

COVER SHEET

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S.E.C. Registration Number

MAKATI FINANCE CORPORATION

(Company's Full Name)

2^{N D} Floor, Makati Finance Center 7823 Makati Ave., Makati City

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

CYNTHIA M. GACAYAN

Contact Person

890-0221

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

2007

SEC Form 17-A

FORM TYPE

0 6

Month

Day

h

Annual Meeting

Secondary License Type, If Applicable

CRM D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU

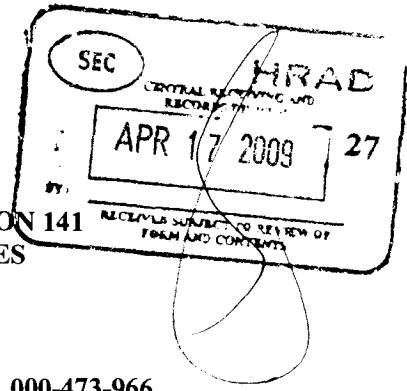
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SEC FORM 17-A

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



- 1. For the fiscal year endedDecember 31, 2008.....
- 2. SEC Identification Number28788..... 3. BIR Tax Identification No. 000-473-966
- 4. Exact name of issuer as specified in its charterMAKATI FINANCE CORPORATION...
- 5.Makati, Philippines.....
Province, Country or other jurisdiction of incorporation or organization
- 6. (SEC Use Only)
Industry Classification Code:
- 7. 7823 Makati Avenue, Makati City..... 1210.....
Address of principal office Postal Code
- 8.(0632).....896-02-21.....
Issuer's telephone number, including area code
- 9.N.A.....
Former name, former address, and former fiscal year, if changed since last report.
- 10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
common stock	191,042,689

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

Yes [/] No []

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

Philippine Stock Exchange common stock

- 12. Check whether the issuer:

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

Yes [/] No []

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

Yes [/] No []

- 13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the

common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [/] No []

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Makati Finance Corporation (“MFC” or “The Company”) is a company providing quality financial services and advisory to its clients. The Company has been in the financial services sector since 1966, navigated its way out of the Asian Financial Crisis in 1997-1999, and was listed in the PSE following a successful initial public offering (IPO) in 2003. Since listing, MFC has posted net profits and has consistently declared 30% of its net income as dividends every year which is the Company’s dividend policy established in 2003. Moving forward, the Company plans to significantly expand its loan portfolio in the next years.

The Company’s main product lines are Rx Cashline – loans especially tailored to medical professionals, MFC Factors – a receivables factoring service for SMEs, and MC Financing, and MC Financing – loans for motorcycle buyers. These are offered domestically, hence there are no foreign sales. Also, no government approval is needed for these products. The management continues to implement cost-cutting measures and impose higher standards of credit evaluation.

Corporate Mission Statement

The Company believes in reaching its goals by focusing on its mission as follows:

“...to become one of the leading financial institutions in the country. Its objective is to become the best rather than the biggest. The Company pursues this objective through the following:

- *Efficiency in all aspects of operations*
- *Client satisfaction at all levels of service*
- *In-depth market penetration*
- *Creativity in the provision of competent solutions*

In the long run, Makati Finance sees itself as being the finance company known for excellence in financial service in its niche market.”

MFC recognizes its role not only as a source of funding for consumers and businesses but as a partner to its clients in the improvement of their livelihood.

History and Background

On February 17, 1966 the Company was incorporated as Makati Investment & Finance Corporation (MIFC) under SEC registration number 28788. MFC's commercial operations started with engaging in stock dealership functions, credit line extensions, and acceptance of private placements.

The Philippine economy was in an upswing during the 1990s. Consequently, the Company focused on the growth and expansion of its operations and lending activities. Under the new management, the Company focused on the growth of its loan portfolio to take advantage of the improving Philippine economy. It was during this time when MFC introduced new products and services as well as established additional credit lines with major commercial banks.

In 2005, MFC ventured into motorcycle financing. Seeing that motorcycle financing is a growth area and a profitable market niche, MFC has put considerable effort in developing its MC Financing business line. As part of its efforts to grow this product, the Company has partnered with two motorcycle dealers located in Alabang and Bacoor and through MFC's business relationship with the two dealers, MFC secured a contract which gives the Company a rights of first refusal over the financing of motorcycle sales for the aforementioned locations. All motorcycle financing applications will first be processed by MFC unless they are rejected by the Company. Rejected applications on the other hand are sent to other finance companies. At the end of 2005, MC Financing accounted for 10.9% of the loan portfolio.

In 2006, the Company expanded its motorcycle financing business. MC Financing loans doubled to ₱ 39.8 million in 2006 from 2005, representing 18.3% of the loan portfolio. In order to grow their MC Financing loan portfolio without investing heavily on capital expenditures, MFC leveraged on the existing plethora of motorcycle outlets¹ and after market parts repair shops to increase the Company's sales point networks.

In 2007, MFC focused on having a balanced loan portfolio in order to diversify its revenue sources. The Company further grew its MC Financing portfolio by **56.8%** in 2007. At the end of the year it contributed **26.5%** of MFC's entire interest income.

The year 2008 was focused on setting the baseline for its Growth. We called this our "Clean Up Year".

Early 2008, MFC encountered unusually higher repossessions of motorcycles they were financing. A review of procedures and process resulted to a subsequent revamp and restructure in the organization, most specially in the MC Financing product line. A re-tooling of manpower resources was also done. Accounts generated and existing in 2007 were reviewed to confirm good quality accounts remain and better control measures put in place to ensure of no repeats in control lapses.

The review likewise steered the direction for the Company to evaluate and implement an automated infra structure specific to its financing activity to ensure better control and monitor of all the accounts it handles. New infrastructure triggered renovation on office premises and other leasehold improvements.

Operating Departments and Units

The Company has three (3) main operating units that represent each main business line. The following is a brief description of each:

Rx Cashline Group

The Rx Cashline group is mainly responsible for the Rx Cashline product. This group is tasked with: (i) sales and promotion of the Rx Cashline product to medical professionals, (ii) assist in credit application, investigation, evaluation, and recommendation, (iii) collection as well as (iv) research and development.

The Rx Cashline group also has a network of accredited referral agents that bring in qualified loan clients.

MFC Factors Group

The MFC Factors Group is responsible for running the receivables factoring business of the Company. Among its basic tasks are: (i) sales and promotion, (ii) credit application, investigation, evaluation, recommendation, and (iii) collection. The account officers are responsible for the research of businesses that seek to factor their receivables for extra liquidity. Factoring leads come from accredited referral agents as well as current clients.

MC Financing Group

The MC Financing Group is tasked with: (i) sales and promotion, (ii) credit application, investigation, evaluation, recommendation, and (iii) collection for the motorcycle financing business of the Company.

Business Operations

The Company's business operations involve: (a) sales and marketing; (b) evaluation and approval of loan applications; and (c) collection of loan accounts. The following discussion presents the various components of the Company's business operations.

Sales and Marketing

The Company's sales and marketing effort is led by the Account Officers/Credit Sales Representatives of each operating department. The AOs/CSRs are responsible for generating new loan accounts as well as monitoring the existing ones. Moreover, each account officer is tasked with generating and monitoring their accounts in their respective service areas.

In addition to the AOs/CSRs of each operating department, the Company also has a large network of accredited agents that refer loan applicants to the Company. The Company's network of referral agents includes both individuals and accredited institutions, such as medical organizations and distributors of medical and dental equipment.

As part of the Company's marketing efforts, the AOs/CSRs employ the following promotional tools: (i) direct mail; (ii) advertisements in trade publications; (iii) fax and e-mail marketing; (iv) tele-marketing; (v) door-to-door marketing; (vi) attendance of special events/trade shows; (vii) loan renewal program; and (viii) referral network and programs.

Loan Evaluation and Approval Process

For consumer finance companies, there is prime importance in a complete and adequate evaluation and stringent screening process for new loan applications. Given the country's economic environment, assessing credit risk and quality of new loan accounts become one of the core processes of finance companies such as MFC.

Along with a proprietary credit scoring system, MFC's in-house loan process evaluation includes business and residential visits and ocular inspections. The Company also verifies new loan applications with the Credit Management Association of the Philippines (CMAP) and the Credit Investigation Bureau, Inc. (CIBI) to determine if there exists negative credit findings on a loan applicant. The Account Officer then thoroughly analyzes the application and makes a recommendation.

The Company's Credit Committee makes the final decision on the application for Rx Cashline and MFC Factors group while the Branch Manager and the bookkeeper approves the application for MC Financing based on the AO/CSR's analysis. The Credit Committee is composed of the Senior Managing Director, the COO and the group heads.

Once an application has been approved by the Credit Committee, a check will be prepared for the loan release. The clients are notified of the approval before the loan is released. The clients are also requested to furnish some final documentation prior to the release of the funds. The post-dated checks and other loan requirements from the client are submitted to the cashier. If the required documents are clear and in order, the loan proceeds are then released to the client. Various documents are then provided by the various departments and groups to the Account Officers to facilitate in account monitoring and collection.

Once the MC Financing application is by the Branch Manager then various documentations are prepared for the release of the motorcycle unit. The borrower pays for the down payment, registration and the insurance, signs the chattel mortgages and other release forms before the units may be pulled out or delivered to the customer.

Loan Collection Process

Monitoring the loan accounts is the responsibility of the Account Officer or Credit Sales Representative of each of the operating departments. The subsidiary ledger of their respective approved clients contains the schedule of the loan amortization payments. Because the Rx Cashline clients have already given their post-dated checks for the loan repayments, the Account Officers are well advised of the status of each account. Account Officers are always updated on clients that have completed their amortization payments and those that have incurred returned-check payments. Clients whose checks have bounced are immediately advised by the Account Officer in charge to settle the payment as soon as possible with consequent late payment charges and handling fees. With this, it is important to take note that MFC normally evaluates the circumstances of bounced checks on a case-to-case basis to maintain profitable relations with their clients as much as possible. The Credit Sales Representatives, on the

other hand, most often directly and personally collects the loan amortizations. Some customers prefer to pay directly to the branch office, but this is only a few.

Customers that do not remit payment on the due date are classified as past due accounts while those that are more than 90 days past due are reclassified as delinquent accounts. Legal action or foreclosure of collateral may be endorsed for accounts that turn delinquent. MC Financing clients' will have their motorcycles units repossessed for 60 days past due. Clients may get them back upon payment of amortization in arrears.

Despite instituting a firm and stringent credit and collection policy, the Company maintains its goal of providing quality service to its clients.

Item 2. Properties

As part of its normal operations, the Company acquires or forecloses on several properties that are mortgaged to secure customers' loans. There are no other mortgages or liens on these properties except those under the name of the Company. These properties have subsequently been transferred to the Company. The Company tries to eventually dispose or sell these properties. The list of these properties is found in the following table:

List of Foreclosed Properties as of December 31, 2008		
Location	Size(Sqm)	Description
Capitol Homesite Subd., Brgy. Cotta, Lucena City (2 lots)	561	Transferred
Merville, Paranaque City	92	Transferred
Bo. De Ocampo, Trece Martires City, Cavite	1,410	Transferred
LF Flores, Teachers Village, Brgy. Cotta, Lucena City (6 lots)	900	Transferred
Villanueva, Paranaque City	220	Transferred
Rosario, La Union	3,943	Transferred
TOTAL	13,208	

Item 3. Legal Proceedings

There are no legal proceedings against Makati Finance Corporation (referred to as 'the Company'), except collection and/or foreclosure cases in the normal course of its operations.

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

No matter that require voting decisions were submitted to the Security Holders in the fourth quarter of the year 2008.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Share Capital

The Company has an authorized capital of [P 300,000,000], divided into [300,000,000] Common Shares, with a par value of P1.00 per share, out of which [P 191,042,689], divided into [191,042,689] shares are issued and outstanding.

Subject to the authorization of the SEC, the Company may increase or decrease its authorized capital with the approval of a majority of the Board of Directors and Stockholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the Company.

Amendments to Authorized Capital Stock and Par Value

In year 2000, the BOD and stockholders approved, as part of the quasi-reorganization, the decrease in the Company's authorized capital stock of P100,000,000, with a subscribed and paid-up capital of P45,149,780 to P9,949,040 with a subscribed and paid-up capital of P2,487,260. There was no return of capital, thus, the surplus arising from the reduction in the capital amounting to P 42,662,520 was credited to additional paid-in capital.

On the same date, the BOD and stockholders approved the increase in the Company's authorized capital stock from P9,949,040 to P127,000,000, divided into 12,700,000 common shares with a par value of P10 per share.

On January 23, 2001, the Company issued additional 3,198,535 shares to the shareholders against their deposits for future subscriptions amounting to P87,078,288, resulting to an additional paid-in capital of P55,092,938.

On the same date, the Securities and Exchange Commission (SEC) approved the quasi-reorganization as described above.

Accordingly, upon such approval, the additional paid-in capital amounting to P97,781,211 as of that date was applied against the Company's deficit as of July 31, 2000 amounting to P97,781,211.

On December 11, 2001, the BOD and stockholders approved the reduction in the Company's authorized capital stock from P127,000,000 to P100,000,000 and from par value of P10 per share to P 1 per share. On March 11, 2002, the BOD and stockholders amended the proposed reduction in the Company's authorized capital stock from P127,000,000 to P90,000,000 and from par value of P10 per share to P1 per share. The reduction in authorized capital stock was approved by the SEC on May 9, 2002. The reduction in par value resulted in the issuance of 31,025,349 additional shares to existing shareholders.

Also on March 11, 2002, the BOD and stockholders approved the offer of up to 19,560,000 shares from the Company's unissued common stock through initial common public offering (IPO). The application for the IPO of the Company was approved by the SEC and the Philippine Stock Exchange (PSE), on December 9, 2002 and November 28, 2002, respectively. The Company was listed in the PSE under the Small & Medium Enterprise Board on January 6, 2003 with an offer price of PhP1.38 per share. Underwriter was Abacus Capital & Investment Corporation.

On November 6, 2007, the Board of Directors and stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock of the Company approved the increase in the

Company's authorized capital stock from ₱90,000,000 divided into 90,000,000 Shares, with a par value of ₱1.00 per share, to ₱300,000,000, divided into 300,000,000 Shares, with a par value of ₱1.00 per share.

Stock Dividends

On December 11, 2001, the BOD and stockholders declared stock dividends in the aggregate amount of ₱20,785,475 in favor of the stockholders of record as of May 31, 2002, with any fractional shares to be paid in cash.

Cash and stock dividends were declared in 2007, 2006 and 2005 equivalent to 30% of the Company's net income after tax. There was no sale of unregistered securities within the last three years.

On November 6, 2007, the Company declared stock dividends in the aggregate amount of ₱ 6.9 million out of the unrestricted retained earnings of the Company as of October 31, 2007 in favor of the stockholders of record as of December 31, 2006 in proportion to their shareholdings in the Company with any fractional shares to be paid in cash.

The Company also declared on November 6, 2007, stock dividends in the aggregate amount of ₱ 50.2 million out of the unrestricted retained earnings of the Company as of October 31, 2007 in favor of stockholders of record as of November 27, 2007 in proportion to their shareholdings in the Company with any fractional shares to be paid in cash.

The movements in the number of shares and capital stock amount for the years ended December 31, 2007, 2006 and 2005 follow:

	2008		2007		2006	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of year	89,999,959	89,999,959	80,687,187	₱80,687,187	78,858,121	₱78,858,121
Increase in number of shares as a result of reduction in par value				-	-	-
Stock dividends Issuance	101,042,730	101,042,730	9,312,772	9,312,772	1,829,066	1,829,066
Balance at end of year	191,042,689	191,042,689	89,999,959	₱89,999,959	80,687,187	₱78,858,121

Share Prices:

First Quarter, 2009
Market Price

High

Low

₱ 1.22

₱ 1.2

1

HOLDERS OF COMMON STOCK As of December 31, 2008 TOP 20 Stockholders

Name	Nat	Class	No. of Shares	Percentage
AMALGAMATED INV. BANCORP.	FIL	A	136,465,249	71.431809%
MF PIKEVILLE HOLDINGS INC.	FIL	A	13,559,452	7.097603%
MICHAEL WEE	FOR	A	7,905,176	4.137911%
BORROMEO BROS. ESTATE INC.	FIL	A	6,242,805	3.267754%

ERIC B. BENITEZ	FIL	A	5,327,911	2.788859%
MELLISSA B. LIMCAOCO	FIL	A	4,781,812	2.503007%
RENE B. BENITEZ	FIL	A	4,552,793	2.383129%
GLEN B. BENITEZ	FIL	A	4,552,793	2.383129%
JOEL FERRER	FIL	A	1,924,496	1.007364%
RODOLFO B. HERRERA / MAX BORROMEIO / CARMEN MERCADO	FIL	A	943,150	0.493685%
TERESITA B. BENITEZ	FIL	A	663,128	0.347111%
PCD NOMINEE CORPORATION	FIL	A	593,606	0.310719%
MERG REALTY DEVELOPMENT	FIL	A	330,110	0.172794%
FLB DEVELOPMENT CORPORATION	FIL	A	261,336	0.136795%
ISIDRO B. BENITEZ	FIL	A	241,906	0.126624%
SOFIA LIMJAP	FIL	A	235,851	0.123455%
MELLISSA B. LIMCAOCO ITF DANIELLE B. LIMCAOCO	FIL	A	227,620	0.119146%
RENE BENITEZ ITF LORENZO L. BENITEZ	FIL	A	227,620	0.119146%
RENE BENITEZ ITF CARMELA L. BENITEZ	FIL	A	227,620	0.119146%
GLENN BENITEZ ITF ALESSANDRA C. BENITEZ	FIL	A	227,620	0.119146%
SUB-TOTAL			189,492,054	99.188331%
OTHER STOCKHOLDERS			1,550,635	0.811669%
GRAND TOTAL (95 stockholders)			191,042,689	100.00%

Item 6. Management's Discussion and Analysis or Plan of Operation.

Plans and Prospects for 2009

The Company has outlined plans geared towards its goal of improving the quality of its service and further increasing its shareholder value. The Company has chosen to adopt sales and marketing strategies that are expected to strengthen its foothold in its existing niche markets and, at the same time, enter new niche markets. The Company also intends to expand its distribution reach through the geographical expansion of its trading areas. Further, the Company intends to go on computerization to efficiently facilitate, monitor and account its day-to-day transactions, thus providing Management with proper tools in evaluating the Company's performance.

The Company's future plans and prospects are primarily into regional expansion to widen its market base, changes it intends to undertake and implement with regard to its lending activities' process and systems, funds generation and computerization.

Lending Activities

Being its core operations, the Company has formulated plans to expand its lending operations that will guarantee sustained growth. Its lending activities and loan products will still be focused on the niche consumer loan market and SME markets, due to the experience it has gained from these segments. MFC will also undertake steps to raise the quality of service it provides to its current and future clients. As part of its future plans and prospects the Company has outlined the following:

- Regional expansion for its MC Financing product
- Implementation of an integrated information system suited for the new operations and financial services of the company
- Introduction of leasing in the financial service of the company.
- Re-introduction and marketing of Auto loans (Brand new and used units) in order to increase the ratio on secured portfolios
- Increasing the generation of fleet accounts in the field motorcycle financing either by Salary Deduction or Corporate installment plans
- Activate the existing pawnshop license of its subsidiary
- Continuous growth in the portfolios of the Company's 3 main credit facilities (Factoring, Rx cash Line and Motorcycle Financing)

Funds Generation

Serving as the lifeblood of the firm's operations, the Company is aware of the need to have a constant flow of funds to support its lending operations. Although part of that requirement will be met by loans collections, the Company will need to have additional resources if it intends to undertake further expansion in the future. The Company intends to meet this additional requirement through the following:

- Availment of a short-term loan from banks;
- Availment of additional clean credit lines from banks;
- Acceptance of private placements under the 19 lender rule

- Disposal of other acquired assets such as real estate properties
- Possible set-up of a Rural Bank

Discussion of Past Financial Performance

As of December 31, 2008

Results of Operations

Audited net income for the year ending December 31, 2008 was ₱ 5.47million. This is a decrease of ₱ 9.58million or 63.6% lower than the P15.05million net income of 2007.. Operating expense is at ₱ 39.44million as of year-end. This is an increase of 42.2% compared to last year's operating expenses of ₱ 27.73million. The increase in operating expenses is primarily a result from the clean-up of accounts triggered by the computerization program we started in 2008.

Financial Condition and Capital Resources

For the year ended December 2008, the company's total assets reached ₱ 363.73million. The increase in assets was 0.6% of the total assets as of December 31, 2007. Increase in the company's receivables amounted to 11.1% from December of last year. Increase in borrowings by ₱ 2.3million is mainly due to increased loan production. Motorcycle financing beefed up its loan portfolio for the year. Four investment properties were sold during the year. The ₱ 50million prepayment with Honda Motor World Incorporated has been used up in 2008. Increase in fixed assets are additional generally transportation equipments and leasehold improvements. Likewise, the Company acquired an automated financial infrastructure for implementation in 2009.

Interest Income

The interest income year was short by 8.4% from interest income for the year 2007.

Net Interest Income

Interest expense did not vary that much. The Company's reduction in net interest income is attributable mainly with the reduction in interest income by ₱ 4.3million. The reduction in income is due to timing of loan releases primarily in the MC Financing product and the effect on the granting of promo and discount on Interest rates in 2007 to cope with the tight competition in the market and which effect we are feeling now.

Other Income

Other income decreased by ₱ 0.8million or 6.8% from December 2007.

Income Before Income Tax

Due to the significant increase on operating expenses as mentioned above, income before income tax decreased by 69.4% from December 2007.

Net Income

The Company posted a net income of ₱ 5.47million compared to ₱ 15.05million in 2007 or a decrease of 63.6%.

As of December 31, 2007

Results of Operations

Audited net income for the year ending December 31, 2007 was ₱ 15.05million. This is a decrease of P1.15-million or 7% over the net income of 2006 amounting to ₱ 16.2million. Operating expenses of ₱ 27.7million as of year-end, this is an increase of 12.74% compared to last year's operating expenses of ₱24.6million.

Financial Condition and Capital Resources

For the year ended December 2007, the company's total assets reached ₱361.46 million. The increase in assets was 54.5% of the total assets as of December 31, 2006. Increase in the company's receivables amounted to 13.67% from December last year. Increase in borrowings, mainly due to increased loan production, amounted to ₱64.08million or 81.1%. Motorcycle financing and factoring beefed up the loan portfolio for the year. Three investment properties were sold during the year. There was also a ₱75million equity investment in Amalgamated Investment Bancorporation shares of stock that was purchased by Makati Finance Corporation and a ₱ 50million prepayment with Honda Motor World Incorporated.

Interest Income

The interest income for the first year was short by 1.46% from interest income for the year 2006.

Net Interest Income

Interest expense increased by ₱ 3.33million, made the Company's net interest income decrease by 9.43%. This was due to promo and discount on Interest rates made during the year to cope with the tight competition in the market

Net Interest Income After Provisions

Net interest income after provisions further decreased by 7.15% from December 2006.

Other Income

Other income increased by Php 7.54 mm or 156.77% from December 2006. The increase in other income mainly was the sale of investment properties and a recovery of charged off account amounting to Php1mm.

Income Before Income Tax

Due to the significant increase on other income as abovementioned, income before income tax increased by 1.38% from December 2006.

Net Income

The Company posted a net income of Php15.04mm compared to Php16.2mm in 2006 or a decrease of 7%.

As of December 31, 2006

Results of Operations

Net Income After Tax for the year was ₱ 16.2mm which is approximately ₱ 4.0mm more than the Net Income After Tax of the Company in 2005. This was primarily due to the increase in Net Interest Income by ₱ 11.5mm or 34.8% more than last year.

The increase in net interest income was primarily due to increased Revenues from MFC Factors and MC Financing both of which accounted for the increase in total loan receivables of ₱ 67.2mm or 52% more than the loan portfolio of 2005.

Return on equity ("ROE") for 2006 is also higher than in 2005 at 11.8% versus 9.9% respectively. Earnings Before Interest and Taxes also increased by 3.8% to 56.3% in 2006 from 52.5% in 2005. Year ending earnings per share also increased from ₱ 0.20 and Php 0.15 in 2006 and 2005 respectively.

Financial Condition and Capital Resources

For 2006, the company's total assets reached Php 233.9mm which is 39.6% or Php 66.4mm more than assets in the previous year. The increase in the Company's notes payable was due to the increase in loan productions for MFC Factors and MC Financing both of which considerably increased the loans receivable for the year.

Interest Income

Compared to the same period last year, interest income increased by 54.9%. This is due to the increase in loan receivables by 52.2%. The loan portfolio mix improved, the MC Financing loan portfolio increased by Php19.7mm or 96.6% from Php20.4mm in 2005.

Net Interest Income

The Company's net interest income increased by 34.8%. This was despite the increase in interest expense and notes payable of the Company.

Net Interest Income After Provisions

Net interest income after provisions increased by 24.5% from year 2005. Provision for probable losses was only Php 170 thousand compared to Php 1.2mm in 2005.

Other Income

Other income decreased by 45.0%.

Income Before Income Tax

Despite the decline in the other income and increase in operating expenses by 13.3% during the year, the income before income tax increased by 15.5%.

Net Income

The Company posted a net income of Php16.2mm compared to Php12.2mm in 2005, an increase of 32.9%.

Liquidity

Current ratio was at 2.1x by year-end, a decrease of 0.8x from last year but debt to equity ratio improved from 0.37x last year to 0.71x this year.

As of December 31, 2005

Results of Operations

Net Income After Tax for 2005 was Php 15.2mm; however, the restated 2004 Net Income After Tax was at Php 12.2 million. The decrease was primarily due to the changes in financial reporting standards which was effective as of January 1, 2005. The unadjusted net operating income would have been Php 15.4mm which was 120% more than 2004's audited net income. The various adjustments in recognition of certain income and expense items primarily caused the differences between the adjusted and unadjusted income.

ROE for 2005 was 9.7% while adjusted ROE for 2004 was 10.9%. Return on Assets also dropped from 7.1% in 2005 from 9.2% in 2004. The decrease is due to the Company's strategy to focus on lower risk and lower yielding loans instead of the high yield, and high risk loan prospects.

Earnings Before Interest and Taxes margin was 63.0% which was 9.1% more than the restated EBIT margin of 53.9% in 2004. Year end earnings per share dropped from Php 0.17 to Php 0.15 in 2004 and 2005 respectively.

Financial Condition and Capital Resources

The focus for the Company in 2005 was to continue building the loan portfolio. As of year end 2005, MFC's total assets reached Php 171.6mm. Assets increased by 25.3% from last year's restated amount of assets despite the revaluation in assets this year.

The increase in borrowings was primarily due to the increase in loan production towards the latter part of the year as part of MFC's plan to beef up its loan receivables.

Interest Income

Interest income was at Php33.9mm. The Company's thrust is to produce more quality loans with lower interest yield to have an improved loan portfolio. During the year MFC entered into an agreement with Honda Motor World to finance motorcycles to initiate such move. At the end of the year, MC Financing loan portfolio was at Php20.4mm.

Net Interest Income

The Company's net interest income amounted to Php32.9mm.

Net Interest Income After Provisions

Net interest income after provisions declined by only 6.5% from the previous year.

Other Income

Other income decreased by 8.9% primarily because the non-recurring income worth Php4mm in year 2004 coming from a recovery of a written-off account was an unusual spike.

Income Before Income Tax

Operating expenses decreased by 15.9% during the year. The Company exercised extra prudence in spending during the year to compensate for the decrease in income.

Net Income

Overall, the net income declined by only 3.7%. Primary reason for decline was due to adoption of new financial reporting standards implemented during the year.

Liquidity

The Company's current ratio was 2.9x during the year. Revaluation of assets and liabilities due to the adoption of new financial reporting standards affected the Company's current ratio.

Item 7. Financial Statements

The audited financial statements are herewith attached as "ANNEX A".

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There are none.

PART III - CONTROL AND COMPENSATION INFORMATION**Item 9. Directors and Executive Officers of the Issuer**Directors and Executive Officers

The Directors elected who shall serve for a term of one (1) year or until their successors shall have been elected, and their business experience for the last five years:

Dr. Isidro B. Benitez, 79, Filipino, is the Chairman of the Board. Dr. Benitez has served as a Director since the Company's incorporation. He is also the Chairman of Obstetrics and Gynecology of the Makati Medical Center, MERG Realty Corporation and Amalgamated Development Corporation. Concurrently, Dr. Benitez is the Vice-Chairman of AIB and a Director of Nationwide Health Systems. He was formerly the Chairman of Obstetrics and Gynecology of the University of the Philippines / Philippine General Hospital where he worked from 1955 to 1988. He is presently the Chairman of the Examining Board of SGOP, Philippines, and a member of the American College of Surgeons, the Philippine College of Surgeons and the Philippine OB-Gyne Society. He obtained his Doctor of Medicine degree from the University of the Philippines, specialized in Obstetrics and Gynecology at John Hopkins University, Baltimore, Maryland and took courses in the Senior Executive MBA Program of the Ateneo de Manila University. He is also a director of Dearborn Motors, Inc. and Vice Chairman of Amalgamated Investment Bancorporation.

Mr. Juan Carlos del Rosario, 58, Filipino, is the Vice Chairman of the Board. He has served as a Director since 1996. Mr. Del Rosario is currently the Chairman of AIB and Inter Global Alliances Inc. He was formerly the Senior Vice President and Chief Investment Officer of the Philippine American Life Insurances Co. (AIG Philippines) where he served as a member of the Board of Directors in several of its subsidiaries and affiliated companies. He was a Director of AIG Investment Corporation (Asia) Ltd., Cosmos Bottling Co., Bacnotan Cement Corporation, Investment Capital Corporation of the Philippines and Science Park of the Philippines Inc. Prior to joining the AIG/Philamlife Group, he had worked for 17 years for Chase Manhattan Bank in New York Head Office, and overseas postings in Saudi Arabia, Brazil and the Philippines. He is a graduate of De La Salle University, Manila with Bachelor of Arts (History) and Bachelor of Science (Commerce) degrees. He received his MBA (Finance and Marketing) from Columbia University, New York City and also completed the Executive Development Program at Cornell University Graduate School of Management Ithaca, New York and the Strategic Business Economics Program at the University of Asia and the Pacific, Manila.

Ms. Teresita B. Benitez, 74, Filipino, is the Company's President. She has been a Director since 2001. She had previously worked for the Philippine Bank of Commerce as Assistant Personnel Manager and United Coconut Planters Bank as Assistant Corporate Secretary. She had also been a director at Asiatruster Bank and Amalgamated Development Corporation. At present she is the Treasurer and Director of Nationwide Health Systems and FLB Development Corporation and the President of MERG Realty and Development Corporation. Ms. Benitez obtained a Bachelor of Science degree in Commerce from the University of San Francisco.

Mr. Max O. Borromeo, 58, Filipino, is the Company's Senior Managing Director/COO. He has been a Director since 2000. Aside from being a Director of the Company, Mr. Borromeo is concurrently President and a Director of Honda Motor World, Inc., HMW Lending Investors, Dearborn Motors Co., Inc, Astron Gestus, Inc., Visayas Auto Ventures, Inc., Cebu Maxi Management Corporation, Maxi Agricultural Corporation, Cebu Parkland, Inc. He is also a Director in the following companies: Borromeo Brothers Estate, Inc., Margarita Agro-Industrial Corp., Salud Borromeo Foundation, Inc. and McBros Development Corporation. At present, Mr. Borromeo is the governor of the Cebu Business Park. He graduated with a Bachelor of Arts degree in Economics from the Ateneo de Manila University.

Mr. Rene B. Benitez, 45, Filipino, is the Company's Managing Director/VP. He has been a Director since 1996. Prior to joining the Company, he held the position of Country Manager of the Development Bank of Singapore ("DBS") Securities, Inc. He has had extensive experience in foreign and local investment banking and capital market operations, having been connected with Insular Investment and Trust Corporation, Shearson Lehman Brothers (USA), Prudential Bache Securities (USA) and the World Bank. He was formerly a member of the Philippine Stock Exchange and is currently Director of H. Thomas Group, Inc., Vision Air Flight Support Service, Inc., Pikeville, Inc., MERG Realty and Development Corporation, Commercial & Consumer Credit Corporation, Global Credit and Management Group, JCR Realty and Management and Interglobal Alliances. He graduated from Claremont Colleges / Pitzer College with a double degree in Business Economics and Organizational Studies. He also has a Master's Degree in Economics from Yale University.

Mr. Joel S. Ferrer, 54, Filipino, has served as a Director since 1998. Mr. Ferrer is currently the President of PARMAN Inc., an overseas recruitment company. At the same time he also manages his family's aquaculture business. Previous to this, he had worked for ERECSA, Inc. where he was the Executive Vice President. His other work experience includes being an investment executive at the Summa International Bank of Indonesia and a Lending Officer at the Bank of America. He obtained his Masters Degree in Business Management from the Asian Institute of Management and completed the Strategic Business Economics Program of the University of Asia and the Pacific.

Mr. Francisco C. Eizmendi Jr., 72, Filipino, is one of the Independent Directors of the Company. He was elected as a Director in the recent Stockholders' Meeting of Makati Finance Corporation and concurrently a Director of RCBC Forex Brokers Corporation. Mr. Eizmendi had been the President and Chief Operating Officer of San Miguel Corporation for 15 years. He also had been a member of the Advisory Board of Rizal Commercial Banking Corporation. Mr. Eizmendi graduated with a Bachelor of Science in Chemical Engineering Degree from the University of Santo Tomas in 1956.

Atty. Eugenio E. Reyes, 70, Filipino, is one of the Independent Directors of the Company. He was elected as a Director only in the last quarter of 2003. Atty. Reyes is with Jacob Jacob & Associates, concurrently the Corporate Secretary of Parman, Inc. and Executive Secretary of the Philippine Association of Securities Brokers and Dealers, Inc. He was also a former Director of the Securities & Exchange Commission from 1999 to 2001. Atty. Reyes finished his Bachelor of Laws at the University of Southern Philippines in Cebu City.

Mr. Michael Wee Soon Lock, 70, Singaporean, has served as a Director since 1998. Mr. Wee is a senior ASEAN banker and retired Executive Chairman of Development Bank of Singapore Securities Holding PTE Ltd. He has held the positions of the Chairman of NatSteel Ltd., Deputy Chairman of DBS Land, Executive Vice President of the Development Bank of Singapore, General Securities Investments Ltd., Singapore Bus Service Ltd., Laguna National Golf and Country Club, Ltd. and was the Director of NFC Merchant Bank, Ltd. Mr. Wee graduated with a Bachelor of Science Degree in Chemical Engineering from the University of Birmingham and obtained his Masters Degree in Finance from the University of British Columbia.

Independent Directors

Among the Directors, Messrs. Francisco C. Eizmendi Jr. and Atty. Eugenio E. Reyes were elected as the two (2) Independent Directors of the Company at the 2008 Annual Stockholders' Meeting.

Senior Management

Ms. Cynthia M. Gacayan – *Chief Operating Officer*, 54, Filipino. Cynthia was employed by the Company in 2007 as its new CFO and in June 2008 was designated as Chief Operating Officer. She was the CFO/Finance Group Head of Cintree Management Services, Inc. (managing arm for the PJ Lhuillier companies) for 2 years. For 10 years she served as the Senior Vice President of Finance and Administration of the Science Park of the Philippines, Inc. (1990 – 2001). She also served as a Director for the Kyudenko Needs Creator IT Company from 2002 to 2005. Subsequently she became the CFO of Cintree Management Services Inc. in 2005 to 2007. She graduated with a Bachelor of Science degree in Accounting from the University of San Carlos in 1975. She completed her master's degree in Business Management from the University of the Philippines in 1984 and finished the Top Management Program of Asian Institute of Management in 1997.

Atty. Danilo Enrique O. Co, Corporate Secretary and Legal Counsel, 40, Filipino. Atty. Co has been serving the Corporation as its Corporate Secretary and Legal Counsel shortly after it went public in 2003. He is currently the Managing Partner of Co Ferrer & Ang-Co Law Offices. He is also the Corporate Secretary and legal counsel of Information Capital Technology Ventures, Inc., a publicly-listed company, and a Director and/or Corporate Secretary of several other Philippine corporations, including Western Roadhouse Foods, Inc., Papercon, Inc., Amalgamated Investment Bancorporation and Kalayaan College. Atty. Co obtained his BS Business Administration (cum laude) and Law degrees from the University of the Philippines.

Mr. Albert J. Batacan, Factoring Manager, Chief Information Officer and Compliance Officer, 49, Filipino. He has been employed by the Company since 2000. Prior to his employment with the Company, Mr. Batacan had served in various functions in a number of companies through the years. His more recent job experiences were with PARMAN, Inc. as Administrative Assistant, Toyota Bel-Air, Inc. as Financing Coordinator and YL Finance, Inc. as a Marketing Officer. Mr. Batacan graduated with a Bachelor of Science in Management Degree from the Letran College.

Mr. Alfredo A. Reyes, Rx Cash Line Senior Manager, 48, Filipino. Alfredo has been employed by the Company since 1997. He started as an Account Officer and subsequently was promoted to work as a Supervisor in 2002. Alfredo graduated from the University of the East with a Bachelor of Science degree in Accounting in 1984.

Item 10. Executive Compensation

The Company has an existing management contract with Honda Motor World for advice and assistance in the MC Financing product assisted by Mr. Max O. Borromeo, Senior Managing Director and with Pikeville, Inc. for advice and assistance to be provided by Mr. Rene B. Benitez, Managing Director. Each of the directors receive per diem amounting to ₱20,000 for every Board meeting they attend.

Executive Compensation (Amounts in ₱)		
Year	Name and Principal Position	Aggregate Compensation (₱)
For the twelve (12) Months Ended December 31, 2008 (Actual)	Executive Officers Teresita B. Benitez – President Max O. Borromeo – Senior Managing Director Rene B. Benitez – Managing Director Cynthia M. Gacayan – COO/CFO	
	All Executive Officers as a Group	6,029,000
	All Board Directors and Officers as a Group	6,669,000
For the twelve (12) Months Ended December 31, 2007	Executive Officers Teresita B. Benitez – President Max O. Borromeo – Senior Managing Director Rene B. Benitez – Managing Director Cynthia M. Gacayan – Chief Finance Officer	
	All Executive Officers as a Group	4,185,452
	All Board Directors and Officers as a Group	5,285,452
For the twelve (12) Months Ended December 31, 2006 (Actual)	Executive Officers Teresita B. Benitez – President Max O. Borromeo – Senior Managing Director Rene B. Benitez – Managing Director Emmanuel F. Laforteza - CIO	
	All Executive Officers as a Group	5,234,233
	All Board Directors and Officers as a Group	5,814,833

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. BOD AND OFFICERS OWNING MORE THAN 5% EQUITY

Title and Class		No. of Shares	% to Total
DIRECT			
Common	Amalgamated Investment Bancorporation	136,465,249.00	71.431809%
Common	Pikeville Bancshares	13,559,452.00	7.097603%
TOTAL		150,024,701.00	78.529412%
INDIRECT			
NONE		-	0%
TOTAL		150,024,701.00	78.529412%

B. BOD AND OFFICERS WITH DIRECT OWNERSHIP

Title/Class		No. of Shares	% to Total
Common	Michael Wee Son Lock	7,905,176.00	4.137911%
Common	Rene B. Benitez	4,552,793.00	2.383129%
Common	Rene B. Benitez in trust for: Carmela L. Benitez	227,620.00	0.119146%
Common	Rene B. Benitez in trust for: Lorenzo L. Benitez	227,620.00	0.119146%
Rene Benitez		12,913,209.00	6.759332%
Common	Joel S. Ferrer	1,924,496.00	1.007364%
Common	Teresita B. Benitez	663,128.00	0.347110%
Common	Isidro B. Benitez	241,906.00	0.126624%
Common	Eugenio E. Reyes	15.00	0.000008%
Common	Maximo O. Borromeo	943,150.00	0.493685%
Common	Isidro B. Benitez	153,409.00	0.170455%
Common	Lo Kin Cheung	15.00	0.000008%
Common	Juan Carlos del Rosario	29.00	0.000015%
Common	Francisco C. Eizmendi Jr.	15.00	0.000008%
Common	Atty. Eugenio E. Reyes	10.00	0.000011%
TOTAL		3,926,173.00	2.145288%

C. BOD AND OFFICERS WITH INDIRECT OWNERSHIP

Title/Class		No. of Shares	% to Total
Common	Michael Wee Son Lock	2	0.0%
Common	Rene B. Benitez	37,399	.0449%
Common	Joel S. Ferrer		
Common	Teresita B. Benitez	120,661	.1452%
Common	Maximo O. Borromeo	20,515	.0247%
Common	Isidro B. Benitez	214,552	.2851%
Common	Lo Kin Cheung		
Common	Juan Carlos del Rosario	2	0%
TOTAL		393,131.00	0.4999%

Item 12. Certain Relationships and Related Transactions

Dr. Isidro B. Benitez and Ms. Teresita B. Benitez are spouses, and Mr. Rene B. Benitez is their son.

Related Party Transactions

The following transactions have been entered into with related parties:

Related party	Nature of Related Party Relationship	Nature of Transaction	Elements of Transactions			
			Balance Sheet Amount		Income Statement Amount	
			2008	2007	2008	2007
AIB	Stockholder	Receivables	₱ 101,007	₱1,276,013	₱	₱
		Payables	119,300,000	121,800,000	-	-
		Car Lease Contract	224,772	₱3,903,252	-	-
		Interest Income				200,191
		Interest Expense			1,332,861	9,293,706
Merg Realty and Development Corporation	Stockholder	Receivables	-	-	-	-
		Payables	1,500,000	1,500,000-	-	-
		Rental			591,360	484,006
		Interest expense	-	-	51,945	42,481
		Transportation				
Borromeo Bros. Estate	Stockholder	Others	-	-	-	-
Honda Motor World	Affiliates	Professional Fee	-	-	1,440,000	44,445
		Advances		35,512,876	-	-
		Receivables		3,560,810-	-	-
		Payables	225,152	1,162,068-	-	-
Others	Stockholders	Payables			-	-
	Affiliates	Professional Fee	-	-	-	-
	Directors	Professional fees				
	Directors	Management fees	-	-	720,000	1,100,000
	Directors	Interest Expense	-	-	294,375	-
Feliz Management	Affiliates	Professional Fee	-	-	945,012	600,000
Pikeville ancshares	Affiliates	Professional Fee	-	-	930,000	692,000
Merg Resources	Affiliates	Rent expense	-	-	200,000	200,000

PART IV - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

The Company's audited financial statements are hereby attached as "ANNEX A".

(b) Reports on SEC Form 17-C

The reports on SEC Form 17-C filed during the last six months ended December 31, 2006 are hereby attached "ANNEX B".

Quarterly Financial Reports ending March 31, 2008 were submitted to the SEC on May 15, 2008 and for the quarter ending September 30, 2008 on November 14, 2008.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

ANNEX A

MAKATI FINANCE CORPORATION

Financial Statements
December 31, 2008 and 2007
and Years Ended December 31, 2008 and 2007

and

Report of Independent Auditors

REPORTS TO SEC PER SEC FORM 17-C

ANNEX B

COVER SHEET

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S.E.C. Registration Number

M	A	K	A	T	I		F	I	N	A	N	C	E						
C	O	R	P	O	R	A	T	I	O	N									

(Company's Full Name)

2		N	D		F	l	o	o	r	,		M	a	k	a	t	i							
F	i	n	a	n	c	e		C	e	n	t	e	r		7	8	2	3						
M	a	k	a	t	i		A	v	e	.	,		M	a	k	a	t	i		C	i	t	y	

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

CAREN D. CORNEJO

Contact Person

897- 0749

Company Telephone Number

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<p>Fiscal Year</p> <p>2008</p>					

Amended 17 - C

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Annual Meeting

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Secondary License Type, if Applicable

C R M D

Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings			
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To be accomplished by SEC Personnel concerned

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LCU

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(b)(3) THEREUNDER

1. **March 28, 2008**
(Date of earliest event reported)
2. SEC Identification Number: 28788
3. BIR Tax Identification No.: 000-473-966
4. **MAKATI FINANCE CORPORATION**
Exact name of registrant as specified in its charter
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of
incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **7823 Makati Avenue, Makati City** **1210**
Address of principal office Postal Code
8. **(062) 896-02-21**
Registrant's telephone number, including area
9. N.A.
Former name or former address, if changed since last report
10. Securities registered pursuant to SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	89,999,959

11. Indicate the item numbers reported herein: **Item 9 – Other Matters**

The regular quarterly meeting of the Board of Directors of MAKATI FINANCE CORPORATION ("MFC") was held last March 27, 2008, at which at least a majority of the members of the Board of Directors was present and acting throughout. The Board approved the Write-Off of Loan Receivables amounting to ₱ 3,891,393.42.

Annual stockholders' meeting and the next Board meeting was later set on June 19, 2008 at 3pm, with May 21, 2008 as record date and not on June 5, 2008 as stated on previous disclosure made.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAKATI FINANCE CORPORATION
Registrant

By: |



CAREN D. CORNEJO
Finance and Admin Officer

Date: 28 March 2008

COVER SHEET

2 8 7 8 8

S.E.C. Registration Number

M A K A T I F I N A N C E

C O R P O R A T I O N

(Company's Full Name)

2^{N^D} F l o o r , M a k a t i

F i n a n c e C e n t e r 7 8 2 3

M a k a t i A v e . , M a k a t i C i t y

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

CAREN D. CORNEJO

Contact Person

897-07-49

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

2008

SEC Form 17 - C

FORM TYPE

0 6

Month

Day

Annual Meeting

Secondary License Type, If Applicable

C R M D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Total Amount of Borrowings

Foreign

LCU

Cashier

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. June 20, 2008
Date of Report (Date of earliest event reported)
2. SEC Identification Number: 28788
3. BIR Tax Identification No.: 000-473-966
4. **MAKATI FINANCE CORPORATION**
Exact name of registrant as specified in its charter
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of
incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **7823 Makati Avenue, Poblacion, Makati City** **1210**
Address of principal office Postal Code
8. **(632) 896-02-21**
Registrant's telephone number, including area code
9. N. A.
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	89,999,959

11. Indicate the item numbers reported herein:.....

The regular meeting of the Board of Directors of MAKATI FINANCE CORPORATION ("MFC") was held on June 19, 2008, at which at least a majority of the members of the Board of Directors was present and acting throughout. The Board approved the minutes of the Board meeting last January 10, 2008. The management presented its report for the month ended May 31, 2008. The Board approved the declaration of stock dividends in the amount of ₱2,257,147.41 or an equivalent to 2,257,098 of the original shares of each stockholder of record as of July 17, 2008. The Board also approved the declaration of cash dividends in the amount of ₱2,257,147.41 or an equivalent of ₱0.0250794270917 per share of each stockholder of record as of July 17, 2008. Both dividends shall be taken from the audited net profits of the Corporation as of December 31, 2007. Stock dividends shall be taken from the un-issued capital stock. Payment of the stock dividends shall be not later than August 12, 2008, where fractional shares shall be paid in cash. Cash dividends shall also be paid not later than August 12, 2008.

The Board also approved the resolution regarding the record date of the stock dividends declared last November 6, 2007.

" Resolved, as it is hereby resolved, that subject to the approval/clearance of the Securities and Exchange Commission, the Corporation approved a tentative record date of July 4, 2008 and a payment date of July 7, 2008 to July 11, 2008 for the 55.8244% stock dividends representing a maximum amount of 50,241,970,shares of stock declared by the Corporation on November 6, 2007.

Resolved Further, that the President and/or Senior Managing Director of the Corporation are hereby authorized to fix a different record date and/or payment date in accordance with the requirements of the Securities and Exchange Commission and/or the Philippine Stock Exchange."

The Next Board meeting was later set on September 26, 2008, Friday, at 9 o'clock in the morning.

Following the Board Meeting was the Annual Stockholder's Meeting of Makati Finance Corporation where the following resolutions where approved by the majority of the stockholder's of the Corporation:

- I. Approval of the 2007 Annual Report and 2007 Audited Financial Statements.
- II. Ratification of acts and resolutions of the Board of Directors and Management since the immediately previous Annual Shareholder's Meeting of June 14, 2007.

" All the acts, contracts, investments and resolutions of the Board of Directors and Management up to the date of this meeting as reflected in the books and records of the Corporation be ratified".

- III. Elections of Directors of the Corporation

"The following were elected as Directors of the Corporation for a term of one (1) year or until their successors have been elected:

ISIDRO B. BENITEZ
JUAN CARLOS DEL ROSARIO
TERESITA B. BENITEZ
RENE B. BENITEZ
MICHAEL WEE
JOEL S. FERRER
FRANCISCO C. EIZMENDI, JR.
MAX O. BORROMEO
EUGENIO E. REYES

Atty. Eugenio E. Reyes and Mr. Francisco C. Eizmendi, Jr. were elected as independent directors.

- IV. Appointment of Independent External Auditors

" Messrs. SYCIP GORRES VELAYO & CO. be re-appointed as the Corporation's External Auditor for the Year 2008."

- V. Declaration of Dividends

" That the 2.5078878091% stock dividends, in the aggregate amount of P 2,257,098 worth of shares, be paid out of the net profits of the Corporation, as of December 31, 2007, in favor of the stockholders of record of the Corporation as of July 17, 2008 in proportion to their shareholdings, with a payment date of not later than August 12, 2008 is hereby approved ".

VI. Resolutions regarding the record date of the stock dividends declared last November 6, 2007

" Resolved, as it is hereby resolved, that subject to the approval/clearance of the Securities and Exchange Commission the Corporation approved a tentative record date of July 4, 2008 and a payment date of July 7, 2008 to July 11, 2008 for the 55.8244% stock dividends representing a maximum amount of 50,241,970, shares of stock declared by the Corporation on November 6, 2007.

Resolved Further, that the President and/or Senior Managing Director of the Corporation are hereby authorized to fix a different record date and/or payment date in accordance with the requirements of the Securities and Exchange Commission and/or the Philippine Stock Exchange."

At the Organizational Meeting of the Board of Directors held thereafter, at which meeting there existed a quorum, the Board of Directors unanimously elected the following officers for the year 2008-2009:

Isidro B. Benitez	-	Chairman
Juan Carlos del Rosario	-	Vice-Chairman
Teresita B. Benitez	-	President
Max O. Borromeo	-	Senior Managing Director
Rene B. Benitez	-	Managing Director
Joel S. Ferrer	-	Treasurer
Servando B. Alvarez, Jr.	-	Assistant Treasurer
Atty. Danilo Enrique O. Co	-	Corporate Secretary
Ms. Cynthia M. Gacayan	-	Chief Operating Officer
Ms. Caren Cornejo	-	Chief Information Officer and Compliance Officer

During the same meeting, the Board of Directors elected the chairmen and members of the following committees:

	<u>Executive Committee</u>
Chairman	: Mr. Max O. Borromeo
Members	: Mr. Juan Carlos Del Rosario Mr. Rene B. Benitez Ms. Teresita B. Benitez Mr. Joel S. Ferrer

	<u>Audit Committee</u>
Chairman	: Atty. Eugene E. Reyes*
Members	: Dr. Isidro B. Benitez Mr. Joel S. Ferrer Mr. Carlos del Rosario

	<u>Compensation Committee</u>
Chairman	: Joel S. Ferrer
Members	: Dr. Isidro B. Benitez Mr. Francisco Eizmendi Jr. *

	<u>Nomination Committee</u>
Chairman	: Mr. Rene B. Benitez
Members	: Mr. Max O. Borromeo Mr. Francisco Eizmendi Jr. *

* Independent Directors

SIGNATURES

Pursuant to the requirements of the Securities Regulation Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 20, 2008

MAKATI FINANCE CORPORATION

Registrant

By: |



CAREN D. CORNEJO

Finance and Admin Officer

MAKATI FINANCE
FINANCIAL SERVICES AND ADVISORY

March 28, 2008

PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City, Metro Manila

Attention: **ATTY. PETE M. MALABANAN**
Head, Disclosure Department

Sir:

This is to inform you that Securities and Exchange Commission has approved Makati Finance Corporation's application for a follow-on offering yesterday (March 27, 2008). Attached in our disclosure is the copy of the notice sent to us by Amalgamated Investment Bancorporation, the company's underwriter.

We are making this disclosure in compliance with the Continuing Listing Requirements of the Philippine Stock Exchange.

Very truly yours,

MAKATI FINANCE CORPORATION
Registrant

By:



CAREN D. CORNEJO
Finance and Admin Officer

COVER SHEET

			2	8	7	8	8				
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S.E.C. Registration Number

M	A	K	A	T	I		F	I	N	A	N	C	E										
C	O	R	P	O	R	A	T	I	O	N													

(Company's Full Name)

2		N	D		F	I	O	O	R	,	M	A	K	A	T	I							
F	I	N	A	N	C	E		C	E	N	T	E	R		7	8	2	3					
M	A	K	A	T	I		A	V	E	.	,	M	A	K	A	T	I		C	I	T	Y	

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

CAREN D. CORNEJO

Contact Person

897-0749

Company Telephone Number

1	2		
---	---	--	--

Month

3	1
---	---

Day

Fiscal Year
2008

SEC Form 17 - C

FORM TYPE

1st Thursday of

0	6		
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Month Day

Annual Meeting

--

Secondary License Type, If Applicable

C	R	M	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

--

Total No. of Stockholders

--

Total Amount of Borrowings

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

_____ LCU

_____ Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(b)(3) THEREUNDER

1. **March 28, 2008**
(Date of earliest event reported)
2. SEC Identification Number: 28788
3. BIR Tax Identification No.: 000-473-966
4. **MAKATI FINANCE CORPORATION**
Exact name of registrant as specified in its charter
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **7823 Makati Avenue, Makati City**
Address of principal office
8. **1210**
Postal Code
8. **(062) 896-02-21**
Registrant's telephone number, including area code
9. N.A.
Former name or former address, if changed since last report
10. Securities registered pursuant to SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	89,999,959

11. Indicate the item numbers reported herein: **Item 9 – Other Matters**

Securities and Exchange Commission (SEC) has approved Makati Finance Corporation's application for a follow-on offering yesterday (March 27, 2008). The official notice of approval from the SEC along with the pre-effective clearance will be delivered in our office early next week.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAKATI FINANCE CORPORATION

Registrant

By: |



CAREN D. CORNEJO

Finance and Admin Officer

Date: 28 March 2008



March 28, 2008

Makati Finance Corporation
2nd Floor Makati Finance Building
7823 Makati Avenue Makati City

Attention: **Teresita B. Benitez**
President

Max O. Borromeo
Senior Managing Director

Subject: **Approval of MFC Follow on Offering**

Gentlemen:

We are pleased to inform you that the Securities and Exchange Commission (SEC) has approved Makati Finance Corporation's application for a follow on offering yesterday (March 27, 2008).

The official notice of approval from the SEC will be delivered to you along with the pre-effective clearance early next week.

Thank you very much.

Very truly yours,

Claro N. Lurredo
Executive Director

Quintin C. San Diego, Jr.
Assistant Vice President

CC: **Cynthia M. Gacayan** - MFC CFO
Atty. Danilo Enrique O. Co - MFC Corporate Secretary
Atty. Reggie Nollito - Legal Counsel to the Underwriter

COVER SHEET

2 8 7 8 8

S.E.C. Registration Number

M A K A T I F I N A N C E

C O R P O R A T I O N

(Company's Full Name)

2^N D F l o o r , M a k a t i

F i n a n c e C e n t e r 7 8 2 3

M a k a t i A v e . , M a k a t i C i t y

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

ALBERT J. BATACAN

Contact Person

896-0221

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

2008

SEC Form 17 - C

FORM TYPE

1st Thursday of

0 6

Month

Day

Annual Meeting

Secondary License Type, If Applicable

C R M D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(b)(3) THEREUNDER

1. **February 1, 2008**
(Date of earliest event reported)
2. SEC Identification Number: 28788
3. BIR Tax Identification No.: 000-473-966
4. **MAKATI FINANCE CORPORATION**
Exact name of registrant as specified in its charter
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of
incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **7823 Makati Avenue, Makati City** **1210**
Address of principal office Postal Code
8. **(062) 896-02-21**
Registrant's telephone number, including area code
9. N.A.
Former name or former address, if changed since last report
10. Securities registered pursuant to SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	89,999,959

11. Indicate the item numbers reported herein: **Item 9 – Other Matters**

Effective today, February 1, 2008 the new Chief Information Officer and Compliance Officer of Makati Finance Corporation shall be Ms. Caren C. Cornejo. Mr. Albert J. Batacan shall be the Alternate Corporate Information Officer. Ms. Felvirina C. Cruz retired from the Company effective yesterday, January 31, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAKATI FINANCE CORPORATION
Registrant

By:



ALBERT J. BATACAN
Corporate Information Officer - Alternate

Date: 1 February 2008


STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The management of Makati Finance Corporation is responsible for all information and representations contained in the audited financial statements as of December 31, 2008. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflect amounts that are based on best estimates and informed judgement of management with an appropriate consideration to materiality.

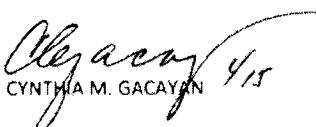
It is in this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that the transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The The management likewise discloses to the company's audit committee and to its external auditor (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial date (ii) material weaknesses in the internal controls; (iii) and fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

Sycip, Gorres & Velayo, the independent auditors appointed by the Board of Directors and Stockholders, have audited the financial statements of the company in accordance with generally accepted auditing standards in the Philippines and have expressed their opinion on the fairness of presentation upon completion of such audit, in the report to the Company's Board of Directors and stockholders as shown in the succeeding page.


DR. ISIDRO B. BENITEZ
Chairman


TERESITA B. BENITEZ
President


CYNTHIA M. GACAYAN
COO

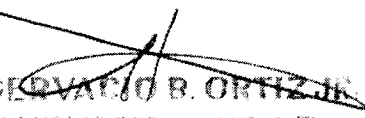
APR 15 2009

Personally came and appear before on this ____ day of _____ 2009, at Makati City, Dr. Isidro Benitez, Ms. Teresita Benitez and Ms. Cynthia Gacayan with community Tax Certificate Nos. 12241505; 12341506; and 12370365 issued on Jan.8, Jan8, & Jan. 19 of 2009 respectively at Makati City known to me and to me known to be the same persons who executed the foregoing STATEMENT OF MANAGEMENT'S RESPONSIBILITY and acknowledged that the same is their free act and voluntary deed.

This instrument consisting of _____ pages including this whereon the acknowledgement is written, together with its' Annexes, has been signed by the party and witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL, at the place and on th date first above written.

Doc No. 381 ;
Page No. 78 ;
Book No. VII ;
SERIES OF A ;


ATTY. GERVACIO B. ORTIZ JR.
NOTARY PUBLIC FOR MAKATI CITY
UNITED BARBERS, INC. 7/5 2009
PTR NO. 0017051-1/05, 09 AT MAKATI CITY
IBP NO. 656165-LIFETIME MEMBER
APPT M- 84/2009 ROLL NO. 4009'

SIGNATURES

Pursuant to the requirements of the Securities Regulation of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

By:


DR. ISIDRO B. BENITEZ

Chairman


TERESITA B. BENITEZ

President


CYNTHIA M. GACAYAN

CEO

Subscribed and sworn before me this APR 15 2009 day of April, affiant (s) exhibiting to me his/her Residence Certificate as follows:

NAME	RES. CERT. NO.	DATE	PLACE OF ISSUE
DR. ISIDRO B. BENITEZ	12241505	1/8/09	MAKATI
TERESITA B. BENITEZ	12341506	1/8/09	MAKATI
MS. CYNTHIA GACAYAN	12370365	1/19/09	MAKATI

Doc No. 354
Page No. 78
Book No. VII
SERIES OF 09

~~ATTY. GERVAZIO R. ORTIZ JR.~~
NOTARY PUBLIC FOR MAKATI CITY
UNITED STATES OF AMERICA
EXPIRES 09/17/2011 - 1430 E. 94th ST. MAKATI CITY
PH NO. 254-1818 LIFETIME MEMBER
APPT M - 8472009 ROLL NO. 40097