	-	-	-	88,985,640	569,508,096	-	-
PREIT	Listed	1.5400	1.5400	1.5400	120,000	184,800.00	-	-	-	-	120,000	184,800	-	-
PRF4C	Listed	973.0000	973.0000	973.0000	2,230	2,169,790.00	-	-	-	-	2,230	2,169,790	-	-
PRIM	Listed	2.8700	2.8700	2.8700	55,944	160,559.28	-	-	-	-	55,944	160,559	-	-
PRMX	Listed	2.5900	2.4500	2.4500	3,032,100	7,428,645.00	-	-	-	-	3,032,100	7,428,645	-	-
PSB	Listed	53.0000	53.0000	53.0000	13,301	704,953.00	-	-	-	-	13,301	704,953	-	-
PSE	Listed	170.0000	170.0000	170.0000	1,335,611	227,053,870.00	-	-	-	-	1,335,611	227,053,870	-	-
PTT	Suspended	0.3300	-	-	1,558,657	-	338,332	-	-	-	1,220,325	-	-	-
PX	Listed	3.2100	3.2100	3.2100	566,195	1,817,486.75	-	-	-	-	566,195	1,817,487	-	-
PXP	Listed	3.9500	3.9500	3.9500	109,303	431,746.85	-	-	-	-	109,303	431,747	-	-
RCB	Listed	23.0000	23.0000	23.0000	29,538	679,374.00	-	-	-	-	29,538	679,374	-	-
RCI	Listed	0.4800	0.4800	0.4800	1,002	480.96	-	-	-	-	1,002	481	-	-
RCR	Listed	4.8900	4.8900	4.8900	5,060,200	24,744,378.00	-	-	-	-	5,060,200	24,744,378	-	-
REDC	Listed	7.0000	7.0000	7.0000	40,000	280,000.00	-	-	-	-	40,000	280,000	-	-
REG	Listed	3.0000	3.0000	3.0000	20,468	61,404.00	-	-	-	-	20,468	61,404	-	-
RFM	Listed	3.0000	3.0000	3.0000	347,142	1,041,426.00	-	-	-	-	347,142	1,041,426	-	-
RLC	Listed	15.9400	15.9400	15.9400	18,915	301,505.10	-	-	-	-	18,915	301,505	-	-
RLT	Listed	0.1380	0.1320	0.1320	136,778	18,054.70	13,252	1,749	-	-	123,526	16,305	-	-
ROCK	Listed	1.4100	1.4100	1.4100	1,545,972	2,179,820.52	-	-	-	-	1,545,972	2,179,821	-	-
ROX	Listed	0.7700	0.7700	0.7700	12,680	9,763.60	-	-	-	-	12,680	9,764	-	-

CODE	Status	PER PDTC	PER BOOKS	FINAL	TOTAL		IN VAULT		IN TRANSFER OFFICE		PCD		IN TRANSIT	
					No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
RPC	Delisted	0.1500	-	-	330,621	-	-	-	-	-	350,047	-	(19,426)	-
RRHI	Listed	39.6500	39.6500	39.6500	150	5,947.50	-	-	-	-	150	5,948	-	-
SBS	Listed	4.8500	4.8500	4.8500	37,612	182,418.20	-	-	-	-	37,612	182,418	-	-
SCC	Listed	30.2500	30.2500	30.2500	422,060	12,767,315.00	-	-	-	-	422,060	12,767,315	-	-
SECB	Listed	71.5000	71.5000	71.5000	21,036	1,504,074.00	-	-	-	-	21,036	1,504,074	-	-
SFI	Listed	0.0540	0.0540	0.0540	170,098	9,185.29	-	-	-	-	170,098	9,185	-	-
SFIP	Listed	1.2800	1.2800	1.2800	15,334	19,627.52	-	-	-	-	15,334	19,628	-	-
SGI	Listed	0.9400	0.8900	0.8900	1,163,600	1,035,604.00	-	-	-	-	1,163,600	1,035,604	-	-
SGP	Listed	6.5500	6.5500	6.5500	736,300	4,822,765.00	-	-	-	-	736,300	4,822,765	-	-
SHLPH	10.9400	10.9400	10.9400	10.9400	89,700	11,566,421.00	-	-	-	-	89,700	981,318	-	-
SHNG	Listed	3.6700	3.6700	3.6700	224,103	822,458.01	-	-	-	-	224,103	822,458	-	-
SLF	Listed	2,720.0000	2,720.0000	2,720.0000	523	1,422,560.00	-	-	-	-	523	1,422,560	-	-
SLI	Listed	3.4000	3.4000	3.4000	23,200	78,880.00	-	-	-	-	23,200	78,880	-	-
SM	Listed	872.0000	872.0000	872.0000	2,223	1,938,456.00	-	-	-	-	2,223	1,938,456	-	-
SMC	Listed	102.1000	102.1000	102.1000	174,010	17,766,421.00	57	5,820	-	-	173,953	17,760,601	-	-
SMC2J	Listed	67.9500	67.9500	67.9500	72,000	4,892,400.00	-	-	-	-	72,000	4,892,400	-	-
SMC2O	Listed	78.0000	78.0000	78.0000	7,000	546,000.00	-	-	-	-	7,000	546,000	-	-
SMP	Delisted	700.0000	-	-	10	-	-	-	-	-	10	-	-	-
SMPH	Listed	32.9000	32.9000	32.9000	763,275	25,111,747.50	-	-	-	-	763,275	25,111,748	-	-
SOC	Listed	0.3600	0.3600	0.3600	1,392,000	501,120.00	170,000	61,200	-	-	1,222,000	439,920	-	-
SPC	Listed	7.0000	7.0000	7.0000	2,395,500	16,768,500.00	-	-	-	-	2,395,500	16,768,500	-	-
SPM	Listed	1.4100	1.4100	1.4100	242,957	342,569.37	-	-	-	-	242,957	342,569	-	-
SPNEC	Listed	1.3200	1.3200	1.3200	390,624	515,623.68	-	-	-	-	390,624	515,624	-	-
SSI	Listed	2.2700	2.2700	2.2700	163,000	370,010.00	-	-	-	-	163,000	370,010	-	-
SSP	Listed	2.2100	2.2100	2.2100	254,000	561,340.00	-	-	-	-	254,000	561,340	-	-
STI	Listed	0.4850	0.4850	0.4850	1,823,183,286	884,243,893.71	-	-	-	-	1,823,183,286	884,243,894	-	-
STN	Suspended	0.2600	-	-	163,582	-	-	-	-	-	163,582	-	-	-
STR	Listed	2.4100	2.4100	2.4100	119,250	287,392.50	-	-	-	-	119,250	287,393	-	-
SUN	Listed	0.8500	0.8500	0.8500	672,200	571,370.00	-	-	-	-	672,200	571,370	-	-
SWM	Delisted	0.2000	-	-	3,800	-	-	-	-	-	3,800	-	-	-
T	Listed	0.4150	0.4150	0.4150	689,000	285,935.00	-	-	-	-	689,000	285,935	-	-
TBGI	Listed	0.1360	0.1360	0.1360	5,000	680.00	-	-	-	-	5,000	680	-	-
TECH	Listed	1.5900	1.5900	1.5900	41,667	66,250.53	-	-	-	-	41,667	66,251	-	-
TEL	Listed	1,279.0000	1,279.0000	1,279.0000	15,972	20,428,188.00	-	-	-	-	15,972	20,428,188	-	-
TELA	Delisted	-	-	-	100	-	100	-	-	-	-	-	-	-
TELT	Delisted	-	-	-	180	-	180	-	-	-	-	-	-	-
TFHI	Listed	101.9000	101.9000	101.9000	15,094	1,538,078.60	-	-	-	-	15,094	1,538,079	-	-
TUGS	Listed	0.7600	0.7600	0.7600	15,000	11,400.00	-	-	-	-	15,000	11,400	-	-
UBP	Listed	50.3500	50.3500	50.3500	25,123	1,264,943.05	-	-	-	-	25,123	1,264,943	-	-
UNI	Suspended	0.2460	0.2460	0.2460	2,621,250	644,827.50	30,000	7,380	-	-	2,591,250	637,448	-	-
UP	Delisted	0.0380	-	-	2,355,000	-	-	-	-	-	2,355,000	-	-	-
UPM	Listed	0.0040	0.0040	0.0040	21,595,300	86,381.20	-	-	-	-	21,595,300	86,381	-	-
UPSON	Listed	1.6400	1.6400	1.6400	1,000	1,640.00	-	-	-	-	1,000	1,640	-	-
URC	Listed	118.2000	118.2000	118.2000	5,585	660,147.00	-	-	-	-	5,585	660,147	-	-
UW	Delisted	0.1350	-	-	345,500	-	1,000	-	-	-	344,500	-	1,000	-
V	Listed	0.7700	0.7700	0.7700	91,750	70,647.50	-	-	-	-	91,750	70,648	-	-
VITA	Listed	0.5200	0.5200	0.5200	212,410	110,453.20	-	-	-	-	212,410	110,453	-	-
VLL	Listed	1.6800	1.6800	1.6800	80,845	135,819.60	-	-	-	-	80,845	135,820	-	-
VMC	Listed	3.3000	3.0100	3.0100	117,564	353,867.64	-	-	-	-	117,564	353,868	-	-
VREIT	Listed	1.6500	1.6700	1.6700	605,000	1,010,350.00	-	-	-	-	605,000	1,010,350	-	-
VVT	Listed	14.2200	14.3000	14.3000	20,226	289,231.80	-	-	-	-	20,226	289,232	-	-
WEB	Listed	1.7300	1.7300	1.7300	55,840	96,603.20	-	-	-	-	55,840	96,603	-	-
WHI	Delisted	1.0000	-	-	2,421	-	-	-	-	-	2,421	-	-	-
WHIB	Delisted	3.0000	-	-	1,017	-	-	-	-	-	1,017	-	-	-
WIN	Listed	0.2300	0.2300	0.2300	102,000	23,460.00	-	-	-	-	102,000	23,460	-	-
WLCON	Listed	20.9000	20.9000	20.9000	36,100	754,490.00	-	-	-	-	36,100	754,490	-	-
WPI	Listed	0.3750	0.3750	0.3750	216,900	81,337.50	-	-	-	-	216,900	81,338	-	-
X	Listed	0.1910	0.1910	0.1910	110,100	21,029.10	-	-	-	-	110,100	21,029	-	-
ZHI	Listed	0.0710	0.0710	0.0710	130,000	9,230.00	-	-	-	-	130,000	9,230	-	-
					5,706,562,783	7,694,070,150.98	28,207,576	5,117,297	-	-	5,678,499,333	7,690,165,594	(144,126)	(1,212,140)

Note: The attached summary is prepared by the Company.

VENTURE SECURITIES, INC.
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS IN TWO COMPARATIVE
PERIODS UNDER SRC RULE 68, AS AMENDED
AS OF DECEMBER 31, 2023 and 2022

Ratio	Formula (peso amounts in millions)	2023	2022
Profitability ratios:			
Return on asset ratio	Net income/Average total assets	0.89%	-1.90%
	Net income	1.2	
	Divided by: Average total assets		
	2023	136.42	
	2022	133.76	135.09
	Return on asset	0.89%	
Return on equity ratio	Net income/Average total equity	1.20%	-2.56%
	Net loss	1.22	
	Divided by: Average total equity		
	2023	101.86	
	2022	100.79	101.33
	Return on asset	1.20%	
Net profit margin	Net income/Net revenue		
	Net loss	1.22	15,82%
	Divided by: Net revenue	7.71	-61.50%
	Net profit margin	15.82%	
Solvency and liquidity ratios:			
Current ratio	Current assets/Current liabilities	284.48%	267.37%
	Current assets	82.70	
	Divided by: Current liabilities	29.07	
	Current ratio	284.48%	
Debt-to-equity ratio	Total liabilities/Total equity	33.93%	32.70%
	Total liabilities	34.56	
	Divided by: Total equity	101.86	
	Debt-to-equity ratio	33.93%	
Quick ratio	Liquid assets/Current liabilities	247.95%	257.99%
	Cash	49.75	
	Receivables	11.54	
	Financial assets at FVTPL	10.79	
	Liquid assets	72.08	
	Divided by: Current liabilities	29.07	
	Quick ratio	247.95%	
Asset-to-equity ratio	Total assets/Total equity	133.92%	132.71%
	Total assets	136.42	
	Divided by: Total equity	101.86	
	Asset-to-equity ratio	133.93%	