

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended
Dec 31, 2024
2. SEC Identification Number
28788
3. BIR Tax Identification No.
000-473-966-000
4. Exact name of issuer as specified in its charter
MAKATI FINANCE CORPORATION
5. Province, country or other jurisdiction of incorporation or organization
Makati City, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
3rd Flr. Mazda Bldg., Don Chino Roces Ave., Brgy. Magallanes, Makati City
Postal Code
1231
8. Issuer's telephone number, including area code
+63277518132
9. Former name or former address, and former fiscal year, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK	273,900,122

11. Are any or all of registrant's 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 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes No

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

Yes No

13. 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

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

N/A

(b) Any information statement filed pursuant to SRC Rule 20

N/A

(c) Any prospectus filed pursuant to SRC Rule 8.1

N/A

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Makati Finance Corporation

MFIN

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Dec 31, 2024
Currency	PHP

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Current Assets	673,154,841	569,410,376
Total Assets	1,143,574,571	1,155,883,250
Current Liabilities	545,622,679	538,472,214
Total Liabilities	556,769,515	584,807,218
Retained Earnings/(Deficit)	295,912,879	285,327,520
Stockholders' Equity	586,805,056	571,076,032
Stockholders' Equity - Parent	-	-
Book Value Per Share	2.14	2.11

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Gross Revenue	237,840,139	214,824,756
Gross Expense	213,520,995	197,562,731
Non-Operating Income	-	-
Non-Operating Expense	-	-
Income/(Loss) Before Tax	24,319,144	17,262,025
Income Tax Expense	9,856,723	4,338,476
Net Income/(Loss) After Tax	14,462,421	12,923,549
Net Income/(Loss) Attributable to Parent Equity Holder	-	-
Earnings/(Loss) Per Share (Basic)	0.05	0.05

Earnings/(Loss) Per Share (Diluted)	0.05	0.05
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Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2024	Dec 31, 2023
Liquidity Analysis Ratios:			
;; Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	123.37	105.94
;; Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	101.6	86.44
;; Solvency Ratio	Total Assets / Total Liabilities	205.39	197.65
Financial Leverage Ratios			
;; Debt Ratio	Total Debt/Total Assets	48.69	50.59
;; Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	94.88	102.4
;; Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.64	1.5
;; Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	194.88	202.4
Profitability Ratios			
;; Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	83.97	83.87
;; Net Profit Margin	Net Profit / Sales	7.24	7.17
;; Return on Assets	Net Income / Total Assets	1.26	1.12
;; Return on Equity	Net Income / Total Stockholders' Equity	2.46	2.26
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	39.8	39.79

Other Relevant Information

Please see Attached MFIN SEC Form 17A Annual Report 2024.

Filed on behalf by:

Name	CHARITO ESPIRITU
Designation	Chief Finance Officer/Compliance Officer



MAKATI FINANCE
CORPORATION
MORE THAN JUST FINANCING

April 15, 2025

Corporate Governance and Finance Department
SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307

Attention : **HON. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance and Finance Department

The Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **Atty. Johanne Daniel M. Negre**
OIC, Disclosure Department

Gentlemen:

We are sending herewith a copy of Makati Finance Corporation SEC Form 17- A for the year ended December 31, 2024.

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

MAKATI FINANCE CORPORATION
Registrant

By:

CHARITO S. ESPIRITU
Chief Finance Officer / CIO/Compliance Officer

3/F Mazda Makati Building, 2301 Chino Roces Avenue, Makati City 1231 Philippines
Telephone Nos. (632) 7751-8132
Website: www.makatifinance.ph

**MAKATI FINANCE CORPORATION
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SECURITIES AND EXCHANGE COMMISSION

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5. **Makati, Philippines** (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **3F Mazda Makati Bldg., 2301 Chino Roces Ave., Brgy.Magallanes** **1231**
Address of principal office Postal Code
8. **(0632) 7751-8132 local 111**
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
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11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No []

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Philippine Stock Exchange Common Stock

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Yes [/] No []

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Yes [/] No []

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NA

- (c) Any prospectus filed pursuant to SRC Rule 8.1

NA

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. However, in 2019, the Company, upon the approval of its stockholders has declared a Special Stock Dividends amounting 12.9549278928% of the outstanding capital stock equivalent to a maximum of 30,000,000 shares of stocks, and was released out of its un-issued capital stock to stockholders of record as of 22 August 2019 with a payment date not later than 18 September 2019.

The Company’s has expanded its product lines from its traditional Rx Cashline, MFC Factors (receivables financing) Business Loans; Motorcycle (MC) Financing to include new financial products lines recently introduced by the company namely: corporate salary loans; personal loans; micro business loans; pension loans; car loans and leisure bikes financing. These loans are offered domestically, hence there are no foreign sales. Also, no government approval is needed to offer these products. The management continues to implement measures to ensure costs and expenses are managed accordingly and impose higher standards of credit evaluation to ensure quality of accounts and maintain high collection efficiency of loan repayments. MFC has also been innovating in order to be able to adapt to positive changes in the current business environment that will impact its operations.

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 trading Companies in its Luzon operations; MFC secured a contract which gives the MFC rights of first refusal over the financing of motorcycle sales for the aforementioned locations which is still in effect up to the present.

In the past years, MFC continued to foster a good business relationship with its motorcycle dealer partners as the Company sees Motorcycle Financing to continue to be one of the main product lines of MFC, while it carried on its efforts to diversify product lines by growing the collateral based Business loans, Rx Cashline (Doctors loans), and introducing new product lines which aims to significantly improved its loan portfolio balance and further improve its operations and profitability. Among the new products that were introduced are Personal Loans in 2016, Car loans and Corporate salary loans in 2017, and in 2018, MFC had successfully launched as planned its Micro Business loans, Pension loans and Leisure bikes financing.

The on-going diversification and strategic positioning of existing partner dealers for the past three years expectedly reduced the share of Motorcycle Financing from 43% in 2018 to 33% in 2021, but still holds the biggest chunk of the total loan portfolio of MFC. Other existing products maintained its share as follows; Rx Cashline – 11%, MFC Factors – 6%, Business Loans – 32%, Car Loans & Leisure Bikes – 10% and Other products – 8%.

For the Year 2021, the Company released a total loans of P732 million, 23% lower or about P224 million versus P956 million in 2020, this is mainly due to the impact of COVID 19 pandemic as the Company became more stricter in credit evaluation especially on new accounts, while we continue to support in servicing our existing good customers. On the other hand, total collections amounted to P981 million, a decrease of 11% or about P118 million versus P1.1 billion in 2020. The net income of the Company amounted to P9.7 million, or about 8% lower versus P10.8 million in 2020, mainly due to the impact of CREATE law, correcting prior years deferred tax assets in the amount of Php 9.54 million. Without the income tax correction, the Company's Net income in 2021 should have been P19.24 million, 78% higher versus 2020.

Makati Finance Corporation (MFC) has achieved impressive financial results in 2022. The Company reported an increase in Net Income of 84% compared to the previous year, which is a clear indicator of its strong financial performance. MFC's 41% increase in other income was a significant contributor to the overall increase in net income. This increase in other income was mainly due to the valuation of its ROPOA (Real and Other Properties Owned and Acquired) in its latest appraisal report.

The Loans Portfolio decreased by 6% from Php 871m in 2021 to Php 815m in 2022, this was mainly due to the Company's cautious approach in evaluating creditworthiness of new loan applicants. MFC mainly focused on servicing its existing and long-time clients, which ensured the quality of its loan portfolio and minimized the risk of default.

MFC's cautious approach to credit evaluation, coupled with its focus on servicing existing clients, has proven to be a sound strategy that has paid off. The Company's impressive financial results are a testament to its commitment to responsible lending and prudent management of its assets.

In 2023, Makati Finance Corporation (MFC) demonstrated steady growth in key financial metrics compared to the previous year. The Company's topline, Interest Income, increased by 10% from Php 159 million in 2022 to Php 175 million in 2023. Similarly, Net Interest Income rose by 12% from Php 126 million in 2022 to Php 141 million in 2023, and Total Operating Income saw a 9% increase from Php 165 million in 2022 to Php 180 million in 2023. This growth was primarily attributed to improved collections in 2023, reflecting the Company's effective revenue generation strategies.

However, despite the positive performance mentioned above, there was a notable drop of 27.6% in Net Income, decreasing from Php 18 million in 2022 to Php 13 million in 2023. This decline was primarily driven by increased provisions for credit losses and provisions for impairment loss of repossessed assets in 2023. These measures were implemented as part of MFC's commitment to diligent financial stewardship and a proactive approach to managing credit risk.

In 2024, the Company delivered improved financial results, with total operating income rising by 10.9% to ₱199.72 million from ₱180.17 million in 2023. This growth was driven by a 3.6% increase in net interest margin, supported by higher interest income, which rose to ₱183.66 million. Despite a 10% increase in interest expense due to a higher cost of funds, core lending operations remained robust. Other income also saw strong growth of 36.6%, primarily due to a ₱21.57 million gain on the sale of investment property, along with modest increases in service charges. Operating expenses increased by 7.7% to ₱175.40 million, largely due to higher personnel costs, professional fees, and miscellaneous expenses. Notably, provision for credit losses declined significantly by 39.8%, reflecting improved asset quality. As a result, net income rose by 11.9% to ₱14.46 million, and total comprehensive income grew by 65.9% to ₱17.67 million. Despite these gains, earnings per share remained steady at ₱0.05.

Operating Departments and Units

The Company has an Operations Group which comprises of several operating units that complements to each other's operating functions. The following is a brief description of each:

Sales Group

This team is composed of various teams who were tasked in sourcing loan applications for various loan products of MFC, such as the Rx Cashline (Doctor's loans); Business Loans; Receivable Factoring; Motorcycle financing; Pension loans; Corporate salary loans; Personal loans; Micro business loans; pension loan; Car loans & Leisure Bike financing. Thoroughly evaluates each loan application and recommend/endorse the loan application to the Credit Committee for review and approval. Each team who handles each product is expected to produce quality accounts with the aim of achieving the pre-set targets and objectives for the year.

Marketing Team

This Team is tasked to uplift or build up the company's image and provide support to the Sales Group by providing marketing materials and paraphernalia, implement marketing plans and strategies, provide promotional support for the various sales activities for each loan product. The effort of the Marketing team is expected to help the Sales Group realize its goals and objective for the year 2021 and the coming years.

Credit & Verification Team

The team is tasked to conduct online credit verification through NFIS/Loandex and CMAP facilities and other applicable credit agencies. A thorough credit and background verification is likewise being conducted through phone validation of all information contained in the loan applications submitted by clients. Further, to ensure veracity of the credit findings, actual field validation/personal visit, residence and neighborhood checking are being conducted by the team's field personnel to guarantee all data and information gathered are double checked and are valid, satisfactorily within the acceptable credit standard of the company.

Complete and adequate evaluation and stringent screening process for all loan applications to ensure quality account and repayment is the main objective of this team.

Loan Collections Team

Monitoring the repayment of loan accounts is the responsibility of the Sales team for each of the loan products and collection sales representative (CSR) in the case of Motorcycle Financing. The subsidiary ledger of their respective approved clients contains the schedule of the loan amortization payments which are readily available given their authorized access to the Loans Management System (LMS) of the Company. Hence, the account officer (AO) for each loan products is well advised of the status of each account. AOs are expected to always be updated on client's repayments. Most clients repayment are covered by postdated checks, an authority to debit bank account or by way of assigned payroll ATM.

Clients, whose checks have bounced and or has missed their respective due dates are immediately advised by the AOs 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 CSRs, on the other hand, most often directly and personally collects the loan amortizations of Motorcycle Financing customers. Some customers prefer to pay directly to the branch office.

Remedial Team

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 and are referred to the remedial team for follow up collection. Past due client who responded positively to the collection effort by the Remedial team are offered repayment schemes that will allow them to re-structure their accounts. For those who continuously refused to heed the collection demand of the Remedial team are endorsed to our accredited collection agencies. The last recourse, if all remedial measure fails is the endorsement of the account for Legal action or foreclosure of collateral as these accounts are already classified as delinquent. Motorcycle units are repossessed by MFC from loan accounts which are over 90 days past due. Clients may redeem 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.

Employees

As of December 31, 2024, the Company accounted for a total of 146 employees, distributed as follows:

<u>Rank</u>	<u>2024 No. of Employees</u>	<u>Projected 2025 No. of Employees</u>
Officers	2	3
Managerial/Supervisory	25	27
Rank and File	120	138
Total	147	168

<u>Employee Status</u>	<u>No. of Employees</u>
Regular	132
Probationary	15
Total	147

The employees of the Company are not subject to any collective bargaining agreement (CBA).

ITEM 2. Properties

As part of its normal operations, the Company acquires or forecloses 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, 2024		
Location	Size(s.qm)	Description
(Farm Land) Santan St., Cityland Cityview II Farm Lot Subdivision, Barangay De Ocampo, Trece Martires City, Cavite (ROPA1)	1,410	Transferred
(House and Lot) Blk 23, Lot 1, Montevista Hts., Subd.,Brgy. Dolores, Taytay, Rizal (ROPA3)	181	Transferred
(House and Lot) Blk 23, Lot 2, Montevista Hts., Subd.,Brgy. Dolores, Taytay, Rizal (ROPA4)	198	Transferred
(House and Lot-2storey)Lot 1-B, Blk 17, No. 26 Sardinia St., San Francisco Village, Barangay Muzon, Taytay, Rizal (ROPA5)	157	Transferred
(Lot) Lot 15-F, Iruhin Central R1, Tagaytay City (ROPA7)	2,231	Transferred
(Lot) Bo. of Labit West, Urdaneta, Pangasinan (ROPA 8)	6,374	Transferred
TOTAL	10,551	

ITEM 3. Legal Proceedings

There are no legal proceedings against 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 2023.

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 ₱300,000,000, divided into 300,000,000 Common Shares, with a par value of ₱1.00 per share, out of which ₱267,828,098, divided into 267,828,098 shares are issued and outstanding as at December 31, 2021.

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 (BOD) 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 ₱100,000,000, with a subscribed and paid-up capital of ₱45,149,780 to ₱9,949,040 with a subscribed and paid-up capital of ₱2,487,260. There was no return of capital, thus, the surplus arising from the reduction in the capital amounting to ₱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 ₱9,949,040 to ₱127,000,000, divided into 12,700,000 common shares with a par value of ₱10 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 ₱87,078,288, resulting to an additional paid-in capital of ₱55,092,938.

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 ₱97,781,211 as of that date was applied against the Company's deficit as of July 31, 2000 amounting to ₱97,781,211.

On December 11, 2001, the BOD and stockholders approved the reduction in the Company's authorized capital stock from ₱127,000,000 to ₱100,000,000 and from par value of ₱10 per share to ₱1 per share. On March 11, 2002, the BOD and stockholders amended the proposed reduction in the Company's authorized capital stock from ₱127,000,000 to ₱90,000,000 and from par value of ₱10 per share to ₱1 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 P1.38 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 July 30, 2020, the BOD and stockholders approved the declaration of 1.23% stock dividends in the amount of ₱3,255,804 to stockholders of record as of August 27, 2020 with distribution date not later than September 22, 2020. On the same date, the BOD also approved the declaration of cash dividends amounting to ₱3,255,891. Fractional shares related to this declaration were settled in cash amounting to ₱43.35.

On July 29, 2021, the BOD and stockholders approved the declaration of 0.61% stock dividends in the amount of ₱1,624,051 to stockholders of record as of August 26, 2021 with distribution date not later than September 21, 2021. On the same date, the BOD also approved the declaration of cash dividends amounting to ₱1,624,095. Fractional shares related to this declaration were settled in cash amounting to ₱44.45.

On July 28, 2022, the BOD and stockholders approved the declaration of 0.54% stock dividends in the amount of ₱1,455,611 to stockholders of record as of August 26, 2022 with distribution date not later than September 21, 2022. On the same date, the BOD also approved the declaration of cash dividends amounting to ₱1,455,710. Fractional shares related to this declaration were settled in cash amounting to ₱49.90.

On July 27, 2023, the BOD and stockholders approved the declaration of 0.99% stock dividends in the amount of ₱ 2,677,921 to stockholders of record as of August 24, 2023 with distribution date not later than September 20, 2023. On the same date, the BOD also approved the declaration of cash dividends amounting to ₱ 2,678,008. Fractional shares related to this declaration were settled in cash amounting to ₱43.70.

On July 25, 2024, the BOD and stockholders approved the declaration of 0.71% stock dividends in the amount of ₱ 1,938,492 to stockholders of record as of August 22, 2024 with distribution date not later than September 18, 2024. On the same date, the BOD also approved the declaration of cash dividends amounting to ₱ 1,938,573. Fractional shares related to this declaration were settled in cash amounting to ₱40.35.

The movements in the number of shares and capital stock amount for the years ended December 31, 2024, 2023, and 2022 as follow:

	2024		2023		2022	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of year	271,961,630	271,961,630	269,283,709	269,283,709	267,828,098	267,828,098
Stock dividends	1,938,492	1,938,492	2,677,921	2,677,921	1,455,611	1,455,611
Balance at end of year	273,900,122	273,900,122	271,961,630	271,961,630	269,283,709	269,283,709

MARKET SHARE INFORMATION

The Company was listed in the Philippine Stock Exchange on January 6, 2003.

On January 6, 2003 with authorized capital stock of ₱90 million, a total of 19.56 million shares of stock were offered to the general public in the company's IPO. On November 6, 2007, the BOD and Stockholders approved the increase in the Company's authorized capital stock to ₱300 million.

On March 27, 2008, the Securities and Exchange Commission approved the Company's application for a follow-on offering to the general public of 75,500,000 new common shares and 7,598,892 secondary shares. But the sharp fall in stock prices locally and globally prompted the Board and Management to forego the planned additional public offering.

According to the Philippine Stock Exchange Website, latest available price information on MFC's stock price is ₱2.50 per share as of December 31, 2021. The Company has not gone into a business combination nor any reorganization for the year 2021.

Share Prices:

The latest available price information on Makati Finance's stock price is ₱ 1.65 per share as of April 14, 2025.

Philippine Stock Exchange Market prices for the last two years were as follows:

Quarter Ending	Market Prices	
	High	Low
March 2024	1.63	1.63
December 2024	2.35	2.35
September 2024	1.81	1.60
June 2024	1.60	1.60
March 2024	1.72	1.60
December 2023	1.90	1.90
September 2023	2.00	2.00
June 2023	1.48	1.48
March 2023	2.10	2.10
December 2022	2.35	2.35
September 2022	3.15	3.15
June 2022	2.15	2.15
March 2022	2.20	2.20
December 2021	2.50	2.50
September 2021	2.40	2.40
June 2021	2.72	2.72

HOLDERS OF COMMON STOCK as of April 8, 2025
TOP 20 Stockholders

There are a total of 113 stockholders as of April 08, 2025

Name	Nat	Class	No. of Shares	Percentage
*AMALGAMATED INVESTMENT BANCORPORATION	FIL	A	77,841,803	28.42%
PCD NOMINEE CORPORATION (FILIPINO)	FIL	A	72,406,597	26.44%
MOTOR ACE PHILIPPINES, INC.	FIL	A	57,601,615	21.03%
BORROMEO BROS. ESTATE INC.	FIL	A	10,188,103	3.72%
MF PIKEVILLE HOLDINGS, INC.	FIL	A	9,685,633	3.54%
GRACEFIELD CAPITAL HOLDINGS INC.	FIL	A	9,062,868	3.31%
ERIC B. BENITEZ	FIL	A	7,638,705	2.79%
MELLISSA B. LIMCAOCO	FIL	A	6,855,756	2.50%
GLENN B. BENITEZ	FIL	A	6,527,404	2.38%
RENE B. BENITEZ	FIL	A	6,266,601	2.29%
JOEL FERRER	FIL	A	2,759,174	1.01%
MICHAEL WEE	FOR	A	1,042,954	0.38%
MARY GRACE V. REYES	FIL	A	813,302	0.30%
SALUD BORROMEO FOUNDATION	FIL	A	553,755	0.20%
TERESITA B. BENITEZ	FIL	A	532,714	0.19%
MERG REALTY DEVELOPMENT	FIL	A	473,276	0.17%
LIMCAOCO, MELISSA B. ITF DANIELLE B. LIMCAOCO	FIL	A	326,331	0.12%
BENITEZ GLENN ITF ANDREA C. BENITEZ	FIL	A	326,331	0.12%
BENITEZ GLENN ITF ALFONSO C. BENITEZ	FIL	A	326,331	0.12%
BENITEZ GLENN ITF ALESSANDRA C. BENITEZ	FIL	A	326,331	0.12%
SUB-TOTAL			271,555,584	99.14%
OTHER STOCKHOLDERS (93)			2,344,538	0.86%
GRAND TOTAL (113 stockholders)			271,961,630	100.00%

*Note: * Exclusive of uncertificated shares that were lodged to PCD Nominee.*

Currently the Company is compliant in the PSE continuing listing requirement rule on minimum public ownership. The rule requires a 10% minimum public float. MFC has 24.11% public float.

DIVIDENDS

As approved by the BOD and upon concurrence by the stockholders of the Company, an annual dividend declaration policy was set up, amount of which will be equivalent to 30% of the Company's net earnings for the year.

For the year 2020, the Board of Directors and Stockholders approved the declaration of cash dividends amounting to ₱3,255,847. Fractional shares were paid in cash.

For the year 2021, the Board of Directors and Stockholders approved the declaration of cash dividends amounting to ₱1,624,095. Fractional shares were paid in cash.

For the year 2022, the Board of Directors and Stockholders approved the declaration of cash dividends amounting to ₱1,455,710. Fractional shares were paid in cash.

For the year 2023, the Board of Directors and Stockholders approved the declaration of cash dividends amounting to ₱ 2,678,008. Fractional shares were paid in cash.

For the year 2024, the Board of Directors and Stockholders approved the declaration of cash dividends amounting to ₱ 1,938,573. Fractional shares were paid in cash.

NAMES OF THE UNDERWRITERS OR IDENTITY OF PERSONS TO WHOM THE SECURITIES WERE SOLD

There were no underwriters or persons to whom the stock dividends were sold.

EXEMPTION FROM REGISTRATION CLAIMED

Pursuant to SRC Rule No. 10 Section D, the declaration of stock dividends is an exempt transaction. The approval of the Commission for the stock dividend declaration was not sought by the Company.

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

Plans and Prospects for 2025

The company demonstrated robust operational growth in 2024, with increases in both revenue and net income. While expenses rose, particularly in salaries and professional fees, effective cost management in areas such as credit losses and depreciation helped sustain profitability. The reduction in credit loss provisions signals an improvement in asset quality, while a positive turnaround in other comprehensive income further enhanced the company's overall financial performance, providing a strong outlook for future periods.

Looking ahead to 2025, the company's strategy will focus on enhancing profitability and operational efficiency. The discontinuation of motorcycle financing operations is expected to lead to significant reductions in operating expenses, further aligning with the goal of optimizing resource allocation and positioning the company for sustainable growth.

The key strategies for 2025 include leveraging digital marketing platforms to attract and engage potential borrowers, as well as recruiting and motivating agents through quarterly initiatives to ensure a consistent pipeline for loan product promotion and sales. The company also plans to attend key industry events, such as Doctor's Conventions and the SME Business Expo, to strengthen relationships with target groups like healthcare professionals and SMEs, ultimately generating more leads and boosting brand authority. Additionally, the company will enhance its data analytics capabilities to gain deeper insights into customer behavior, market trends, and competitor strategies, enabling more tailored product offerings. Lastly, a focus on continuous training and employee incentives will foster a culture of growth, innovation, and productivity, ensuring improved job satisfaction.

With these initiatives, MFC is well-positioned for continued financial growth and expansion within the SME sector. The company's clear strategy, commitment to responsible lending, and strong management practices will help create lasting value for its stakeholders and customers, ensuring sustained success in the years ahead.

Discussion of Past Financial Performance

As of December 31, 2024

Results of Operation

As of December 31, 2024, Makati Finance Corporation (MFC) demonstrated improved financial performance, marked by growth in both interest-based and non-interest income streams. Total operating income increased by 10.8% to ₱199.72 million, up from ₱180.17

million in 2023, largely driven by a combination of higher interest income and a strong increase in other income. Interest income grew by 4.8% to ₱183.66 million, supported by the expansion of interest-earning assets and favorable yields. However, interest expense rose by 10% to ₱38.12 million, reflecting increased funding costs, possibly due to a rising interest rate environment or higher borrowing levels. Despite this, the Company's net interest margin still improved by 3.6%, reaching ₱145.54 million, indicating solid performance in core banking operations.

Other income rose significantly by 36.6% to ₱54.18 million, driven primarily by a ₱21.57 million one-time gain on the sale of investment property, which was absent in the previous year. Recurring components such as service charges increased by 7.2%, while miscellaneous income declined by 27.5%, possibly due to fewer extraordinary or incidental gains. The fair value adjustment on investment properties also saw a slight decrease. Overall, the non-interest income performance highlights the Company's ability to leverage asset sales and diversify revenue streams.

On the expense side, total operating expenses increased by 7.7% to ₱175.40 million, up from ₱162.91 million in 2023. This was mainly attributable to a 13.3% increase in salaries and employee benefits, consistent with workforce expansion or compensation adjustments. Management and professional fees rose sharply by 52.3%, potentially due to increased reliance on consultants, legal, or audit services. Meanwhile, miscellaneous expenses more than doubled, indicating either the impact of non-recurring items or broadened operational activities. Despite these cost increases, a major positive was the significant 39.8% reduction in provision for credit losses, which dropped to ₱19.35 million. This suggests a healthier loan portfolio and more prudent credit risk management during the year. Additionally, impairment losses on repossessed assets decreased by 74.2%, further underscoring asset quality improvement.

As a result of higher revenues and better credit risk outcomes, income before tax rose by 40.9% to ₱24.32 million. However, income tax expense more than doubled, increasing from ₱4.34 million to ₱9.86 million, which slightly offset the gains in pre-tax earnings. Despite this, net income still grew by 11.9% to ₱14.46 million. Notably, other comprehensive income swung from a loss of ₱2.27 million in 2023 to a gain of ₱3.21 million in 2024, driven likely by unrealized gains or favorable mark-to-market adjustments. This resulted in a 65.8% increase in total comprehensive income, which reached ₱17.67 million. Basic and diluted earnings per share remained flat at ₱0.05, indicating that the net income growth did not translate into higher per-share earnings, potentially due to an increase in outstanding shares or retained earnings.

Overall, the Company showed strong top-line growth, improved credit quality, and a more diversified income base. However, the rise in operating and tax expenses moderated bottom-line growth, and consistent per-share earnings signal a need to focus on cost efficiency and capital optimization in the future.

Financial Condition and Capital Resources

As of December 31, 2024, the Company's total assets stood at ₱1.14 billion, reflecting a slight decrease of 1.1% from ₱1.16 billion in the previous year. This marginal decline was driven primarily by reductions in non-current assets, particularly investment properties and right-of-use assets. Current assets increased by 18.2% to ₱673.15 million, fueled by a 21.2% growth in net loans and receivables, which rose to ₱535.27 million, indicating strong loan origination activity. On the other hand, cash decreased by 17.4% to ₱19.08 million, possibly reflecting higher disbursements or strategic allocation of funds toward earning assets. Other current assets also grew by 13.3%, supporting the overall expansion of the current asset base.

Non-current assets declined by 18.2% to ₱479.42 million, down from ₱586.47 million in 2023. The most notable reduction came from investment properties, which fell by ₱54.65 million or

35.6%, largely due to disposals, including a significant sale that contributed to the gain recognized in income. The right-of-use asset also decreased significantly from ₱16.53 million to ₱4.55 million, likely due to lease expirations or terminations. Additionally, net non-current loans and receivables declined by ₱46.67 million, suggesting a reclassification to current assets or a shift in loan portfolio structure. Deferred tax assets showed a slight decrease, possibly reflecting changes in temporary tax differences or utilization of prior-year tax credits.

On the liabilities side, total liabilities dropped by 4.8% to ₱556.77 million, driven by a substantial decrease in non-current liabilities, which fell by ₱35.19 million. This was largely due to the full settlement of long-term notes payable and a reduction in lease liabilities, signaling improved liquidity and financial flexibility. Current liabilities rose modestly by 1.3%, mainly due to an increase in the current portion of notes payable, which grew to ₱510.32 million. However, this was partially offset by lower accounts payable and accrued expenses, which declined by a combined ₱13.03 million, reflecting better working capital management.

Total equity increased by 2.8% to ₱586.81 million, driven primarily by retained earnings, which grew by ₱10.59 million following improved profitability. Capital stock also increased slightly due to additional issuances or equity-based transactions. Notably, the remeasurement gain on retirement benefit obligation rose to ₱11.19 million, contributing positively to equity through other comprehensive income.

Overall, the Company maintained a strong financial position with a stable asset base and improved equity despite modest declines in total assets. The balance sheet reflects prudent capital management, a shift toward more liquid and income-generating assets, and a deliberate reduction in financial leverage through the repayment of long-term obligations.

Income before Income Tax

The Company's income before income tax increased by 40.9% in 2024, rising to ₱24.32 million from ₱17.26 million in 2023. This growth was mainly due to higher total operating income, which grew by ₱19.55 million or 10.8%, driven by both a better net interest margin and a boost in other income. A key factor was a ₱21.57 million gain from selling investment property, showing effective use of non-core assets. Additionally, the provision for credit losses dropped by ₱12.83 million, indicating an improved loan portfolio. While operating expenses went up by ₱12.49 million, the increase was more than offset by higher revenue and lower credit losses. Overall, the increase in pre-tax income reflects the Company's strong performance, better asset management, and improved credit risk management.

Funds Generation

We currently have a P350 million facility with Amalgamated Investment Bancorporation (AIB) and P550 million term loan financing with various financial institutions. The Company is in discussion with other financial institutions to secure credit loan facilities to finance MFC's growth potential in 2025.

Currently, fund requirements are being met by loans, collections, and acceptance of private placements under the 19 lenders rule.

As of December 31, 2023

Results of Operation

As of December 31, 2023, Makati Finance Corporation (MFC) has achieved 10% increase in its topline as the Interest Income grew by Php 16 million from Php 159 million in 2022 to Php 175 million in 2023. The growth in topline resulted in increase in Net Interest Income to Php 141 million, reflecting a 12% increase from the previous year's Php 126 million.

On the other hand, the Company's Total Operating Income experienced a growth of 9%, from Php 165 million in 2022 to Php 180 million in 2023. Despite these positive results, the Net Income declined by 27.6%, settling at Php 13 million compared to Php 18 million in 2022, primarily due to higher provisions for credit losses and impairment loss on repossessed assets, which consequently resulted to increase in Total Operating Expenses by 14.8% or Php 21 million, from Php 142 million in 2022 to Php 163 million in 2023.

Financial Condition and Capital Resources

The Company's total assets as of December 31, 2023, were P1,155 million, and total liabilities increased by 6% or Php 34 million, from Php 551 million in 2022 to Php 585 million in 2023. This increase was mainly due to an increase in new loans released this year.

Income Before Income Tax

As of December 31, 2023, the company's Income before tax amounted to Php 17 million, lower versus Php 23 million in 2022.

Funds Generation

We currently have a P350 million facility with Amalgamated Investment Bancorporation (AIB) and P350 million term loan financing with various financial institutions. The Company is in discussion with other financial institutions to secure credit loan facilities to finance MFC's growth potential in 2024.

Currently, fund requirements are being met by loans, collections, and acceptance of private placements under the 19 lenders rule.

As of December 31, 2022

Results of Operation

As of December 31, 2022, Makati Finance Corporation (MFC) has achieved impressive financial results, with an 84% increase in net income compared to the previous year. This increase was mainly due to the valuation of its Real and Other Properties Owned and Acquired, which contributed to a 41% increase in other income.

Total comprehensive income for 2022 was P22.06 million, a 33% increase compared to P12.85 million in 2021.

Total Operating Expenses remained almost the same at P141.9 million in 2022, versus P141.3 million in 2021.

MFC's Interest Income in 2022 amountead to P158.98 million, with breakdowns of P22.9 million from Rx Cashline, P57.4 million from MFC Factors and Business Loans, and P65.4 million from Motor Vehicle (MC/Car/Leisure Bikes) Financing.

Earnings per Share increased to P0.07 from P0.04 in 2021.

Financial Condition and Capital Resources

The Company's total assets as of December 31, 2022, were P1,114.14 million, and total liabilities declined by 18% or P118.76 million, from P669.81 million in 2021 to P551.05 million in 2022. This decline was mainly due to net loan payments from excess cash of the Company.

Interest Income

The interest income this year ended at ₱158.98.72 million in 2022 from ₱174.72 million in 2021, 9% lower vs last year, mainly due to lower loan releases during the PANDEMIC.

Net Interest Income

Net interest income amounted to ₱125.85 million in 2022, lower versus ₱138.83 million in 2021. This is mainly due to lower loan releases during the pandemic.

Other Income

Other income (including gain on sale of repossessed assets) increased by ₱11.5 million, from ₱27.94 million in 2021 to ₱39.44 million in 2022, mainly due to the valuation of its Real and Other Properties Owned and Acquired in its latest appraisal report.

Income Before Income Tax

As of December 31, 2022, the company's Income before tax amounted to ₱23.4 million, a bit lower versus ₱25 million in 2021.

Funds Generation

We currently have a ₱350 million facility with Amalgamated Investment Bancorporation (AIB) and ₱350 million term loan financing with various financial institutions. The Company is in discussion with other financial institutions to secure credit loan facilities to finance MFC's growth potential in 2022.

Currently fund requirements are being met by loans, collections, acceptance of private placements under the 19 lenders rule.

As of December 31, 2021

Results of Operation

The Company released a total loans of Php 732 million in 2021, 23% lower or about P224 million versus P956 million in 2020, this is mainly due to the impact of COVID 19 pandemic as the Company became more stricter in credit evaluation especially on new accounts, while we continue to support in servicing our existing good customers. On the other hand, total collections in 2021 amounted to P981 million, a decrease of 11% or about P118 million versus Php 1.1 billion in 2020. The Company's income before tax amounted to Php 25 million, or about 42% higher versus Php 17.5 million in 2020, driven by increase in miscellaneous income. However, the net income of the Company amounted to Php 9.7 million only, or about 8% lower versus Php 10.8 million in 2020, mainly due to the impact of CREATE law, correcting prior years deferred tax assets in the amount of Php 9.54 million. Without the income tax correction, the Company's Net income for FY2021 should have been Php 19.24 million, or about 78% higher versus FY2020.

The total comprehensive income in 2021 ended at ₱12.85 million, higher by 33% versus ₱9.63 million in 2020.

Net Operating Expenses in 2021 ended at ₱136.69 million, higher versus ₱124.16 million in 2020. Interest income in 2021 amounted to ₱174.7 million; major breakdown of which is ₱22 million from Rx Cashline, ₱67.89 million from MFC Factors and Business Loans and ₱77.1 million from Motor Vehicle (MC/Car/Leisure Bikes) Financing.

As of December 31, 2021, Earnings per Share ended at ₱0.04 from ₱0.04 in 2020.

Financial Condition and Capital Resources

Total assets as of December 31, 2021 ended at ₱1,212.3 million, almost 8% lower versus ₱1,314.3 million in 2020. On the other hand, total liabilities also declined by ₱113.26 million, from ₱783.07 million in 2020 to ₱669.81 million in 2021 mainly due to net loan payments amounting to ₱121.69 million during the year.

Interest Income

The interest income this year ended at ₱174.72 million in 2021 from ₱164.1 million in 2020, 6% higher vs last year, mainly due to better collections on financial products that yields higher effective interest rates.

Net Interest Income

Net interest income amounted to ₱138.83 million in 2021, higher versus ₱121.53 million in 2020. This is mainly due to better collections on financial products that yields higher effective interest rates.

Other Income

Other income (including gain on sale of repossessed assets) increased by ₱2.64 million, from ₱20.91 million in 2020 to ₱22.85 million in 2021, mainly due to better collections on financial products that yields higher effective interest rates and collected late payment charges.

Income Before Income Tax

As of December 31, 2021, the company's Income before tax amounted to ₱25.00 million, higher versus ₱17.57 million in 2020, mainly due to better collections on financial products that yields higher effective interest rates.

Funds Generation

We currently have a ₱50 million facility with Amalgamated Investment Bancorporation (AIB) and ₱350 million term loan financing with various financial institutions. The Company is in discussion with other financial institutions to secure credit loan facilities to finance MFC's growth potential in 2022.

Currently fund requirements are being met by loans, collections, acceptance of private placements under the 19 lenders rule.

As of December 31, 2020

Results of Operation

The Company released a total loans of ₱956 million in 2020, 9% lower or about ₱100 million versus ₱1.05 billion in 2019. On the other hand, total collections amounted to ₱ 1.1 billion, an increase of 15% or about ₱142 million versus ₱962 million in 2019, which resulted to a net income of ₱10.8 million, or about 50% lower versus ₱21.7 million in 2019, mainly due to the impact of COVID 19 pandemic

Total operating income (including gain on sale of repossessed assets and net of interest expense) ended at ₱141.74 million in 2020, 19% lower versus ₱175.7 million in 2019. The decline was mainly due to the impact of COVID 19 pandemic in which lockdowns were implemented by Government to minimize the spread of the virus in 2020, as well as the implementation of Bayanihan 1 and 2 which affect collections from consumer loans which yields higher effective interest rates. As a result, generated interest income amounted only to ₱164.1 million in 2020 from ₱173.3 million in 2019.

Net Operating Expenses in 2020 ended at ₱120.9 million, lower versus ₱133.3 million in 2019 as a result of the cost saving measures implemented by the Company.

Interest income in 2020 amounted to ₱164.1 million; major breakdown of which is ₱25.5 million from Rx Cashline, ₱55.4 million from MFC Factors and Business Loans and ₱75.5 million from Motor Vehicle (MC/Car/Leisure Bikes) Financing.

As of December 31, 2020, Earnings per Share ended at ₱0.04 from ₱0.09 in 2019.

Financial Condition and Capital Resources

Total assets as of December 31, 2020 ended at ₱1,314.4 million, almost same level versus ₱1,333.56 million in 2019. On the other hand, total liabilities also declined by ₱25.6 million, from ₱808.67 million in 2019 to ₱783.07 million in 2020 mainly due to net loan payments amounting to ₱22.92 million during the year.

Interest Income

The interest income this year ended at ₱164.1 million in 2020 from ₱173.3 million in 2019. This is mainly due to the impact of COVID 19 pandemic during the year, in which several lockdowns were implemented by Government to minimize the spread of the virus in 2020, as well as the implementation of Bayanihan 1 and 2 which affect collections from consumer loans which yields higher effective interest rates.

Net Interest Income

Net interest income amounted to ₱121.53 million in 2020, lower versus ₱147.36 million in 2019. This is mainly due to the impact of COVID 19 pandemic during the year.

Other Income

Other income (including gain on sale of repossessed assets) dropped by ₱5.13 million, from ₱28.34 million in 2019 to ₱23.21 million in 2020, mainly due to the impact of COVID 19 pandemic during the year.

Income Before Income Tax

As of December 31, 2020, the company's Income before tax amounted to ₱17.57 million, lower versus ₱34.41 million in 2019, mainly due to the impact of COVID 19 pandemic during the year.

Funds Generation

We currently have a ₱339 million facility with Amalgamated Investment Bancorporation (AIB) and ₱347 million term loan financing with various financial institutions. The Company is in discussion with other financial institutions to secure credit loan facilities to finance MFC's growth potential in 2021.

Currently fund requirements are being met by loans, collections, acceptance of private placements under the 19 lenders rule.

KEY PERFORMANCE INDICATORS:

Following are the top five (5) key performance indicators of the Company.

	2024	2023
SOLVENCY AND LIQUIDITY RATIOS		
Current ratio	123.37%	105.75%
Debt to equity ratio	94.88%	102.40%
Quick ratio	101.60%	86.27%
PROFITABILITY RATIOS		
Return on assets	1.26%	1.12%
Return on equity	2.46%	2.26%
Net profit margin	7.24%	7.17%
ASSET TO EQUITY RATIO	194.88%	202.4%
INTEREST RATE COVERAGE RATIO	1.64	1.50
OTHER RELEVANT RATIOS		
Ratio or percentage of total real estate investments to total assets	8.63%	13.26%
Total receivables to total assets	75.03%	70.15%
Total DOSRI receivables to net worth	0.58%	1.10%
Amount of receivables from a single corporation to total receivables:		
Amalgamated Investment Bancorporation	0.02%	0.01%
Motor Ace Philippines, Inc. (MAPI)	0.04%	0.04%
Honda Motor World, Inc. (HMWI)	0.02%	0.02%
MAPI Lending Investors, Inc (MAPILI)	0.17%	0.28%
HMW Lending Investors, Inc. (HMWLI)	0.14%	0.40%

Computation for the Ratios:

- Current Ratio = Current Assets/Current Liabilities
- Debt to Equity Ratio = Total Liabilities/Total Equity
- Quick Ratio = Quick Assets/Current Liabilities
- Return on Assets = Net Income After Tax/Total Assets
- Return on Equity = Net Income After Tax/Total Equity
- Net Profit Margin = Net Income After Tax/Total Income
- Asset to Equity Ratio = Total Assets/Total Equity

TRENDS, EVENTS OR UNCERTAINTIES WITH MATERIAL IMPACT ON LIQUIDITY

There are no known trends, events or uncertainties that will have a material impact on the Company's liquidity.

EVENTS THAT WILL TRIGGER DIRECT OR CONTINGENT FINANCIAL OBLIGATION

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

MATERIAL OFF-BALANCE SHEET TRANSACTIONS, ARRANGEMENT OR OBLIGATION

There are no material off-balance sheet transactions, arrangement or obligation.

CAPITAL EXPENDITURES

The Company had started to implement in April 2009 the geographical expansion for the MC Financing line. This resulted to investment in buying new office equipments, furniture and vehicles as service unit for the CSR.

TRENDS, EVENTS OR UNCERTAINTIES WITH MATERIAL IMPACT ON SALES

There are no known trends, events or uncertainties with material impact on sales.

SEASONAL ASPECTS

There was no seasonal aspect that had material effect on the Company's financial condition or results of operation

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.

INDEPENDENT PUBLIC ACCOUNTANTS

The auditing firm of Isla Lipana & Co. is the incumbent external auditor of the Company for the calendar year 2024. The Company has complied with SRC Rule 68 (3)(b)(iv), regarding rotation of external auditors or engagement partners every five years. Mr. Zaldy D. Aguirre, as the signing Partner, of the Company. It is expected that Isla Lipana & Co. will be reappointed as the Company's external auditor for year 2024.

The representatives of the said firm are expected to be present at the shareholders' meeting, will have the opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions.

There had been no disagreements with Isla Lipana & Co. with regard to accounting policies and financial disclosures of the Company.

Audit Committee is comprised of the following – Mr. Asterio L. Favis, Jr. as Chairman and Mr. Alan Michael R. Cruz and Mr. Max O. Borromeo as members.

INFORMATION ON EXTERNAL AUDITOR

There had been no disagreements with Isla Lipana & Co. with regard to accounting policies and financial disclosures of the Company. Mr. Zaldy D. Aguirre, the signing partner, are the newly appointed auditors of the Company for the Calendar Year ending December 31, 2023, and has not yet completed the five-year cap requirement of SEC.

For the annual statutory and regulatory engagements including out-of-pocket expenses, MFC has engaged Isla Lipana & Co. for a service fee of ₱450,000 for 2024 audit period. The Company has not engaged Isla Lipana & Co. for any tax-related service or any other professional services. The audit committee of MFC regularly meets to tackle whatever issues that may come out of the regular audit of the company's external auditor and reports them to the BOD. Recommendations by the audit committee are then deliberated during the Board meetings.

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:

Ms. Teresita B. Benitez, 89, Filipino, is the *Chairman Emeritus*. 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 Asiatrust 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. Robert Charles “Bob” M. Lehmann, 68, Filipino, is the Company's Chairman . He was elected as Director last October 20, 2017. He is currently the President and CEO of Amalgamated Investment Bancorporation (AIB). Also, Mr. Lehmann is concurrently a Director of Philippine Eagle Foundation. He has served 24 years in the banking industry in various senior positions here and abroad. His last position being the Executive Vice President of Security Bank. Prior to that, he was with Standard Chartered Bank in the region for many years, after several Philippine Country Manager positions with American and U.K. banks. A graduate of Ateneo High School, he has an undergraduate degree in B.S. International Business and a Masters in Business Administration from the University of San Francisco.

Mr. Max O. Borromeo, 75, Filipino, is the Company's *Vice Chairman*. He has been a Director since 2000. Aside from being a Director of the Company, Mr. Borromeo is currently a Director in the following companies: 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., and Salud Borromeo Foundation, Inc. and Amalgamated Investment Bancorporation. He graduated with a Bachelor of Arts degree in Economics from the Ateneo de Manila University.

Mr. Joel S. Ferrer, 70, Filipino, is the Company's *Treasurer*. He has been a Director since 1998. Mr. Ferrer is currently the President of PARMAN Inc., a staffing company serving local and international clients. At the same time he also manages interests in real estate and agribusiness. 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. Maxcy Francisco Jose R. Borromeo, 50, Filipino, is the Company's President and Chief Operating Officer of Makati Finance Corporation. He joined the company in 2014 and was elected Director in 2016. Outside of Makati Finance Corporation, he is also the President of HMW Lending Investors, Inc. and MAPI Lending Investors, Inc. He also serves as Director of Honda Motor World, Inc., Motor Ace Philippines, Inc., Astron Gestus, Inc., Cebu Maxi Management Corporation, Maxi Agricultural Corporation, Borromeo Brother's Estate, Inc. and Mizukawa Motors Corporation. He is also a member of the Board of Trustees of Salud Borromeo Foundation, Inc. He graduated with a Bachelor of Arts degree in Political Science from the Ateneo de Manila University. He obtained his Master's degree in Applied Finance with a focus on banking from the University of Wollongong, Australia.

Mr. Jose Daniel R. Borromeo, 52, Filipino, He was elected as Director last July 28, 2016. He is the President and General Manager of Honda Motor World, Inc., Motor Ace Philippines, Inc., and Dream Honda, Inc. He is also the Managing Director of Borromeo Brothers Estate, Inc., Margarita Agro Industrial Corp., Tolar Development Corp. and , MC Bros. Development Corp. He is the President of Astron Gestus, Inc., Sakura Autoworld Inc., Cebu Maxi Management Corp., and Maxi Agricultural Corporation. He's the Corporate Planning Officer of Dearborn Motors, Inc. He graduated in Business Management degree major in Marketing from Hampshire College, New Hampshire, USA and completed his MBA in the University of Wollongong, Wollongong, Australia.

Mr. Alan Michael R. Cruz, 61, Filipino, he was elected as Independent Director last July 27, 2017. He was the President and General Manager of Northpine Land, Inc. from June 2011 to December 2016. He was also the Real Estate Development Manager of San Miguel Properties, Inc. from March 2007 to June 2011. He also served as Vice President and Division Head of United Coconut Planters Bank (UCPB) from 2004-2007 and Vice President and OIC – Asset Management Division from 2000-2003. He graduated in 1985 from University of the Philippines with the degree of B.S. Architecture. He was also 10th placer in 1985 board examination.

Mr. Asterio L. Favis, Jr., 71, Filipino, he was elected as Director of Makati Finance Corporation. He is currently working as consultant of Amalgamated Investment Bancorporation (AIB) and Ateneo-BAP Institute of Banking. Mr. Favis had been in banking industry for about 30 years handling various senior positions. His last position being the Executive Vice President(EVP) of Sterling Bank of Asia from April 2007 to December 2013, as Head, Treasury Group for two years, one year as OIC of Consumer Lending Group and three years as EVP/Office of the President . He was EVP/Head, Treasury Division of Philippine National Bank from November 2002 to March 2007. He was also SVP/Head, Financial Markets Division in AB Capital & Investment Corporation from 1999 to 2002 and SVP/Head, Treasury Division in Asianbank Corporation from 1990 to 1999. Prior to that, he was with PCI Bank from 1983 to 1990 as AVP/Head, Foreign Exchange for three years, VP/Head, Domestic Money Market for three years and VP/Office of the President for one year. He graduated in 1976 from Ateneo de Manila University with the degree of B.S. Management Engineering (Cum Laude).

Mr. Cristino L. Panlilio, 71, Filipino, was elected as Director of Makati Finance Corporation. Mr. Panlilio started his career as a banker for 20 years handling various senior positions in Far East Bank and PCI Bank. He later ventured into mining, chocolate manufacturing, sugar, water and food industries. Currently, he is the President and CEO of Balibago Waterworks System, Inc. (BWSI), and Chairman and President of Conglow Properties, Inc. His first big step towards entrepreneurship was

when he invested in Universal Food Corporation, a ketchup manufacturing company and served as its President in 1992 to 1997. In mid-1997, he received an offer to buy out BWSI, after studying the proposal, Mr. Panlilio, together with a group of investors, officially took over BWSI and became its President and CEO in 1997 to 2010 and from 2013 to present. He also served as Managing Director of Pampanga Sugar Development Company, Inc. in 1994 to 2010. He also handled several positions in Government from August 2010 to May 2013, as Undersecretary of the Department of Trade and Industry and Managing Director of Board of Investments. He earned his AB Economics (Honor Student) & Master in Business Administration (A-grade average) degrees from the Ateneo de Manila University in 1973 and 1981, respectively. He completed his Advance Management Program from Wharton School of Finance, Philadelphia USA in 1984.

Mr. Irineo A. Cases, Jr., 48, Filipino, was nominated for election as Independent Director of Makati Finance Corporation. Mr. Cases expertise in overseeing and managing business operations is attributed [SEC Form 17-A 2023] Makati Finance Corporation Page 26

to his experience working in a multitude of industries. From 2005 to 2011, he was a Director of MT Link Asia, a medical transcription outsourcing company. Mr. Cases concurrently holds several positions as President of the Consolacion Unicredit Corp., the Vice President for Sales/Marketing of the Metro Credit Finance Corp., President of Metrografix Inc., and Managing Director of Cebon Construction Services.

Ms. Carmen Therese L. Benitez, a 25-year-old Filipino, was elected as the Director of Makati Finance Corporation on January 23, 2024. She currently works as a Backend Software Engineer at Stripe, Inc. in New York City, USA. Prior to joining Stripe, she served as a Technical Lead and Forward Deployed Software Engineer at Palantir Technologies, focusing on their work with various Life Sciences Companies. During her college years, Ms. Benitez excelled as a Software Engineering Intern at Bloomberg LP, contributing to the accessibility of the Bloomberg terminal. She also participated in the Student Training in Engineering Program (STEP) Internship at Google. Ms. Benitez holds a B.S. in Computer Science/Math, with a Concentration in Economics and High Distinction, from Harvey Mudd College. She possesses strong programming skills in Java, Python, C++, JavaScript, TypeScript, NodeJS, ReactJS, and Spark.

Mr. Roberto C. Benares, a 70-year-old Filipino, was elected as a member of the Board of Directors of Makati Finance Corporation on 25 October, 2022. He is currently an Independent Director of COL Financial Group, Inc. since 2021 and has been serving as the President and CEO of Bank of Commerce (Philippines) since August 1, 2013. Additionally, he also serves as a Director and chairs the Information Technology Steering Committee (ITSC) and is a member of the Board Risk Oversight Committee (BROC). During his tenure as President and CEO, he played a crucial role in strengthening the Bank by establishing its superior service culture, which led to the accomplishment of its recent milestones. Prior to this, Mr. Benares served as the Managing Director of Maybank ATR Kim Eng Capital Partners, Inc. He began his banking career as an Assistant Treasurer at Bancom Development Corp. and later held the position of Vice President of Account Management at United Coconut Planters Bank. He has also worked as a Managing Director at Asian Alliance, Executive Vice President at Insular Investment & Trust Corporation, and Vice President at Philamlife. Mr. Benares holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University and a Master's Degree in Business Management from the Asian Institute of Management.

Independent Directors

Among the Directors, Messrs. Asterio L. Favis, Jr., and Alan Michael R. Cruz were elected as the two (2) Independent Directors of the Company at the 2024 Annual Stockholders' Meeting.

Senior Management

Ms. Charito S. Espiritu, CPA, 57, Filipino, is the *Chief Finance Officer* of Makati Finance Corporation. She is a highly accomplished *Chief Finance Officer* with over 30 years of experience in finance, banking, and administration. She is known for her proven ability to manage complex financial operations and lead teams across diverse industries.

Ms. Espiritu assumed the role of CFO at the company on September 16, 2024, bringing with her a wealth of expertise. Her career spans multiple senior leadership roles, including significant positions at Allied Banking Corporation, where she gained deep insights into banking and finance. She has also made notable contributions in other sectors, holding leadership roles at Pacific Plaza Condominium Corporation, New World Manila Bay Hotel, Roxaco Vanguard Hotels, Unicapital Inc., and GreenAntz Builders, Inc.

She earned a Bachelor of Science in Business Administration, majoring in Accounting, from the Philippine School of Business Administration in 1989. She later pursued a Master's in Business Administration from the De La Salle University Graduate School of Business.

As a Certified Public Accountant (CPA), Ms. Espiritu's credentials, combined with her extensive hands-on experience, uniquely position her to drive the company's financial strategy and ensure sustainable growth.

Atty. Danilo Enrique O. Co, *Corporate Secretary and Legal Counsel*, 55, 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 & Gonzales Law Offices, a full-service Philippine law firm specializing in corporate law. He is also a Director, Corporate Secretary and/or Asst. Corporate Secretary of several other Philippine corporations, such as Art Provenance Philippines Inc., Amalgamated Investment Bancorporation, Anvaya Cove Beach and Nature Club, Cuervo Appraisers Inc., Dearborn Motors Co. Inc., Empowerment Through Education Inc., Health Blocks Inc., Kalayaan College Inc., Maroon Studios Inc., Sakura Autoworld Inc., Santos Knight Frank Inc., Sleep Well Land Development Corporation, Talent Scout Inc., The Studio of Secret 6 Inc., and Western Roadhouse Foods Inc. Atty. Co obtained his BS Business Administration (cum laude) and Law degrees from the University of the Philippines.

FAMILY RELATIONSHIP

Ms. Carmen Therese L. Benitez is the granddaughter of Ms. Teresita B. Benitez. Mr. Maxcy Francisco Jose R. Borromeo and Mr. Jose Jose Daniel R. Borromeo are sons of Mr. Max O. Borromeo.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of the Directors and Executive Officers was involved during the past five years up to in any bankruptcy proceedings up to April 12, 2018. Neither have they been convicted by final judgment in any criminal proceeding or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, not any action by any court or administrative body to have violated a securities or commodities law.

ITEM 10. Executive Compensation

The Company has an existing management contract with Cebu Maxi Management Corporation for advice and assistance in the MC Financing product assisted by Mr. Max O. Borromeo, Vice Chairman and with Pikeville Bancshares, Inc. for advice and assistance to be provided by Mr. Rene B. Benitez, Chairman. Each of the directors receives per diem amounting to ₱50,000 for every Board meeting they attend.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

SUMMARY COMPENSATION TABLE				
YEAR	NAME AND PRINCIPAL POSITION	SALARY/MANAGEMENT FEE	BONUS	OTHER COMPENSATION
2025 (Estimate)	Top 5 Executive Officers: Robert Charles M. Lehmann– Chairman Max O. Borromeo – Vice Chairman Maxcy R. Borromeo – President/COO Charito S. Espiritu – Chief Finance Officer Jonathan B. Pena – Chief Operating Officer	8,170,000	1,179,128	1,200,000
	ALL BOARD DIRECTORS AND OFFICERS AS A GROUP	12,112,080	1,179,128	1,200,000
2024 (Actual)	Top 5 Executive Officers: Robert Charles M. Lehmann– Chairman Max O. Borromeo – Vice Chairman Maxcy R. Borromeo – President/COO Marcos E. Larosa – Chief Finance Officer (Jan-Oct) Charito S. Espiritu – Chief Finance Officer (Sept-Dec) Jonathan B. Pena – Chief Operating Officer	7,710,610	640,285	1,014,798
	ALL BOARD DIRECTORS AND OFFICERS AS A GROUP	11,652,690	1,123,156	1,014,798
2023 (Actual)	Top 4 Executive Officers: Robert Charles M. Lehmann– Chairman Max O. Borromeo – Vice Chairman Maxcy R. Borromeo – President/COO Marcos E. Larosa – Chief Finance Officer	8,847,049	799,687	275,000
	ALL BOARD DIRECTORS AND OFFICERS AS A GROUP	9,318,354	1,818,276	2,480,000
2022 (Actual)	Top 4 Executive Officers: Rene B. Benitez – Chairman Max Borromeo – Vice Chairman Maxcy R. Borromeo – President/COO Marcos E. Larosa – Chief Finance Officer	9,365,012	1,436,790	400,000
	ALL BOARD DIRECTORS AND OFFICERS AS A GROUP	11,058,932	1,901,379	2,230,000
2021 (Actual)	Top 4 Executive Officers: Rene B. Benitez – Chairman Max Borromeo – Vice Chairman Maxcy R. Borromeo – President/COO Marcos E. Larosa – Chief Finance Officer	9,365,012	1,436,790	400,000
	ALL BOARD DIRECTORS AND OFFICERS AS A GROUP	11,058,932	1,901,379	2,230,000

IDENTITY OF SIGNIFICANT EMPLOYEES

There is no person who is not an executive officer who is expected to make a significant contribution to the business of the company.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security ownership of record/beneficial owners of more than 5% Equity

Title of class	Name, address of record owner and relationship	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares	Percent Held
Common	* Amalgamated Investment Bancorporation 11F Multinational Bancorporation, 6805 Ayala Avenue, Makati City	Record and beneficial owner	Filipino	119,382,512	43.59%
Common	Motor Ace Philippines, Inc. MC Briones St. Hi-way Magukay, Mandaue City	Record and beneficial owner	Filipino	68,171,381	24.89%

Note: * Inclusive of uncertificated shares that were lodged to PCD Nominee.

Security ownership of BOD and Officers with Direct Ownership

Common	Robert Charles M. Lehmann 11F Multinational Bancorporation Bldg., 6805, Ayala Avenue, Makati City	Beneficial owner	Filipino	1	0.00%
Common	Max O. Borromeo Maria Luisa Park, Banilad, Cebu City	Beneficial owner	Filipino	46,753	0.02%
Common	Maxcy Francisco Jose R. Borromeo 66 Gorordo Avenue, Cebu City	Beneficial owner	Filipino	2,566	0.00%
Common	Joel S. Ferrer 2137 Lourdes St. San Miguel Village, Makati City	Beneficial owner	Filipino	2,759,174	1.01%
Common	Jose Daniel R. Borromeo Mandaue, Cebu City	Beneficial owner	Filipino	2,568	0.00%
Common	Alan Michael R. Cruz 410 madrigal Avenue, Ayala Alabang, Muntinlupa	Beneficial owner	Filipino	1	0.00%
Common	Asterio L. Favis, Jr No 33 Yuchengco Drive Pacific Malayan Village, Muntinlupa City	Beneficial owner	Filipino	1	0.00%
Common	Cristino L. Panlilio 140 Shallow Drive Green Meadows Q.C	Beneficial owner	Filipino	1	0.00%
Common	Irinio A. Cases, Jr. 17 Paseo Quirico, Maria Luisa Park, Banilad Cebu City	Beneficial owner	Filipino	1	0.00%
Common	Carmen Therese L. Benitez 19 Mercedes St., Bel-Air Village, Makati City	Beneficial owner	Filipino	1	0.00%
Common	Vincent Ee No. 13 Yanwood Avenue, Singapore	Beneficial owner	Singaporean	1	0.00%

Makati Finance Corporation complied with the minimum percentage requirements of listed securities held by the public of 10% of the listed company's issued and outstanding share. The Company will endeavor to increase its public float.

ITEM 12. Certain Relationships and Related Transactions

Ms. Carmen Therese L. Benitez is the granddaughter of Ms. Teresita B. Benitez. Mr. Maxcy Francisco Jose R. Borromeo and Mr. Jose Daniel R. Borromeo are sons of Mr. Max O. Borromeo.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS – NOTE 21 OF THE AUDITED FINANCIAL STATEMENTS

In the ordinary course of business, the Company enters into transactions with its stockholders and affiliates. Under the Company's policy, these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks. Related party transactions are settled in cash.

Affiliates are other companies linked indirectly to the Company through interlocking directorship or officership and those under common significant influence and common control. For the details on the related party transactions, refer to Note 21 of the audited financial statements.

PART IV – CORPORATE GOVERNANCE

ITEM 13. Corporate Governance

Please refer to the I-ACGR herein attached as “ANNEX C”

COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

MFC shall set up an evaluation system that will determine and measure compliance with the Manual on Corporate Governance.

Measures undertaken by MFC for full compliance with the adopted leading practices on good corporate governance includes election of independent directors and creation of the Nomination Committee starting year 2003 and continued up to the present time. Each incumbent director of MFC underwent seminars on good corporate governance in year 2003 up to the present. To monitor compliance, the board of directors designated Mr. Marcos E. Larosa as Compliance Officer. The Company submitted to the SEC its Revised Anti-Money Laundering Manual as mandated by Republic Act 9160, as amended by Republic Act. No. 9194 on October 28, 2004. Also, The Company submitted the Audit Charter Manual. Lastly, the Company’s By-Laws shall be amended to incorporate provisions on independent directors. Deviations from the Company’s Manual on Corporate Governance are not applicable. With regards to plans on improving corporate governance of the Company, MFC is already adopting the Philippine Accounting Standards in the presentation of its financial statements.

PART V - EXHIBITS AND SCHEDULES

ITEM 14. 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

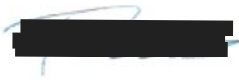
The reports on SEC Form 17-C filed during the last six months ended December 31, 2024 are hereby attached “ANNEX B”.


Quarterly Financial Reports ending March 31, 2024 were submitted to the SEC on May 15, 2024; quarterly ending June 30, 2024 on August 15, 2024 and for the quarter ending September 30, 2024 on November 13, 2024.


SIGNATURES


Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on 15 APR 2025.


By:


ROBERT CHARLES M. LEHMANN
Chairman of the Board

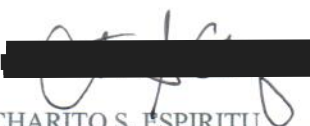

MAX O. BORROMEEO
Vice-Chairman


ASTERIO L. FAVIS, JR.
Independent Director


MAXCY FRANCISCO JOSE R. BORROMEEO
President

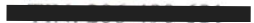


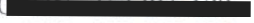

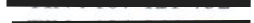


ALAN MICHAEL R. CRUZ
Independent Director


DANILO ENRIQUE O. CO
Corporate Secretary


CHARITO S. ESPIRITU
Chief Finance Officer

15 APR 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2025, affiant(s) exhibiting to me their _____, as follows:

NAME/NO.	GOVT.I.D.	PLACE OF ISSUE
ROBERT CHARLES M. LEHMANN		
MAX O. BORROMEEO		
ASTERIO L. FAVIS, JR.		
MAXCY FRANCISCO JOSE R. BORROMEEO		
ALAN MICHAEL R. CRUZ		
CHARITO S. ESPIRITU		
DANILO ENRIQUE O. CO		

NOTARY PUBLIC

Doc No. 708
Page No. 103
Book No. XV
Series of 2025




ATTY. REMY MA. M. VILLA
NOTARY PUBLIC OF MAKATI CITY
APPOINTMENT NO. M-110
(RE) (2025 2026)
UNTIL DECEMBER 31, 2026
PTR NO. 10467474, 01-03-2025, MAKATI CITY
18P LIFETIME NO. 013595; 12-27-2013, I.C
ROLL NO. 37226
MCLE COMPLIANCE NO. VIII-0012754; 08-27-2024
GROUND FLOOR, MAKATI TERRACES CONDOMINIUM
2650 DAVILA ST., TEJEROS, MAKATI CITY

MAKATI FINANCE CORP.

SUSTAINABILITY REPORT

YEAR 2024

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A. CONTEXTUAL INFORMATION

1.) COMPANY DETAILS	
Name of Organization	MAKATI FINANCE CORPORATION (MFIN) or “The Company”
Location of Headquarters	3 rd Floor Mazda Makati Building, 2301 Chino Roces Avenue, Brgy. Magallanes, Makati City
Location of Operations	MFIN’s operations are located in Metro Manila, and nearby provinces such as Rizal, Laguna, Cavite, Batangas, etc.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report *	This report covers the sustainability report of Makati Finance Corporation.
Business Model, including Primary Activities, Brands, Products and Services	The Corporation is a publicly listed Finance Company (with the Philippine Stock Exchange). Its Primary Purpose authorizes the Corporation to extend credit facilities to consumers and to industrial, commercial or agricultural enterprises, either by direct lending or by discounting or factoring commercial papers or accounts receivables, or by buying or selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable as well as immovable property. Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.
Reporting Period	January to December 2024
Highest Ranking Person responsible for this report	Charito S. Espiritu, Chief Finance Officer

2.) MATERIALITY PROCESS

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
MFIN considered internal and external factors in identifying material topics. These include the Company’s overall mission and competitive strategy, and the concerns expressed directly by its stakeholders.

B. ECONOMIC

The Corporation is a publicly listed Finance Company (with the Philippine Stock Exchange). Its Primary Purpose authorizes the Corporation to extend credit facilities to consumers and to industrial, commercial or agricultural enterprises, either by direct lending or by discounting or factoring commercial papers or accounts receivables, or by buying or selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable as well as immovable property. Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.

1.) ECONOMIC PERFORMANCE

a. Direct Economic Value Generated and Distributed

Disclosure	Amount (in millions)	Units
Direct Economic Value Generated (revenue)	183	Php
Direct Economic Value Distributed:		
a. Operating Costs	77	Php
b. Employee Wages and Benefits	64	Php
c. Payments to Suppliers	16	Php
d. Dividends given to stockholders and interest payments to loan providers	40	Php
e. Taxes Given to the Government	18	Php
f. Investment to community (e.g. donations, CSR)	-	Php

What is the impact and where does it incur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The company continues to support economic growth by offering a diverse range of credit options to consumers and small and medium-sized businesses across various industries. In 2024, our support extends further through innovative financial solutions, such as direct lending, receivables discounting, and factoring services. Our comprehensive product suite includes business loans, specialized loans for healthcare professionals, receivables factoring, car loans, personal loans, pension loans, and motorcycle financing. These services empower businesses to expand, facilitate consumer purchases, and provide tailored financial solutions that meet the evolving needs of the market.</p> <p>As we move through 2024, we remain committed to enhancing our offerings, providing accessible credit to both new and existing clients, and contributing to sustainable economic development.</p>	<p>Customers, suppliers, employees, shareholders and business partners</p>	<p>The company prioritizes sustainable growth, financial inclusion, and customer-driven innovation. By expanding our range of financial products, we strive to meet the diverse needs of consumers and small to medium-sized enterprises (SMEs). Our commitment to responsible lending, efficient loan processing, and effective risk management ensures that credit remains accessible while maintaining long-term financial stability. We are dedicated to promoting financial inclusion, supporting underserved segments, and contributing to community development.</p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Despite the Philippines' steady economic growth in 2024, with lower inflation, increased consumption, and rising investments, there are still significant economic risks that businesses must address. One of the primary risks is technological risk. As businesses increasingly adopt digital platforms and integrate advanced technologies, they face</p>	<p>Customers, suppliers, employees, shareholders and business partners.</p>	<p>In response to the current economic conditions and identified risks, the company’s management approach in 2024 centers on enhancing resilience while embracing growth opportunities. To address technological risks, management will prioritize cybersecurity and data</p>

<p>growing exposure to cybersecurity threats and data breaches, which can disrupt operations, damage reputations, and compromise sensitive customer information. With the rapid pace of technological innovation, companies must continuously invest in cybersecurity measures, maintain data privacy protocols, and adapt to the evolving landscape of digital threats.</p> <p>Another critical risk is credit risk, especially as the economy recovers. While lower inflation and higher consumption improve consumer spending, they could also lead to increased borrowing. This might result in higher default rates if consumers or businesses become over-leveraged. As lending grows, financial institutions and businesses must manage credit risk more carefully, ensuring that creditworthiness is rigorously assessed, and that loan structures are sustainable for borrowers. This will be crucial in avoiding widespread defaults, which could hurt the financial system and impede broader economic recovery.</p> <p>As the economy continues to evolve and investments grow, businesses must remain vigilant, embracing innovation while carefully managing the potential risks associated with new technologies and expanding credit. Proactive risk management strategies, particularly around cybersecurity and credit exposure, will be vital to safeguarding the steady economic growth anticipated for 2025.</p>		<p>protection by investing in advanced security systems, conducting regular audits, and fostering a culture of cyber awareness across all levels of the organization. This proactive stance ensures the company remains agile in the face of evolving digital threats.</p> <p>To manage credit risk, management will implement a more rigorous credit evaluation process and enhance risk assessment models. This includes analyzing borrower profiles more thoroughly, particularly in light of increased borrowing trends as consumption and investment rise. The company will also focus on diversification of its lending portfolio to minimize the potential impact of defaults, ensuring that its credit offerings remain sustainable and aligned with the economic landscape.</p> <p>In addition, management will continue to monitor macroeconomic indicators, such as inflation trends and interest rates, to stay ahead of any financial shifts. This will guide decisions related to interest rates, lending policies, and investment strategies, ensuring the company is both competitive and financially stable.</p>
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>The steady economic growth in the Philippines in 2024 opens opportunities across sectors. Consumers will have increased purchasing power, boosting demand for doctor’s loans and micro-business loans. SMEs will benefit from more business loans and working capital to fuel expansion. Digital platforms offer easier access to credit, reaching the unbanked and underbanked.</p> <p>The growing focus on sustainability creates demand for green financing, while the real estate and infrastructure sectors benefit from financing for large-scale projects. Agriculture and manufacturing can also access affordable credit to modernize and expand.</p> <p>In short, the financing sector can drive long-term economic development by offering tailored financial products to businesses and industries.</p>	<p>Customers, suppliers, employees, shareholders and business partners.</p>	<p>The management approach will focus on expanding financial product offerings to meet the diverse needs of businesses and consumers. Key areas of focus include doctor’s loans, micro-business loans, and business loans for SMEs. While the company recognizes the potential in underserved communities, the primary goal is to expand access to credit and drive market growth across all sectors.</p> <p>In response to the growing demand for green financing, management will introduce sustainable lending solutions, supporting businesses with environmentally friendly projects. The company will continue to focus on critical sectors such as real estate, infrastructure, agriculture, and manufacturing, helping these industries modernize and expand.</p> <p>Additionally, the company will embrace digital transformation to improve credit accessibility, streamline loan processing, and enhance customer experience. Risk management will remain a priority, ensuring responsible lending practices to safeguard financial stability and long-term growth.</p>

2.) CLIMATE-RELATED RISKS AND OPPORTUNITES

GOVERNANCE	
Disclose the organization's governance around climate related risks and opportunities	
a. Describe the board's oversight of climate-related risks and opportunities	To be identified.
b. Describe management's role in assessing and managing climate-related risks and opportunities.	To be identified.
STRATEGY:	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, long term	To be identified.
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	To be identified.
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	To be identified.

Risk Management	
Disclose how the organization identifies, assesses, and manages climate-related risks	
a. Describe the organization's processes for identifying and assessing climate-related risks	To be identified.
b. Describe the organization's processes for managing climate-related risks	To be identified.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	To be identified.
Metrics and Targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	To be identified.
b. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	To be identified.

3.) PROCUREMENT PRACTICES

a. Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers*	100	%

*Local suppliers are those registered and are operating in the Philippines.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation has a broad base of local suppliers and is not dependent on one or limited number of suppliers.	Local suppliers	MFIN's procurement practices ensure that while value for money is important, quality is equally necessary.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Unethical procurement practices may expose the Company to compromised business integrity and ethics.	Local suppliers	The Company ensures that we deal with utmost honesty and of high ethical standards with customers, suppliers, competitors, employees and other stakeholders in all matters.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunity to develop and improve its procurement practices.	Local suppliers	The Company ensures that we deal with utmost honesty and of high ethical standards with customers, suppliers, competitors, employees and other stakeholders in all matters.

4.) ANTI-CORRUPTION

a. Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%

Percentage of business partners to whom the organization's anticorruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anticorruption training	100	%
Percentage of employees that have received anticorruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Directors, management and employees are informed that based on the Code of Business Conduct and Ethics of the Company during orientations/in house trainings. The customers are also informed during signing of loan documents.	Employees, Management, Board of Directors	The Company sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the business risks involved if no constant reminders, re – orientations are being done.	Employees, Management, Board of Directors	To ensure the mitigation of corruption within the organization, the management disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunity to develop and improve its anticorruption seminars/orientations	Employees, Management, Board of Directors	The Company establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation

b. Incidents on Corruption

Disclosure	Quantity	Units

Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Directors, management and employees are informed that based on the Code of Business Conduct and Ethics of the Company during orientations/in house trainings.	Employees, Management, Board of Directors	The Company sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the business risks that will affect the organization due to corruption.	Employees, Management, Board of Directors	To ensure the mitigation of corruption within the organization, the management disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunity to ensure that the organization remains without any incident of corruption.	Employees, Management, Board of Directors	The Company establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation

C. ENVIRONMENT

1. RESOURCE MANAGEMENT

a. Energy Consumption within the organization

Disclosure	Quantity /Year	Units
Energy Consumption Electricity	129,400	kwh
Energy Consumption Diesel	0	liters
Energy Consumption Gasoline	21,000	liters
Energy Consumption LPG	0	
Energy Consumption Renewable Sources	0	

c. Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	No Data yet	
Energy reduction (LPG)	No Data yet	
Energy reduction (diesel)	No Data yet	
Energy reduction (electricity)	No Data yet	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Energy consumed by MFIN primarily comes from electricity used in office. It also uses gasoline for its Company-owned vehicles and service motorcycles of our field personnel.	Employees and management	By continuously monitoring and keeping track the consumption of each vehicle and electricity consumption of our office.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The amount of energy consumption relates to climate-related risks as well as increase operating costs of the Company.	Employees and management	The Company uses GPS to ensure vehicles are used mainly for official business related purposes only to minimize fuel consumptions.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities to minimize operating costs by strict monitoring of electric/fuel consumptions.	Employees and management	The Company uses GPS to ensure vehicles are used mainly for official business related purposes only to minimize fuel consumptions.

c. Water Consumption within the organization

Disclosure	Quantity	Units
Water Consumption	3947	Cubic meters
Water Withdrawal	Not measured	Cubic meters
Water Recycled and Reused	Not measured	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company manages the water consumption of its office.	Employees and management	The Company's Admin manages its water consumption by regular monitoring and tracking method.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the risks in overconsumption of water, which may lead to climate-related risks.	Employees and management	The Company's Admin manages its water consumption by regular monitoring and tracking method.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There are opportunities in developing ways to conserve water.	Employees and management	The Company's Admin manages its water consumption by regular monitoring and tracking method.

d. Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
- Cement	0	NA
- Steel Bars	0	NA
- Aggregates	0	NA
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not measured	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

e. Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

2. ENVIRONMENTAL IMPACT MANAGEMENT

a. Air Emissions

GHG

Disclosure	Quantity*	Units
Direct (Scope 1) GHG Emissions	n/a	
Energy Indirect (Scope 2) GHG Emissions	n/a	
Emissions of ozone-depleting substances (ODS)	n/a	

*Figures represent an approximate amount of emissions based on local and international standards on GHG emissions.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

b. Air Pollutant

Disclosure	Quantity	Units
NO _x	Not measured	Kg
SO _x	Not measured	Kg
Persistent organic pollutants (POPs)	Not measured	Kg
Volatile organic compounds (VOCs)	Not measured	Kg
Hazardous air pollutants (HAPs)	Not measured	Kg
Particulate matter (PM)	Not measured	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

c. Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Not measured	Kg
Reusable	Not measured	Kg
Recyclable	Not measured	Kg
Composted	Not measured	Kg
Incinerated	Not measured	Kg
Residuals/Landfilled	Not	Kg
	measured	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is currently implementing a systematic process of collecting waste and its proper disposal observing the proper segregation of waste duly transporting the same to appropriate places suitable for its disposal.	Employees and management	The Company manages the proper segregation as well as proper disposal of its solid waste.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the climate-related risks of mismanaging solid waste and failing to reduce the amount of such waste resulting from its operations.	Employees and management	The Company manages the proper segregation as well as proper disposal of its solid waste.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunities in improving its waste management system and reducing the total residual waste resulting from its operations.	Employees and management	The Company manages the proper segregation as well as proper disposal of its solid waste.

d. Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not measured	Kg
Total weight of hazardous waste transported	Not measured	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company has established measures to reduce and properly manage its hazardous waste, if any.	Employees and management	The company is implementing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the climate-related risks of mismanaging hazardous waste.	Employees and management	The Company is implementing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunities in improving its reducing the amount of hazardous waste generated from its operations, if any.	Employees and management	The Company is implementing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.

e. Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not measured	Cubic meters
Percent of wastewater recycled	Not measured	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company has established measures to reduce water discharges and to recycle wastewater in its operations.	Employees and management	The Company is in implementing measures to monitor and reduce the amount of water discharges generated from its operations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the climate-related risks of damage due to untreated wastewater.	Employees and management	The Company is implementing measures to monitor and reduce the amount of water discharges generated from its operations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes opportunities in improving its measures to reduce water discharges and to recycle wastewater in its operations.	Employees and management	The Company is implementing measures to monitor and reduce the amount of water discharges generated from its operations.

f. Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is required to comply with environmental laws and regulations in the course of its business.	Management	To date, the Company is compliant with relevant environmental regulations. We ensure all recommendations/assessments during inspection are properly complied with.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance with such laws may negatively affect the financial performance of the Company.	Management	To date, the Company is compliant with relevant environmental regulations. We ensure all recommendations/assessments during inspection are properly complied with.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes opportunities in entering environmental initiatives.	Management	To date, the Company is compliant with relevant environmental regulations. We ensure all recommendations/assessments during inspection are properly complied with.

D. SOCIAL

1. EMPLOYEE MANAGEMENT

a. Employee Hiring and Benefits

Employee Data

Disclosure	Quantity	Units
Total Number of Employees	147	#
Female Employees	50	#
Male Employees	97	#
Attrition Rate	3%	rate
Ratio of lowest paid employee against minimum wage	No below minimum wage	ratio

Employee Benefits

Disclosure	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	56%	32%
PhilHealth	Y	17%	0%
Pag-ibig	Y	22%	20%
Parental leaves	Y	8%	0.00%
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth)	Y	100%	100%
Housing assistance (aside from Pag-ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	N	0.00%	3.09%
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	Y	0%	0%

Flexible-working Hours	y	0%	0%
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The steady growth in 2024 will have a positive impact on the workforce. As the company expands to meet rising demand, new job opportunities will likely be created across various departments. Employee development will be a focus, with training to enhance skills, particularly in areas like digital literacy and sustainable finance. The growth will also lead to better compensation, benefits, and increased job stability, boosting employee satisfaction and retention. Additionally, fostering a culture of innovation and offering more flexibility in work arrangements will help empower employees, improve morale, and contribute to a positive work environment.	The Company will focus on growing the workforce to meet increasing demand, with an emphasis on training and skills development. The company will offer better compensation, benefits, and opportunities for career growth to keep employees engaged and satisfied. Management will encourage a culture of innovation and foster a positive, supportive environment where employees can thrive and contribute to the company's growth.
What are the Risk/s Identified?	Management Approach
The key risks identified include challenges in attracting and retaining talent in a competitive market. As the company grows, there may be gaps in training and development, making it difficult to ensure all employees have the necessary skills. Additionally, there's a risk of employee burnout if work expectations increase without proper support. Lastly, maintaining a strong workplace culture as the company expands could become difficult, potentially affecting innovation and employee engagement.	To address challenges in attracting and retaining talent, the company will offer competitive compensation and benefits packages to stay ahead of the market. Management will focus on enhancing training and development programs to bridge any skill gaps, ensuring employees are equipped to meet evolving business needs. To prevent employee burnout, the company will monitor workloads and provide adequate support and resources to maintain a healthy work-life balance. Lastly, management will work to preserve the company's culture by fostering clear communication, encouraging employee engagement, and promoting innovation, even as the company expands. Regular employee feedback and recognition will be key to maintaining a positive workplace environment.
What are the Opportunity/ies Identified?	Management Approach
With sustained growth in 2024, the workforce will benefit from new job opportunities and career advancement as the company expands. Employees will have access to training programs to develop new skills and take on more responsibilities. The growth will also provide job stability and the potential for improved compensation and benefits. Additionally, employees	To support the company's growth in 2024, management will focus on building a skilled workforce by offering targeted development opportunities and training programs. The company will enhance employee engagement by improving compensation packages and offering career progression paths. Efforts will

<p>will be encouraged to contribute to innovation and play a key role in the company’s continued success.</p>	<p>be made to maintain a stable work environment, ensuring employees feel secure and valued. Additionally, management will encourage a culture of creativity and innovation, allowing employees to actively contribute to the company's success and long-term goals.</p>
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b. Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	220500	Hours
a. Female employees	75000	Hours
b. Male employees	145500	Hours
Average training hours provided to employees		
a. Female employees	1500	Hours/employee
b. Male employees	1500	Hours/employee

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
<p>The Company encourages its employees to be competent in their skills so that they can grow professionally and support the overall goals of the organization. The Company provides trainings and opportunities to enhance their skills and knowledge. Experienced employees are hands on with new hires to guide them in their growth and professional journey in the organization.</p>	<p>The Company supports the development of its employees’ skills and professional growth by providing training and seminars to all of its employees through HR training programs.</p>
What are the Risk/s Identified?	Management Approach
<p>The Company recognizes the business risks resulting from the stagnant development of its employees, which may affect its financial performance.</p>	<p>The Company supports the development of its employees’ skills and professional growth by providing training and seminars to all of its employees through HR training programs</p>
What are the Opportunity/ies Identified?	Management Approach
<p>The Company recognizes opportunities for growth for its employees that will contribute to the overall success and financial performance of the Company.</p>	<p>The Company supports the development of its employees’ skills and professional growth by providing training and seminars to all of its employees through HR training programs.</p>

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c. Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	100	%

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
The Company encourages the participation of its employees in regular staff meetings, coordination meetings and consultations.	The Company assures the rights of employees to self-organization and collective bargaining. Moreover, the Corporation implements measures to identify and quickly resolve employee concerns.
What are the Risk/s Identified?	Management Approach
The Company recognizes the business risks in having low employee engagement to performance and productivity.	The Company implements measures to identify and quickly resolve employee issues and concerns.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes the opportunity to increase its engagement with its employees to identify issues and areas of improvement.	The Company implements measures to identify and quickly resolve employee issues and concerns.

d. Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	34	%
% of male workers in the workforce	66	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach

The Company provides equal opportunities to its employees and fosters diversity in its workforce.	The Company adopts non-discrimination policy in its hiring process and management of employees.
What are the Risk/s Identified?	Management Approach
The Company recognizes the risks in financial performance and productivity due to discrimination in the recruitment process and management of employees.	The Company adopts non-discrimination policy in its hiring process and management of employees.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in having a diverse workforce and providing equal opportunities to sustain competitiveness and a policy of meritocracy.	The Company adopts non-discrimination policy in its hiring process and management of employees.

Workplace Conditions, Labor Standards, and Human Rights

c. Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	N/A	Man-hours
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#
No. of work-related ill-health	N/A	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company ensures that safety measures are always in place and employees employed are physically fit and able to perform their jobs, healthy and medically-assisted, if necessary.	The Company institutes an annual physical exam to monitor the health and safety of its employees. Newly hired employees have to pass medical exam prior to hiring. Health insurance is also provided upon regularization.

What are the Risk/s Identified?	Management Approach
The Company recognizes the business risks in failing to ensure its employees' health and safety.	The Company regularly assesses its health and safety measures and compliance with the related laws.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities to improve health and safety measures in its operations and overall productivity.	The Company regularly assesses its health and safety measures and compliance with the related laws.

f. Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in company policy
Forced labor	Y	Handbook-Compensated labor
Child labor	Y	Age
Human Rights	Y	Sexual Harassment /Bullying & Violence

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company did not have any incidents relating to violations of labor laws and human rights in 2024.	The Company is compliant with all relevant laws.
What are the Risk/s Identified?	Management Approach
The Company recognizes that non-compliance with labor laws and violation of human rights may result in loss of productivity and low employee performance, and thus financially affect the operations.	The Company is compliant with all relevant laws.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in increasing awareness of compliance with labor laws and the protection of human rights, and in improving its grievance mechanisms to allow for employees to report any incidents involving violations thereof.	The Company is compliant with all relevant laws, regulations and codes of best business practices.

2. SUPPLY CHAIN MANAGEMENT

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced labor	N/A	
Child labor	N/A	
Human Rights	N/A	
Bribery and corruption	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The compliance of our suppliers with environmental and labor laws, human rights and anti-corruption laws affects the reputation of the Company.	The Company prioritizes suppliers that offer the best value for every cost incurred. Suppliers' selection involves selecting who provides reliability and quality through the products and services they offer.
What are the Risk/s Identified?	Management Approach
The Company recognizes the reputational and financial risks in associating with business that are not compliant to its policies.	The Company continuously reaches out to existing and new suppliers to ensure that the best value of services is derived from them.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in establishing measures to ensure that its long-term business partners are like-minded in the goal to build sustainable communities through best business practices.	The Company continuously reaches out to existing and new suppliers to ensure that the best value of services is derived from them.

3. RELATIONSHIP WITH COMMUNITY

a. Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous	Collective or individual rights that have been identified that is a particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)

(exclude CSR projects; this has to be business operations)			people (Y/N)		
Development of sustainable communities	Metro Manila, Rizal, Cavite, Laguna, Batangas	N/A	N	Job creation; promoting local suppliers	The Company prefers local suppliers in the community where it operates.

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What are the Risk/s Identified?	Management Approach
The Company recognizes the business risks in failing to consider the well-being of the local community where it operates.	The Company prefers local suppliers in the community it operates.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in supporting and creating a positive impact on local communities.	The Company prefers local suppliers in the community it operates.

4. CUSTOMER MANAGEMENT

a. Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N?)
Customer Satisfaction	To be determined	N/A

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
Customer satisfaction is a significant factor in determining whether the organization has achieved its goal of building sustainable communities.	To attain good customer satisfaction, the Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Risk/s Identified?	Management Approach
Customer dissatisfaction may lead to a decrease in the Company’s financial performance.	To attain good customer satisfaction, the Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in increasing engagement with its customers to gather feedback.	To attain good customer satisfaction, the Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.

b. Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company ensures that our operations do not pose any health and safety risk to its customers.	The company ensures that we adhere to Health and Safety Protocol
What are the Risk/s Identified?	Management Approach
The company recognizes the financial risk in failure to observe health and safety protocols.	The company ensures that we adhere to Health and Safety Protocol
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes the positive impact in its reputation if we value health and safety protocols of our customers and employees.	The company ensures that we adhere to Health and Safety Protocol

c. Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
The Company adopted the necessary measures to solicit feedback from customers with regards to our services.	The Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Risk/s Identified?	Management Approach
The Company recognizes the reputational risk and financial consequences for unresolved customers’ complaints.	The Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in improving its mechanisms to solicit feedback and handle complaints from customers on marketing.	The Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.

d. Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
The Company ensures any information collected from customers is protected under the Company’s Data Privacy Policy.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Risk/s Identified?	Management Approach

The Company recognizes the reputational risks and financial consequences of failing to maintain the privacy of its customers' data.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in adopting measures to secure and maintain the privacy of its customers' data.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.

e. Data Privacy

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company did not have any data breach in 2020.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Risk/s Identified?	Management Approach
The Company recognizes that data leaks may lead to customer dissatisfaction and pose a reputational risk.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities to update its cyber security and data protection to protect our customer's information.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.

E. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

1. Product or Service Contribution to UN SDGs

Key Products and Services	Societal Value/Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impacts
<p>Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.</p>	<p>The Company contributes to the economy by extending credit facilities to consumers and to industrial, commercial or agricultural enterprises, either by direct lending or by discounting or factoring commercial papers or accounts receivables, or by buying or selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable as well as immovable property. Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.</p>	<p>No material negative impacts identified.</p>	<p>The Company shall continue to position itself as among the top players and the financing company of choice in the market we serve. MFIN capitalizes its 57 years of existence and its vast experience in prudent lending activities and shall continuously adapt and raise the quality of the services it provide to all its clients.</p>

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

ANNEX A



Wilma Fundan <wpfundan@makatifinance.com.ph>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: WPFUNDAN@makatifinance.com.ph
Cc: MLAROSA@makatifinance.com.ph

Wed, Apr 16, 2025 at 12:50 AM

Hi MAKATI FINANCE CORPORATION,

Valid files

- EAFS000473966ITRTY122024.pdf
- EAFS000473966TCRTY122024-04.pdf
- EAFS000473966AFSTY122024.pdf
- EAFS000473966OTHTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-CHJELGCF04NPWVPRYQPRTPRP40QSWRX4PP**
Submission Date/Time: **Apr 16, 2025 12:50 AM**
Company TIN: **000-473-966**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.



Independent Auditor's Report

To the Board of Directors and Shareholders of
Makati Finance Corporation
3rd Floor Mazda Makati Building
2301 Chino Roces Avenue
Barangay Magallanes, Makati City

Report on the Audits of the Financial Statements

Our Opinion

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

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as of December 31, 2024 and 2023;
- the statements of comprehensive income for each of the three years in the period ended December 31, 2024;
- the statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Makati Finance Corporation
Page 2

Independence

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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key Audit Matter

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



Independent Auditor's Report
 To the Board of Directors and Shareholders of
 Makati Finance Corporation
 Page 3

The key audit matter identified in our audit pertains to the impairment losses on loans and other receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Expected credit losses (ECL) on loans and other receivables</p> <p>We focused on this account because of the complexity involved in the estimation process, and the significant judgments that management makes in ascertaining the expected credit loss on loans and other receivables.</p> <p>The calculation of expected credit loss is inherently judgmental for any financing company. Key areas of judgment include defining default, identifying exposures with significant deterioration in credit quality, identification of credit impaired loans, and estimation of expected realizable value of any collateral held supporting the calculation of individually assessed provisions; and the application of appropriate impairment models for the collectively assessed accounts. This includes the use of key assumptions in the impairment models (i.e., staging of accounts, forward-looking information), the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD).</p> <p>As at December 31, 2024, the total ECL allowance on loans and other receivables amounted to P141.33 million while the provision for credit losses recognized in profit or loss for the year amounted to P19.35 million.</p>	<p>Our work over the impairment losses of loans and other receivables included:</p> <ul style="list-style-type: none"> • assessment of the methodology applied by the Company in the development of its expected credit loss (ECL) model vis-à-vis the requirements of PFRS 9, '<i>Financial Instruments</i>'; • assessment of the reasonableness of key judgements made by management in calculating the ECL; • testing the accuracy of the loan aging schedule to determine appropriateness of staging of loan accounts including those identified as default accounts by recalculating from the last date of payment to the reporting date; • testing of key assumptions in the ECL models such as PD, LGD, EAD built from historical data through validation of the accuracy and completeness of data inputs in the ECL model and in the ECL calculation by comparing them with the information obtained from the current and historical loan portfolio (i.e. aging schedule) which provides information about the classification of credit exposures, age of the receivables, and existence of collateral, among others; and • assessment of reasonableness of macroeconomic variables used as the forward-looking information as basis of calculation of ECL and independent comparison to available macro-economic data; • for a sample of individually assessed loans identified as default (i.e. credit-impaired), examined relevant supporting documents such as valuation of collateral used as a basis in estimating the recoverable amount and measuring the loan loss allowance; and



To the Board of Directors and Shareholders of
 Makati Finance Corporation
 Page 4

Key Audit Matter	
<p>(cont'd.)</p> <p>Refer to Note 3, Note 17 and Note 18 in the financial statements.</p>	<ul style="list-style-type: none"> • recalculation of the expected credit loss for selected accounts and portfolios for collective assessment at reporting date using the ECL methodology adopted by the Company. • Review the financial statement disclosures related to the required information in accordance with the requirements of PFRS 9, '<i>Financial Instruments</i>'

Other Information

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

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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



Independent Auditor's Report
To the Board of Directors and Shareholders of
Makati Finance Corporation
Page 5

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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



Independent Auditor's Report
To the Board of Directors and Shareholders of
Makati Finance Corporation
Page 6

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

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

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 20 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.



Zaldy D. Aguirre
Partner

CPA Cer. No. 0100000

P.T. No. 0021111, issued on January 3, 2025, Makati City

TIN 001-755-000

BIR A.M. No. 000715-075-0000, issued on December 22, 2023; effective until December 21, 2026

BOA No. Reg. No. 0112, effective until November 14, 2025

Makati City
April 15, 2025

Makati Finance Corporation

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash	2	19,078,143	23,102,110
Loans and other receivables, net	3,18	535,274,139	441,452,515
Other current assets, net	4	118,802,559	104,855,751
Total current assets		673,154,841	569,410,376
Non-current assets			
Loans and other receivables, net	3,18	322,729,101	369,399,529
Property and equipment, net	5	7,042,381	5,669,637
Investment properties	6	98,664,010	153,312,587
Right-of use asset, net	16	4,546,617	16,531,808
Deferred tax assets, net	13	37,437,621	41,559,313
Total non-current assets		470,419,730	586,472,874
Total assets		1,143,574,571	1,155,883,250
Liabilities and equity			
Current liabilities			
Current portion of notes payable	9,18	510,316,500	484,652,041
Accounts payable		11,890,538	22,964,740
Accrued expenses	8	15,956,255	17,909,501
Lease liabilities	16,18	3,960,368	9,527,935
Income tax payable	13	3,499,018	3,417,997
Total current liabilities		545,622,679	538,472,214
Non-current liabilities			
Notes payable	9,18	-	26,222,222
Lease liabilities	16,18	1,033,684	9,887,494
Retirement benefit obligation, net	14	10,113,152	10,225,288
Total non-current liabilities		11,146,836	46,335,004
Total liabilities		556,769,515	584,807,218
Equity			
Capital stock	10	273,900,122	271,961,630
Additional paid-in capital		5,803,922	5,803,922
Retained earnings		295,912,879	285,327,520
Remeasurement gain on retirement benefit obligation	14	11,188,133	7,982,960
Total equity		586,805,056	571,076,032
Total liabilities and equity		1,143,574,571	1,155,883,250

(The notes on pages 1 to 36 are an integral part of these financial statements.)

Makati Finance Corporation

Statements of Comprehensive Income
For the years ended December 31, 2024, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2024	2023	2022
Interest income	2,3,7	183,657,793	175,174,176	158,979,539
Interest expense	7,9,16	(38,120,468)	(34,653,048)	(33,125,884)
Net interest margin		145,537,325	140,521,128	125,853,655
Other income				
Service charges	11	9,031,628	8,428,924	4,681,392
Fair value adjustment on investment properties	6, 12	4,447,700	4,817,734	24,602,534
Gain on sale of investment property	6, 12	21,568,169	-	-
Miscellaneous	12	19,134,849	26,403,922	10,157,904
Total other income		54,182,346	39,650,580	39,441,830
Total operating income		199,719,671	180,171,708	165,295,485
Operating expenses				
Salaries and employee benefits		64,274,365	56,752,510	60,608,488
Provision for credit losses	3	19,349,940	32,176,691	18,840,356
Taxes and licenses		17,929,494	14,992,634	13,696,781
Depreciation and amortization	4,5,16	16,603,690	16,879,761	12,310,518
Management and professional fees		10,895,941	7,152,343	9,473,494
Travel and transportation		5,038,518	5,138,614	7,664,302
Commission		4,943,426	3,267,254	7,037,544
Occupancy costs		3,188,214	4,451,052	1,097,649
Provision for impairment loss of repossessed assets	4	1,937,134	7,495,767	377,146
Entertainment, amusement and recreation		1,180,090	558,787	375,368
Miscellaneous	12	30,059,715	14,044,270	10,407,838
Total operating expenses		175,400,527	162,909,683	141,889,484
Income before income tax		24,319,144	17,262,025	23,406,001
Income tax expense	13	9,856,723	4,338,476	5,552,903
Net income		14,462,421	12,923,549	17,853,098
Other comprehensive income (loss)		3,205,173	(2,268,741)	4,210,913
Total comprehensive income for the year		17,667,594	10,654,808	22,064,011
Basic and diluted earnings per share	10	0.05	0.05	0.07

(The notes on pages 1 to 36 are an integral part of these financial statements.)

Makati Finance Corporation

Statements of Changes in Equity For the years ended December 31, 2024, 2023 and 2022 (All amounts in Philippine Peso)

	Capital stock (Note 10)	Additional paid-in capital	Retained earnings	Remeasurement gain (loss) on retirement benefit obligation	Total equity
Balances at January 1, 2022	267,828,098	5,803,922	262,818,124	6,040,788	542,490,935
Transactions with owners					
Stock dividends	1,455,611	-	(1,455,611)	-	-
Cash dividends	-	-	(1,455,711)	-	(1,455,711)
Total transactions with owners	1,455,611	-	(2,911,322)	-	(1,455,711)
Comprehensive income					
Net income for the year	-	-	17,853,095	-	17,853,098
Other comprehensive income	-	-	-	4,210,913	4,210,913
Total comprehensive income	-	-	17,853,101	4,210,913	22,064,011
Balances at December 31, 2022	269,283,709	5,803,922	277,759,903	10,251,701	563,099,235
Transactions with owners					
Stock dividends	2,677,921	-	(2,677,921)	-	-
Cash dividends	-	-	(2,678,008)	-	(2,678,008)
Total transactions with owners	2,677,921	-	(5,355,929)	-	(2,678,008)
Comprehensive income					
Net income for the year	-	-	12,923,549	-	12,923,549
Other comprehensive loss	-	-	-	(2,268,741)	(2,268,741)
Total comprehensive income (loss)	-	-	12,923,549	(2,268,741)	10,654,808
Balances at December 31, 2023	271,961,630	5,803,922	285,327,523	7,982,960	571,076,035
Transactions with owners					
Stock dividends	1,938,492	-	(1,938,492)	-	-
Cash dividends	-	-	(1,938,573)	-	(1,938,573)
Total transactions with owners	1,938,492	-	(3,877,065)	-	(1,938,573)
Comprehensive income					
Net income for the year	-	-	14,462,421	-	14,462,421
Other comprehensive loss	-	-	-	3,205,173	3,205,173
Total comprehensive income	-	-	14,462,421	3,205,173	17,667,594
Balances at December 31, 2024	273,900,122	5,803,922	295,912,879	11,188,133	586,805,056

(The notes on pages 1 to 36 are an integral part of these financial statements.)

Makati Finance Corporation

Statements of Cash Flows For the years ended December 31, 2024, 2023 and 2022 (All amounts in Philippine Peso)

	Notes	2024	2023	2022
Cash flows from operating activities				
Income before income tax		24,319,144	17,262,025	23,406,001
Adjustments for:				
Provision for credit losses on loans and other receivables	3	15,554,612	16,377,948	18,840,356
Depreciation and amortization	4,5,16	16,603,690	16,879,761	9,417,435
Fair value change in investment properties	6	(4,447,700)	(4,817,734)	(24,602,534)
Retirement benefits expense	14	3,093,037	2,477,820	3,180,335
Interest expense from lease liabilities	16	905,309	1,169,810	1,249,467
Provision for (reversal of) impairment loss of repossessed assets	4	1,937,134	7,495,767	377,146
Gain from sale of repossessed assets	4	(99,021)	567,701	(463,451)
Gain from sale of property and equipment		(1,153,360)	-	-
Gain on lease termination		(1,880,589)	-	-
Lease additions, net of modification		-	3,451	(86,387)
Operating income before working capital changes		54,832,256	57,416,549	31,318,368
Decrease (increase) in:				
Loans and other receivables		(62,349,661)	(69,623,207)	37,655,324
Other assets		(13,946,808)	(4,312,634)	10,612,253
Increase (decrease) in:				
Accounts payable		(11,074,202)	(17,427,757)	4,669,740
Accrued expenses		(5,567,567)	(2,678,097)	(2,243,613)
Cash (used in) generated from operations		(38,105,982)	(36,625,146)	82,010,072
Income taxes paid		(2,236,014)	(3,478,159)	(3,857,517)
Net cash flows (used in) by operating activities		(40,341,995)	(40,103,305)	78,154,555
Cash flows from investing activities				
Purchases of property and equipment	5	(4,278,985)	(2,079,327)	(683,956)
Additions to software	4	(676,242)	(375,799)	(113,116)
Additions to investment properties	6	59,096,277	-	(3,070,225)
Net cash provided (used in) by investing activities		54,141,050	(2,455,126)	(3,867,297)
Cash flows from financing activities				
Availment of notes payable		126,793,767	229,332,325	219,516,745
Settlement of notes payable		(127,351,531)	(180,006,792)	(322,674,571)
Payment of lease liabilities	16	(15,326,685)	(15,038,490)	(8,737,993)
Cash dividends paid	10	(1,938,573)	(2,678,008)	(1,455,711)
Net cash from (used in) provided by financing activities		(17,823,022)	31,609,035	(113,351,530)
Net decrease in cash and cash equivalents		(4,023,967)	(10,949,396)	(39,064,272)
Cash and cash equivalents				
January 1		23,102,110	34,051,506	73,115,778
December 31		19,078,143	23,102,110	34,051,506

(The notes on pages 1 to 36 are an integral part of these financial statements.)

Makati Finance Corporation

Notes to the Financial Statements

As at and for the years ended December 31, 2024 and 2023

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

Makati Finance Corporation (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 17, 1966. The Company is a domestic corporation engaged in the sale of various financial products and services, catering generally to the consumer market.

The Company is considered a public company under Rule 3.1 of Implementing Rules and Regulations of the Securities Regulation Code (SRC), which, among others, defines a public company as any corporation with a class of equity securities listed on an exchange, or with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities.

On March 11, 2002, the Board of Directors (BOD) and shareholders approved the offer of up to 19,560,000 shares from the Company's unissued common shares 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 and Medium Enterprise Board on January 6, 2003, with an offer price of P1.38 per share. No subsequent listings were conducted.

As at December 31, 2024, the Company's closing price at the PSE amounts to P1.99 per share (2023 - P1.90 per share).

Amalgamated Investment Bancorporation (AIB) (the "Parent Company") owns 43.59% and 43.41% of the Company as at December 31, 2024 and 2023.

The Company's registered office address, which is also its principal place of business, is at 3rd Floor Mazda Makati Building, 2301 Chino Roces Avenue, Barangay Magallanes, Makati City.

The Company has 147 employees as at December 31, 2024 (2023 - 146).

Approval of the financial statements

These financial statements have been approved and authorized for issuance by the Company's BOD on April 11, 2025. There are no material events that occurred from April 11 to April 15, 2025.

2 Cash

This account consists of:

	2024	2023
Cash on hand	457,478	907,412
Cash in banks	18,620,665	22,194,698
	19,078,143	23,102,110

Cash in banks earn interest at the prevailing bank deposit rates which range from 0.05% to 0.093% (2023 - 0.05% to 0.25%). In 2024, interest income on cash in banks amount to P18,990 (2023 - P14,033; 2022 - P31,283)

3 Loans and other receivables, net

The account as at December 31 consist of:

	2024	2023
Consumer	759,459,046	708,725,305
Services	222,446,422	247,349,179
Other receivables	17,432,096	11,666,496
	999,337,564	967,740,980
Allowance for expected credit loss (ECL)	(141,334,324)	(156,888,936)
	858,003,240	810,852,044

Interest rates on loans and other receivables for the year ended December 31, 2024 range from 0.42% to 5% (2023 - 0.42% to 3.00%) per month plus gross receipts tax. For the year ended December 31, 2024, interest income earned on loans receivables amounts to P183.66 million (2023 - P175.16 million; 2022 - P158.95 million).

Certain motorcycle financing receivables (included in Consumer category above) amounting to P100.90 million (2023 - P109.73 million) were used as collateral for notes payable to banks (see Note 9).

The following table shows the breakdown of loans and other receivables (gross of allowance for ECL) as to collateral as at December 31:

	2024	2023
Secured loans		
Chattel mortgage	384,585,981	400,823,972
Real estate mortgage	3,823,482	127,728,010
Other collaterals	45,563,421	69,320,406
Total secured	433,972,884	597,872,388
Unsecured	565,364,680	369,868,592
	999,337,564	967,740,980

Other collaterals pertain to deposits, assignment of receivables and salary.

Movements in allowance for ECL follow:

December 31, 2024				
Receivable from Customers				
	Consumer	Services	Others	Total
At January 1	126,386,860	26,036,361	4,465,715	156,888,936
Provision during the year	4,833,459	14,516,481	-	19,349,940
Write-off during the year	(23,976,408)	(10,928,144)	-	(34,904,552)
At December 31	107,243,911	29,624,698	4,465,715	141,334,324
December 31, 2023				
Receivable from Customers				
	Consumer	Services	Others	Total
At January 1	116,168,180	19,877,093	4,465,715	140,510,988
Provision during the year	21,079,112	11,097,579	-	32,176,691
Write-off during the year	(10,860,432)	(4,938,311)	-	(15,798,743)
At December 31	126,386,860	26,036,361	4,465,715	156,888,936

In determining the allowance for ECL on loans and other receivables, the Company groups its loans and other receivables on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

4 Other current assets, net

This account consists of:

	Note	2024	2023
Repossessed assets, net		107,790,036	95,192,990
Prepaid expenses		4,992,004	4,290,984
Security deposits	16	4,733,792	4,761,292
Software costs		1,206,727	530,485
Financial asset at fair value through other comprehensive income (FVOCI)		80,000	80,000
		118,802,559	104,855,751

Repossessed assets pertain to motorcycle units that were repossessed from the Company's motorcycle financing business.

Prepaid expenses consist of includes supplies, insurance and rent.

Software costs are paid licenses for use of software related to loan management system and general ledger.

The investments in FVOCI pertains to the club shares held by the Company as of December 31, 2024 and 2023.

The movement in repossessed assets follow:

	2024	2023
Cost		
At January 1	140,623,906	141,497,292
Additions	77,481,667	59,019,279
Disposals	(62,947,487)	(59,892,665)
At December 31	155,158,086	140,623,906
Allowance for impairment losses		
At January 1	45,430,916	41,804,778
Allowance for impairment during the year	1,937,134	7,495,767
Write-off	-	(3,869,629)
At December 31	47,368,050	45,430,916
Carrying amount	107,790,036	95,192,990

Included in the statement of comprehensive income under miscellaneous income are gains from sale of repossessed assets amounting to P 99,021 in 2024 (2023 - P567,701). Aggregate proceeds from sale amounted to P63.05 million in 2024 (2023 - P60.46 million).

5 Property and equipment, net

The movements in the account for the years ended December 31 are summarized below:

2024				
	Furniture, fixtures and equipment	Leasehold rights and improvements	Transportation equipment	Total
Cost				
At January 1	20,701,416	11,331,636	10,643,838	42,676,890
Additions	2,627,509	223,216	1,428,259	4,278,984
Disposals	-	-	(5,808,800)	(5,808,800)
At December 31	23,328,925	11,554,852	6,263,297	41,147,074
Accumulated depreciation				
At January 1	19,460,537	9,069,735	8,476,981	37,007,253
Depreciation	957,362	766,025	1,182,851	2,906,238
Disposals	-	-	(5,808,798)	(5,808,798)
At December 31	20,417,899	9,835,760	3,851,034	34,104,693
Carrying amount	2,911,026	1,719,092	2,412,263	7,042,381
2023				
	Furniture, fixtures and equipment	Leasehold rights and improvements	Transportation equipment	Total
Cost				
At January 1	19,869,472	10,861,636	10,408,455	41,139,563
Additions	831,944	470,000	777,383	2,079,327
Disposals	-	-	(542,000)	(542,000)
At December 31	20,701,416	11,331,636	10,643,838	42,676,890
Accumulated depreciation				
At January 1	18,801,529	8,370,692	7,690,850	34,863,071
Depreciation	659,008	699,043	1,328,131	2,686,182
Disposals	-	-	(542,000)	(542,000)
At December 31	19,460,537	9,069,735	8,476,981	37,007,253
Carrying amount	1,240,879	2,261,901	2,166,857	5,669,637

There are neither restrictions on title on the Company's property and equipment, nor was any of it pledged as security for liability. The Company has no contractual commitment for the acquisition of property and equipment.

In 2024, disposals of fully depreciated transportation equipment resulted in a gain of P1.15 million which is recorded under miscellaneous income (Note 12).

Management believes that there are no indicators that the Company's property and equipment are impaired as at December 31, 2024 and 2023.

6 Investment properties, net

Investment properties consist of land and building amounting to P11,353,376 and P87,310,634, respectively (2023 - P87,021,301 and P66,291,286, respectively).

The movements in the account for the years ended December 31 are summarized below:

	2024	2023
Beginning of the year	153,312,587	90,801,000
Additions	111,575	57,693,853
Disposals	(59,207,852)	-
Fair value adjustment	4,447,700	4,817,734
	98,664,010	153,312,587

In 2023, the Company has acquired a property through a Dacion En Pago arrangement, with a fair market value of P77.27 million. However, the property has been booked at a value of P57.69 million, net of the share of another lender, reflecting the Company's portion of ownership.

The property was sold in 2024. The Company's shares in the sales proceeds and the resulting gain amounted to P76.68 million and P21.9 57million, respectively.

The Company measures its investment properties at fair value. Changes in the fair values are recognized in profit or loss. The fair value was determined by an independent and professionally qualified appraiser during the year.

The fair values were assessed using the Market Approach (Level 2), which involves comparing sales of similar or substitute properties and market data. In this method, a subject property is valued is based on recent market transactions of comparable properties.

Direct operating expenses with regard to investment properties pertain to local property taxes amounting to P92, 221 in 2024 (2023 - P76,043).

7 Segment information

The Company's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with each segment representing a strategic business unit. The Company derives revenues from the following main operating business segments:

(a) Rx Cashline Group

The Rx Cashline Group grants loans tailored to medical professionals.

(b) Business loans

This group grants loans to finance business owners who wishes to expand its business or for the purpose of starting capital.

(c) *Motor Vehicles Financing Group*

The MC Financing Group grants loans to motorcycle and car buyers.

(d) *Car loans*

Beginning 2024, the Company has discontinued its car loan financing program due to competitive interest rates offered by local banks.

(e) *Other segments*

This segment includes pension loans, housing loans, personal loans and corporate salary loans.

The Company considers its Management Committee as the chief operating decision maker. Management conducts weekly Management Committee meetings to monitor the performance and conversion of each of the product lines handled. Strategies and recommendations are formulated while operating parameters and guidelines are developed and implemented in these weekly meetings. Product line performance is evaluated based on how it performs versus target and versus last year's actual figures. Another major consideration is on the analysis of risk and collectability exposure contributed by each product line.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment assets and liabilities comprise all of the assets and liabilities, measured in a manner consistent with that shown in the statement of financial position.

The Company's assets producing revenues are located in the Philippines (i.e., one geographical location), therefore the geographical segment information is no longer presented.

The sales revenue generated from the Company's operating segments amounted to 10% or more of the total revenues.

Financial information about operating segments follows:

	2024				
	Rx Cash Line	Business Loans and MFC Factors	Motor Vehicles Financing	Others	Total
Loans and other receivables, net	100,634,833	409,168,801	313,764,781	34,434,824	858,003,240
Results of operation					
Revenue					
Interest income	20,212,532	69,843,615	92,034,495	1,567,151	183,657,793
Other income	2,313,486	34,821,726	5,859,360	11,187,773	54,182,345
Total	22,526,018	104,665,341	97,893,855	12,754,924	237,840,138
Expenses					
Interest expense	4,195,363	14,496,914	19,102,909	325,282	38,120,468
Provision for expected credit losses	(2,358,405)	15,421,928	2,477,934	3,808,483	19,349,940
Operating expenses	14,384,267	57,756,584	79,106,730	4,803,005	156,050,586
	16,221,225	87,675,426	100,687,572	8,936,770	213,520,994
Net operating income (loss)	6,304,793	16,989,915	(2,793,717)	3,818,154	24,319,145
Income tax expense (benefit)	1,565,584	4,190,109	(764,313)	1,974,756	6,966,136
Net Income (loss)	4,739,209	12,799,806	(2,029,404)	1,843,398	17,353,008
Total Assets	107,789,514	539,129,940	454,572,313	42,461,458	1,143,953,225
Total Liabilities	42,107,041	228,587,784	261,364,700	23,198,060	554,257,585
Other segment information					
Capital expenditures	325,075	1,757,026	2,017,790	179,094	4,278,985
Depreciation and amortization	1,261,385	6,817,763	7,829,606	694,936	16,603,690

2023					
	Rx Cash Line	Business Loans and MFC Factors	Motor Vehicles Financing	Others	Total
Loans and other receivables, net	84,655,159	383,056,833	326,812,153	16,327,900	810,852,044
Results of operation					
Revenue					
Interest income	26,280,234	69,572,943	71,300,955	8,020,044	175,174,176
Other income	2,057,488	27,316,004	3,320,421	6,956,667	39,650,580
Total	28,337,722	96,888,947	74,621,376	14,976,711	214,824,756
Expenses					
Interest expense	5,198,770	13,762,957	14,104,793	1,586,528	34,653,048
Provision for expected credit losses	5,953,023	13,775,932	16,988,116	2,955,387	39,672,458
Operating expenses	12,843,642	45,027,374	58,180,031	7,186,178	123,237,225
	23,995,435	72,566,263	89,272,940	11,728,093	197,562,731
Net operating income (loss)	4,342,287	24,322,684	(14,651,564)	3,248,618	17,262,025
Income tax expense (benefit)	2,573,828	9,524,655	(10,026,992)	2,266,985	4,338,476
Net Income (loss)	1,768,459	14,798,029	(4,624,572)	981,633	12,923,549
Total Assets	96,292,720	572,121,950	460,272,420	27,196,160	1,155,883,250
Total Liabilities	77,142,436	263,756,179	203,138,223	40,770,380	584,807,218
Other segment information					
Capital expenditures	274,286	937,805	722,273	144,962	2,079,326
Depreciation and amortization	2,226,624	7,613,007	5,863,342	1,176,788	16,879,761
2022					
	Rx Cash Line	Business Loans and MFC Factors	Motor Vehicles Financing	Others	Total
Loans and other receivables, net	92,081,355	375,575,917	307,852,105	39,791,261	815,300,638
Results of operation					
Revenue					
Interest income	22,946,252	57,393,493	65,433,531	13,206,263	158,979,539
Other income	2,269,873	28,025,287	5,587,068	3,559,602	39,441,830
	25,216,125	85,418,780	71,020,599	16,765,865	198,421,369
Expenses					
Interest expense	4,524,267	13,364,316	13,417,973	1,819,328	33,125,884
Provision for expected credit losses	3,667,710	9,576,412	1,663,782	4,309,598	19,217,502
Operating expenses	10,650,563	38,673,084	66,792,325	6,556,010	122,671,982
	18,842,540	61,613,812	81,874,080	12,684,936	175,015,368
Net operating income (loss)	6,373,585	23,804,968	(10,853,481)	4,080,929	23,406,001
Income tax expense (benefit)	1,773,788	6,503,111	(4,397,730)	1,673,733	5,552,902
Net Income (loss)	4,599,797	17,301,857	(6,455,751)	2,407,196	17,853,099
Total Assets	103,295,406	510,795,835	459,248,231	40,809,092	1,114,148,564
Total Liabilities	62,264,341	253,960,063	212,168,236	22,656,692	551,049,332
Other segment information					
Capital expenditures	578,303	1,446,460	1,649,089	332,830	4,006,682
Depreciation and amortization	1,392,032	3,481,771	3,969,519	801,158	9,644,480

8 Accrued expenses

This account consists of:

	2024	2023
Accrued taxes	6,000,395	4,537,682
Accrued rent	2,140,941	4,532,800
Accrued interest	2,028,930	1,524,719
Insurance payable	1,744,848	4,205,346
Accrued administrative expenses	1,265,532	853,779
Accrued management and professional fees	821,168	875,480
Commissions and outside services	455,033	441,197
Others	1,499,408	938,498
	15,956,255	17,909,501

Accrued taxes pertains to expanded withholding tax, withholding tax, documentary stamp tax, and gross receipt tax.

Accrued interest pertain to interest expenses on notes payable

Insurance payables pertain to mortgage redemption insurance, SSS and PhilHealth contributions.

Commission and outside services encompass accruals on commissions related to referral incentives for agents of the Company.

Others mainly include accrual on utilities and travel and transportation.

9 Notes payable

The account as at December 31 consists of:

	2024	2023
Notes payable to:		
Related parties	354,178,002	382,583,587
Banks	100,898,355	109,733,333
Individuals/corporate	55,240,143	18,557,343
	510,316,500	510,874,263

The current and non-current portion of the account are as follow:

	2024	2023
Current	510,316,500	484,652,041
Non-current	-	26,222,222
	510,316,500	510,874,263

Interest rates on notes payable range from 5.65% to 8.75% in 2024 (2023 - 5.50% to 9.00%). Interest expense on these notes payable amount to P37.22 million in 2024 (2023 - P33.48 million; 2022 - P31.47 million).

As at December 31, 2024 and 2023, the notes payable to banks are secured by certain motorcycle financing receivables and other various type of receivables. Under the agreements with the bank creditors, the notes payable are subject to Deed of Assignment on summary list of loans receivables, with 50% to 85% loanable value), on a per availment basis.

The following assets were used to secure the notes payable to banks availed by the Company (Note 3):

	2024		2023	
	Carrying amount	Secured notes	Carrying amount	Secured notes
Motorcycle financing receivables	122,679,404	98,653,911	135,180,496	107,292,358
Other various type of receivables	18,702,887	2,244,444	20,608,720	2,440,975
	141,382,291	100,898,355	155,789,216	109,733,333

10 Equity

On July 25, 2024, the BOD and stockholders approved the declaration of 0.71% stock dividends in the amount of P1.94 million to stockholders of record as at August 22, 2024 with distribution date not later than, September 18, 2024. Fractional shares of 40.35 shall be paid in cash. The actual stock dividends to be issued may be less than the above indicated shares of stock due to the resulting fractional shares. On the same date, the BOD also approved the declaration and payment of cash dividends amounting to P1.94 million.

On July 27, 2023, the BOD and stockholders approved the declaration of 0.99% stock dividends in the amount of P2.68 million to stockholders of record as at August 24, 2023 with distribution date not later than September 20, 2023. Fractional shares of 43.70 shall be paid in cash. The actual stock dividends to be issued may be less than the above indicated shares of stock due to the resulting fractional shares. On the same date, the BOD also approved the declaration and payment of cash dividends amounting to P2.68 million.

On July 28 2022, the BOD and stockholders approved the declaration of 0.54% stock dividends in the amount of P1.46 million to stockholders of record as at August 26, 2022 with distribution date not later than September 21, 2022. On the same date, the BOD also approved the declaration and payment of cash dividends amounting to P1.46 million.

As at December 31, 2024, the Company has 273,900,122 (2023 - 271,961,630) common shares issued and outstanding which are owned by 113 (2023 - 112) shareholders.

The movements in the number of issued shares and capital stock follow:

	2024		2023		2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<i>Authorized - 300,000,000 shares; P1 par value</i>						
At January 1	271,961,630	271,961,630	269,283,709	269,283,709	267,828,098	267,828,098
Stock dividends	1,938,492	1,938,492	2,677,921	2,677,921	1,455,611	1,455,611
At December 31	273,900,122	273,900,122	271,961,630	271,961,630	269,283,709	269,283,709

Earnings per share

Earnings per share is calculated by dividing the net income by the weighted average number of outstanding common shares.

The information used in the computation of basic and diluted earnings per share for the years ended December 31 follow:

	2024	2023	2022
Net income for the year	14,497,294	12,923,549	17,853,098
Weighted average number of outstanding common shares (after impact of stock dividend)	273,900,122	271,961,630	269,283,709
Basic and diluted earnings per share	0.05	0.05	0.07

11 Service charges

The account for the years ended December 31 consists of the following:

	2024	2023
Processing fees	7,818,023	7,261,796
Late payment charges	1,204,660	1,158,691
Others	8,945	8,437
	9,031,628	8,428,924

Processing fees refer to charges that are deducted from the loan proceeds before they are disbursed to the borrower. This fee covers the cost of processing the loan application, including evaluating the borrower's creditworthiness, verifying their employment and income, and other administrative expenses.

Late payment charges, on the other hand, are fees that are assessed when a borrower fails to make a loan payment on time. These charges are designed to encourage timely payments and compensate the Company for the costs associated with processing and collecting late payments.

Others pertain to the convenience fee charged by the Company.

12 Miscellaneous income and expenses

12.1 Miscellaneous income

Miscellaneous income for the years ended December 31 consists of the following items:

	2024	2023
Gain on investment properties (Note 6)	21,568,169	-
Penalties	6,977,880	7,978,395
Unrealized gain on investment properties (Note 6)	4,447,700	13,549,615
Others	12,156,969	4,875,912
	45,150,718	26,403,922

Others mainly consist of reversal of MRI payable, gain on sale of property plant and equipment (Note 5) and gain on pre-termination of lease contracts (Note 16). Penalties pertain to charges of returned checks.

12.2 Miscellaneous expenses

Miscellaneous expenses for the years ended December 31 consist of the following items:

	2024	2023
Repairs and maintenance	13,598,277	1,762,612
Communication	2,539,117	2,415,785
Stationaries and supplies	2,504,148	2,711,297
Others	11,418,173	7,154,576
	30,059,715	14,044,270

Repairs and maintenance expenses are related to restoration and reconditioning of the investment property that was sold during the year (Note 6).

Other expenses include insurance, training and development fees, meetings and conference fees, claims fees, advertising costs, donations and membership dues.

13 Income taxes

The following are the components of income tax expense for the years ended December 31:

	2024	2023
Current	14,438,929	5,367,115
Deferred	(4,582,206)	(1,028,639)
	9,856,723	4,338,476

A reconciliation between the income tax expense at the statutory tax rate and income tax expense at effective tax rate follows:

	2024	2023
Income before tax	24,319,144	17,262,025
Income tax benefit at statutory income tax rate (25%)	6,079,786	4,315,506
Adjustments for:		
Interest income subjected to final tax	(4,748)	(3,508)
Impact of PFRS 16	3,780,385	25,382
Non-deductible interest expense	1,300	1,096
Change in unrecognized DTA	-	-
Effective income tax expense	9,856,723	4,338,476

The components of the Company's deferred tax assets and liabilities as at December 31 are as follows:

	2024	2023
Deferred tax assets		
Allowance for credit losses	35,333,581	39,163,685
Allowance of repossessed assets write-down	9,268,326	11,357,729
Accrued expenses	3,989,064	1,685,388
Retirement expense	2,528,288	3,020,042
Impairment loss on investment properties	484,284	228,988
Past service costs	-	40,293
PFRS 16	1,248,513	1,216,006
	52,852,056	56,712,131
Deferred tax liabilities		
Remeasurement gain on defined benefit obligation	2,797,033	3,137,635
Fair value increase in investment properties	12,617,401	12,015,183
	15,414,434	15,152,818
Deferred tax assets, net	37,437,621	41,559,313

Movements in net deferred income tax (DIT) assets are summarized as follows:

	2024	2023
Beginning of the year	41,559,313	40,530,674
Amounts charged to profit or loss	(4,582,206)	1,028,639
Amounts charged to other comprehensive income	460,514	-
End of the year	37,437,621	41,559,313

14 Retirement benefits

The Company has a funded, defined benefit plan covering all of its officers and regular employees. The benefits are based on years of service and compensation on the last year of service.

The plan is non-contributory and of the defined benefit type which provides a retirement benefit equal to one hundred percent (100%) of the latest monthly salary for every year of credited service. Benefits are paid in lump sum upon retirement or separation in accordance with the terms of the plan. Normal retirement age is at age 60.

Net benefit cost is included in the Company's profit or loss under 'Salaries and employee benefits'.

Details of the retirement benefit obligation recognized in the statement of financial position as at December 31 are as follows:

	2024	2023
Present value of benefit obligation	17,326,085	17,524,485
Fair value of plan assets	(7,212,933)	(7,299,197)
Retirement benefit obligation	10,113,152	10,225,288

Details of the retirement benefit expense recognized in profit or loss for the years ended December 31 are as follows:

	2024	2023
Current service cost	2,454,463	2,067,594
Net interest cost	638,574	410,226
	3,093,037	2,477,820

The movements in the present value of retirement benefit obligation are as follows:

	2024	2023
At beginning of year	17,524,485	12,587,051
Current service cost	2,454,463	2,067,594
Interest cost	1,079,508	926,407
Remeasurements		
Loss (Gain) from changes in financial assumptions	189,968	2,763,316
Gain from experience adjustments	(3,639,985)	(629,883)
Benefits paid from Plan Assets - excluding settlements	(282,354)	(190,000)
At end of year	17,326,085	17,524,485

The movements in the fair value of plan assets are as follows:

	2024	2023
At beginning of year	7,299,197	7,108,324
Interest income	440,934	516,181
Benefits paid	(282,354)	(190,000)
Remeasurements - Plan Assets	(244,844)	(135,308)
At end of year	7,212,933	7,299,197

The fair values of plan assets by each class at the end of the reporting period follow:

	2024	2023
Cash and cash equivalents	677,481	2,014,219
Financial assets at fair value through profit or loss - fixed income	6,507,591	5,273,978
Accrued other receivables	31,392	11,000
Withholding Tax Payable	(3,531)	-
	7,212,933	7,299,197

The principal assumptions used in determining the retirement benefit obligation as at December 31 are as follows:

	2024	2023
Discount rate	6.08%	6.16%
Future salary increases	5.00%	5.00%
Average remaining working life (in years)	23	24

Discount rate sensitivity

The following illustrates the sensitivity to a reasonably possible change in each key assumption, with all other variable held constant, of the Company's retirement benefit obligation. The sensitivity analysis is prepared assuming the fair value of asset does not vary during the period and the methods and assumptions are the same in prior years. A 100 bps increase, or decrease is used when reporting this risk internally to key management personnel and represents management's assessment of the reasonably possible change in discount rate and salary increase. The impact on the Company's retirement benefit obligation follows:

	Impact on retirement benefit obligation		
	Change in basis points	Increase in assumption	Decrease in assumption
December 31, 2024			
Discount rate	100 basis points	(2,179,753)	2,641,030
Salary growth rate	100 basis points	2,643,215	(2,219,319)
December 31, 2023			
Discount rate	100 basis points	(2,345,453)	2,850,482
Salary growth rate	100 basis points	2,855,229	(2,389,579)

There are no expected contributions to the plan for the year ending December 31, 2025.

15 Related party transaction

In the ordinary course of business, the Company enters into transactions with its stockholders and affiliates. Under the Company's policy, these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks. Related party transactions are settled in cash.

Category/Transaction	Ref	2024			2023		
		Amount of transaction	Outstanding Balances		Amount of transaction	Outstanding Balances	
			Due from related parties	Due to related parties		Due from related parties	Due to related parties
<i>Parent Company</i>							
Miscellaneous receivables	A	-	181,521	-	-	181,521	-
Notes payable	B	-	-	292,100,175	-	-	303,600,000
Availments		-	-	-	158,600,000	-	-
Settlements		11,499,825	-	-	46,100,000	-	-
Accrued Interest Payable	B	-	-	1,363,864	1,018,666	-	-
Interest expense		20,915,252	-	-	18,506,868	-	-
<i>Entities under common control</i>							
<i>Motor Ace Philippines, Inc.</i>							
Loans Receivable	F	3,245,294	-	-	9,773,940	-	-
Availments		-	-	-	-	-	-
Settlements		6,528,646	-	-	-	-	-
Miscellaneous receivables	A	-	328,078	-	-	320,703	-
Availments		7,375	-	-	22,599	-	-
Settlements		-	-	-	44,150	-	-
Accounts payable -Supplier	C	-	-	8,661,616	-	-	14,851,810
Availments		96,667,399	-	-	130,991,997	-	-
Settlements		102,857,593	-	-	130,596,637	-	-
Accounts payable	E	-	-	245,825	-	-	279,459
Availments		926,781	-	-	2,715,188	-	-
Settlements		960,414	-	-	2,479,191	-	-
<i>MAPI Lending Investors, Inc.</i>							
Miscellaneous receivables	A	-	1,477,772	-	-	1,477,772	-
Availments		-	-	-	-	-	-
Settlements		-	-	-	-	-	-

forward

Category/Transaction	Ref	Amount of transaction	2024		2023		Due to related parties		
			Outstanding Balances	Due from related parties	Outstanding Balances	Due from related parties			
Accounts payable	E	-	-	-	86,543	-	-	78,479	
Availments		11,284,043	-	-	-	26,206	-	-	
Settlements		11,275,979	-	-	-	26,367	-	-	
Short term placements	C	-	-	-	-	-	-	-	
Availments		-	-	-	-	-	-	-	
Settlements		-	-	-	-	-	-	-	
Interest income		-	-	-	-	-	-	-	
<i>HMW Lending Investors, Inc.</i>									
Loans Receivable	F	-	1,033,272	-	-	-	1,722,120	-	
Availments		-	-	-	-	-	-	-	
Settlements		688,848	-	-	-	-	-	-	
<i>Honda Motor World, Inc.</i>									
Loans Receivable	A	-	-	-	-	-	-	-	
Availments		-	-	-	-	-	-	-	
Settlements		-	-	-	-	-	-	-	
Miscellaneous receivables	A	-	180,714	-	-	-	180,714	-	
Availments		-	-	-	-	-	-	-	
Settlements		-	-	-	-	-	-	-	
Accounts payable-Supplier	C	-	-	-	843,290	-	-	7,586,792	
Availments		30,895,718	-	-	-	52,222,866	-	-	
Settlements		37,639,220	-	-	-	47,599,533	-	-	
Accounts payable	E	-	-	-	590,670	-	-	168,200	
Availments		1,479,031	-	-	-	1,642,581	-	-	
Settlements		1,056,562	-	-	-	1,592,324	-	-	
<i>Pikeville Bancshares</i>									
Accounts payable	D	-	-	-	156,128	390,320	-	-	
Professional fees	D	1,102,080	-	-	-	1,102,080	-	-	
<i>Cebu Maxi Management Corp.</i>									
Professional fees	D	500,000	-	-	-	500,000	-	-	
<i>MERG Realty Development Corp.</i>									
Miscellaneous receivables	A	-	18,057	-	-	-	18,057	-	
Availments		-	-	-	-	-	-	-	
Settlements		-	-	-	-	-	-	-	

forward

Category/Transaction	Ref	2024			2023		
		Amount of transaction	Outstanding Balances		Amount of transaction	Outstanding Balances	
			Due from related parties	Due to related parties		Due from related parties	Due to related parties
Notes payable	B			36,454,216	-	-	34,374,826
Availments		2,079,391	-	-	1,555,608	-	-
Settlements		-	-	-	-	-	-
Interest expense	B	2,446,342	--	-	1,830,127	-	-
<i>Felibon Realty, Inc.</i>							
Miscellaneous receivables	A	-	-	-	-	-	-
Availments		-	-	-	-	-	-
Settlements		-	-	-	-	-	-
<i>Directors and other stockholders</i>							
Notes payable	B	-	-	18,914,495	-	-	21,808,761
Availments		4,122,461	-	-	12,276,328	-	-
Settlements		7,016,728	-	-	11,322,724	-	-
Interest expense	B	1,246,559	-	-	829,150	-	-
Professional and other management fees		-	-	-	-	-	-
TOTAL			3,219,414	359,416,822		3,900,887	382,748,327

Affiliates are other companies linked indirectly to the Company through interlocking directorship or officership and those under common significant influence and common control.

- A. This includes various receivables from the Parent Company and other related parties pertaining to availment of comprehensive insurance and other claims for reimbursement (Note 3). These related party receivables have a term of less than one year and include 7% interest per annum.
- B. As at December 31, 2024 and 2023, notes payable and accrued interest payable arising from borrowings from directors/stockholders amounted to P348.83 million and P360.80 million. Interest expense from these borrowings amounted to P24.61million and P21.17 million in 2024 and 2023, respectively (Note 9).
- C. Accounts payable represents billings for motorcycle units sold by the related parties that are financed by the Company.

- D. Professional Fees of management consultancy as at December 31, 2024 and 2023, amounted to P1.60 million and P1.60 million. Accrued Management Fee from consultancy amounted to P156 thousand and P390 thousand in 2024 and 2023, respectively (Note 9).
- E. Various Accounts Payable from the trading partner represent the purchase of repossessed motorcycle spare parts and the switching of collections.
- F. The Company has released car loan financing and business loan to its trading partner.

16 Leases

The Company as Lessee

The Company leases various properties where its offices, branches and warehouses are located. The lease terms range from less than a year to 10 years which are renewable subject to certain terms and conditions. The terms of the leases also contain escalation clauses ranging from 5% to 10%.

At the end of the lease term or upon expiration of the renewal period, the ownership of the Company's buildings and improvements thereon shall be retained by the lessor. Under the terms of the lease, the Company cannot sell, assign or sublease, or otherwise dispose of the building and the improvements thereon, without the written consent of the lessor.

Total rent expense for short term leases included under 'Occupancy cost' account in the statement of total comprehensive income incurred in 2024 and 2023 amounts to P2.83 million and P0.78 million, respectively.

Security deposits arising from these lease agreements amount to P4.73 million and P4.76 million as at December 31, 2024 and 2023, respectively (Note 4).

The aggregate future minimum lease payments for the lease commitments are as follows:

	2024	2023
Less than one year	3,960,368	9,527,935
Between one and five years	1,033,684	9,887,494
	4,994,052	19,415,429

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024	2023
As at January 1	19,415,429	21,512,739
Additions	-	10,017,940
Lease termination	(6,323,431)	-
Lease modification	-	1,753,430
Interest expense	905,309	1,169,810
Payments	(9,003,255)	(15,038,490)
As at December 31	4,994,052	19,415,429

Right-of-use assets

	2024	2023
Balance at January 1	16,531,808	18,730,644
Additions	-	10,017,940
Lease modification	1,465,006	1,749,979
Depreciation of right-of-use assets	(13,450,197)	(13,966,755)
Balance at December 31	4,546,617	16,531,808

In 2024, certain lease contracts related to branches were pre-terminated by management as part of its cost savings efforts. The lease termination resulted to a gain of P1.88 million which is recorded in the statement of comprehensive income (Note 12).

17 Critical accounting estimates and judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on management's evaluation of relevant facts, historical experience and other factors, including expectations of future events, that are believed to be reasonable as at reporting date. The resulting accounting estimates and judgments will, by definition, seldom equal the related actual results.

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates

Allowance for ECL of loans and other receivables (Note 3)

The Company reviews its loan portfolio to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in profit or loss.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Defining default and identifying exposures with significant deterioration in credit quality;
- identification of credit impaired loans and estimation of expected realizable value of any collateral held supporting the calculation of individually assessed provisions; and
- the application of appropriate impairment models for the collectively assessed accounts

the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for loans with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. On the basis of existing knowledge, it is reasonably possible that outcomes within the next financial year, which are different from the assumptions used, may amount to a material difference compared to this year's impairment loss. It is, however, impracticable to estimate the impact of such difference in outcomes.

Based on the Company's assessment, provision for impairment losses is required as at December 31, 2024 amounting to P19.35 million (2023 - P32.18 million). Allowance for impairment written off in 2024 amounted to P34.90 million (2023 - P15.80 million) after the Company exhausted all efforts and means to collect the amount due.

Estimation of retirement benefit obligation (Note 14)

The determination of retirement benefit obligation is dependent on the selection of certain assumptions used by the Company in calculating such amounts. Those assumptions include the determination of discount rate and future salary increases, among others. Due to the long-term nature of the retirement plan, such judgments are subject to significant uncertainty. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are appropriate for the term of the liability of the plan.

While the Company believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and the related obligation. The possible effects of sensitivities surrounding the actuarial assumptions of the Company at the reporting date are disclosed in Note 14.

Determining the incremental borrowing rates (Note 16)

The Company's weighted average incremental borrowing rate applied to measure its lease liabilities arising from the lease contracts in 2024 was 4.37%. The rate was determined in reference to the prevailing bank lending rates that are reflective of the Company's own credit risk taking into consideration the nature of the leased asset and other terms and conditions of the lease contracts.

Critical accounting judgments

Impairment of investment properties (Note 6)

The Company assesses whether there are any indicators of impairment on its investment properties at the end of each reporting period. Investment properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable.

As at December 31, 2024, the Company did not recognize any additional impairment loss on its investment properties in the absence of any indicators of impairment.

Recoverability of DIT assets (Note 13)

The Company reviews its DIT assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the DIT asset to be utilized. Significant management judgment is required to determine the amount of DIT assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies. However, there is no assurance that the Company will utilize all or part of its DIT assets. Any DIT asset will be re-measured if it might result to derecognition in cases where the expected tax law to be enacted will impose a possible risk on its realization.

Based on management's assessment, the amount of DIT assets recognized as at December 31, 2024 and 2023 is fully recoverable and realizable.

Determining the lease term (Note 16)

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

18 Financial risk and capital management

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk and credit risk. Risk management is carried out through policies approved by the Company's management to minimize potential adverse effects of these risks on the Company's financial performance.

18.1 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company acknowledges that in order to be able to meet liabilities promptly and without losses, it is essential to effectively manage liquidity risk. In general, liquidity management is a matter of balancing cash flows within forward rolling time bands, so that under normal conditions, the Company is comfortably placed to meet all its payment obligations as they fall due.

The amounts disclosed in the table below are the expected undiscounted cash flows of financial instruments, including future interest as applicable, which the Company uses to manage the inherent liquidity risk as at December 31, 2024 and 2023.

	2024		Total
	Up to one year	Over one year	
Financial assets			
Cash	19,078,143	-	19,078,143
Loans and other receivables	535,274,139	322,729,101	858,003,240
Security deposits	4,733,792	-	4,733,792
Financial assets at FVOCI	80,000	-	80,000
Total financial assets	559,166,074	322,729,101	881,895,175
Financial liabilities			
Notes payable	510,316,500	-	510,316,500
Accounts payable	11,890,538	-	11,890,538
Accrued expenses*	15,956,255	-	15,956,255
Lease liabilities	3,960,368	1,033,684	4,994,052
Total financial liabilities	542,123,661	1,033,684	543,157,345
Total maturity gap	17,042,413	321,695,417	338,737,830

*Excluding government payables

	2023		Total
	Up to one year	Over one year	
Financial assets			
Cash	23,102,110	-	23,102,110
Loans and other receivables, net	441,452,515	369,399,529	810,852,044
Security deposits	4,761,292	-	4,761,292
Financial assets at FVOCI	80,000	-	80,000
Total financial assets	469,395,917	369,399,529	838,795,446
Financial liabilities			
Notes payable	484,652,041	26,222,222	510,874,263
Accounts payable	22,964,740	-	22,964,740
Accrued expenses*	13,371,819	-	13,371,819
Lease liabilities	9,527,935	9,887,494	19,415,429
Total financial liabilities	530,516,535	36,109,716	566,626,251
Total maturity gap	(61,120,618)	333,289,813	272,169,195

*Excluding government payables

The Company expects to generate sufficient cash flows from its operating activities. In addition, the Parent Company is determined to provide financial support and other assistance to the Company to continue its business operations and meet its financial obligations at least for the next twelve (12) months, if the need arises.

18.2 Market risk

Market risk is the risk of changes in fair value of financial instruments from fluctuation in foreign exchange rates (foreign exchange risk) and market interest rates (fair value, cash flow interest rate risks and price risk).

Foreign exchange risk

The Company is not exposed to foreign exchange risk as it has no financial assets and liabilities denominated in a currency that is not the Company's functional currency.

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company's exposure to interest rate risk pertains to its notes payable which are repriced periodically, based on the prevailing market interest rates (Note 10). The Company follows a prudent policy on managing its assets and liabilities to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

Price risk

The Company is not exposed to price risk as it does not have equity instruments and securities that are subject to price fluctuations.

18.3 Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Significant changes in the economy, or financial condition of its counterparty, could result in losses that are different from those provided for at the reporting date. The Company manages credit risk by setting limits for individual borrowers, and groups of borrowers, and industry segments. The Company also monitors credit exposures, and continually assesses the creditworthiness of counterparties.

The maximum exposure to credit risk relates to the following financial assets as at December 31:

	2024	2023
Cash	18,620,665	22,194,698
Loans and other receivables (net, ECL allowance)	858,003,240	810,852,044
Security deposits	4,733,792	4,761,292
	881,357,697	837,808,034

Cash excludes cash on hand. To reduce the Company's credit risk, the Company only maintains cash in domestic universal banks with strong financial standing.

Credit applications go through a process of screening using the Company's credit standards to minimize risk. For certain loans receivables, the Company enters into collateral arrangements with counterparties to limit the duration of exposures. The Company's motorcycle financing business has the motorcycle itself as collateral in case the borrower defaults on its loan. Other receivables from customers are secured by real estate and other chattel properties.

The Company also focuses on markets and borrowers that have a relatively better capability to repay their loans. One example of this is the medical professional market where most doctors are able to pay because of their higher disposable income.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with credit worthy counterparties. The security of loans and receivable is disclosed in Note 3.

The following summarizes the credit quality of the Company's Loans and other receivables:

	2024		2023
	Amount	Loss Rate	
Stage 1 - Neither past due nor impaired	728,350,372	3%	527,201,316
Stage 2 - Past due but not impaired	179,380,243	32%	350,964,928
Stage 3 - Impaired	91,606,950	65%	89,574,736
	999,337,565	100%	967,740,980

The movement in the allowance for credit losses is disclosed in Note 3.

Security deposits are made in connection with the lease arrangements (Note 16) with certain lessors.

The credit quality of the portfolio of loans and other receivables can be assessed by reference to the historical experience of the Company with the borrowers. All loans and other receivables neither past due nor impaired are considered high grade and can withstand weak economic conditions. These pertain to borrowers with strong repayment capacity, have excellent liquidity and low leverage. Mostly, these are the accounts with updated amortization payments. Past due accounts are not considered impaired as these are backed-up by collaterals and considered fully collectible based on management's experience.

18.4 Fair value determination

The table below summarizes the carrying amount and fair value of financial assets and liabilities at December 31:

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	19,078,143	19,078,143	23,102,110	23,102,110
Loans and other receivables, net	858,003,240	858,003,240	810,852,044	810,852,044
Security deposits	4,733,792	4,733,792	4,761,292	4,761,292
Financial assets at FVOCI	80,000	80,000	80,000	80,000
	881,895,175	881,895,175	838,795,446	838,795,446
Financial liabilities				
Notes payable	510,316,500	510,316,500	510,874,263	510,874,263
Accounts payable	11,890,538	11,890,538	22,964,740	22,964,740
Accrued expenses	15,956,255	15,956,255	17,909,501	17,909,501
Lease liabilities	4,994,052	4,994,052	19,415,429	19,415,429
	543,157,345	543,157,345	571,163,933	571,163,933

The Company uses Market approach in determining the fair values of its investment properties which uses observable inputs such as prices, broker quotes and other relevant information generated by market transactions involving identical or comparable assets or group of assets. Appropriate adjustments are made to the valuations taking into consideration the specific circumstances of the properties. The fair values of the Company's investment properties as disclosed in Note 6 fall under Level 3 of the fair value hierarchy. The main Level 3 inputs used by the Company pertain to marketability and size.

The Company's financial assets at FVOCI are classified under Level 2 of the fair value hierarchy as at December 31, 2024 and 2023.

18.5 Capital management

The primary objectives of the Company's capital management policies and procedures are to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company considers its total equity as capital, excluding remeasurement gains on defined benefit liability. No changes were made in the objectives, policies or procedures in 2024.

Under R.A No. 8556, the Company is required to maintain the following capital requirements:

- (a) minimum paid-up capital of P10.00 million; and
- (b) additional capital requirements for each branch of P1.00 million for branches established in Metro Manila, P0.50 million for branches established in other classes of cities and P0.25 million for branches established in municipalities.

For the years ended December 31, 2024 and 2023, the Company is compliant with the minimum capital requirements.

The Company is also compliant with the minimum public float of 10% that is required by the PSE where the Company shares also are traded.

19 Summary of material accounting policies

The material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

19.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards includes all applicable PFRSs, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee and International Financial Reporting Interpretations Committee which have been approved by the Financial and Sustainability Reporting Standards Council, Board of Accountancy and adopted by the SEC.

The financial statements have been prepared under the fair value modification, as modified by the revaluation of investment properties, which is carried at fair value.

The preparation of these financial statements in conformity with PFRS Accounting Standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving estimates and judgments are disclosed in Note 17.

These financial statements are presented in Philippine Peso, which is the Company's functional currency. The Company has no transactions denominated in foreign currency as at and for the years ended December 31, 2024 and 2023.

19.2 Changes in accounting policies and disclosures

(a) Amendments to existing standards adopted by the Company

The following amendments to existing standards are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Company:

- Amendment to PAS 1, 'Presentation of Financial Statements'

PAS 1 requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- Amendment to PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12, 'Income Taxes'

The amendments require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets. The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

The amendments to PAS 1 were considered by management in the December 31, 2024 and December 31, 2023 financial statements by disclosing material policy information rather than significant accounting policies. All other amendments to the existing standards did not have a material impact on the financial statements of the Company.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have a material impact on the Company's financial statements.

(b) Amendments to existing standards not yet adopted by the Company

The following amendments to existing standards are not mandatory for the December 31, 2024 reporting period and have not been early adopted by the Company.

- Amendments to PAS 1, 'Presentation of Financial Statements'

The amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability.

The adoption of the above amendment is not expected to have a material impact on the financial statements of the Company. There are no other new standards, amendments to existing standards or interpretations that are effective subsequent to September 30, 2024 that are expected to be relevant or expected to have a material impact on the financial statements of the Company.

- Amendments to PAS 7, '*Statement of Cash Flows*' and PFRS 7, '*Financial Instruments: Disclosures*'

The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Company.

There are no other new standards, amendments to existing standard or interpretations effective subsequent to December 31, 2024 that are relevant or expected to have a material impact on the Company's financial statements.

19.3 Property and equipment, net

Property and equipment are recognized at cost upon initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the items. Following the initial recognition, all items of property and equipment are recorded at cost less accumulated depreciation and amortization and any provision for impairment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on property and equipment is computed using the straight-line method to allocate its costs less their residual values over an estimated useful life of three years.

The expected useful lives of property and equipment are as follows:

Category	Number of years
Furniture, fixtures and equipment	2-5
Leasehold rights and improvements	10 years or the period of the lease, whichever is shorter
Transportation equipment	3-5

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and the related accumulated depreciation and amortization and any impairment loss are removed in the statement of financial position. Any gains or losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognized in profit or loss.

19.4 Repossessed asset

Repossessed asset primarily consist of foreclosed motor vehicles and considered as asset held for sale which are disposed through a sale transaction rather than continuing use. These are initially measured at the lower of the carrying amount and fair value less cost to sell. The carrying amount of repossessed assets comprises the outstanding balance of the related loan receivable less allowance for impairment at the time of repossession.

On subsequent re-measurement of the repossessed asset, the Company recognizes an impairment loss within other expense in the statement of income for any initial or subsequent write-down to fair value less cost to sell. Repossessed asset are not depreciated while it is classified as held for sale.

Repossessed asset are derecognized upon disposal through a sale transaction. Any gains or losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and recognized as recovery of impairment up to the extent of the previously recognized impairment. Excess gains are recognized as gains from sale of repossessed assets in profit or loss.

The Company ceases to classify an asset as held for sale when the criteria for initial recognition are no longer met and are measured at the lower of its carrying amount that would have been recognized before the asset was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

19.5 Investment properties

Investment properties primarily consist of foreclosed real estate properties. The initial cost of investment properties consists of any directly attributable costs of bringing the investment properties to their intended location and working condition, including any borrowing costs, as applicable.

Investment properties are stated at fair value, which reflects market conditions at the reporting date. The fair value of investment properties is determined by management and independent valuation experts based on the "market approach". Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise. In determining the carrying amount of investment property under the fair value model, the Company does not double-count assets or liabilities that are recognized as separate assets or liabilities.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Investment properties are derecognized when either it has been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in PFRS 15, 'Revenue from Contracts with Customers'.

Transfers are made to (or from) investment property only when there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development.

19.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial instrument in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

19.6.1 Financial assets

(a) Classification of financial assets

The Company classifies its financial assets in the following measurement categories: at fair value through profit or loss (FVTPL), at fair value through other comprehensive income and at amortized cost. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

The Company's financial assets as at December 31, 2024 and 2023 include those that are measured at amortized cost.

Financial assets at amortized cost

These are the Company's assets that are held for collection of contractual cash flows, which represent solely payments of principal and interest, and are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/losses. Impairment losses are presented as provision for impairment loss of repossessed assets in the statement of total comprehensive income.

Financial assets are included in current assets, except for maturities greater than 12 months after the reporting date which are presented as non-current assets. Financial assets measured at amortized cost comprise cash in bank, loans and other receivables, and security deposits.

(b) Initial recognition and subsequent measurement

Regular-way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets not carried at FVTPL are initially recognized at fair value plus transaction costs.

Financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment, if any.

(c) Impairment of financial assets carried at amortized cost

The Company assesses the ECL associated with its loans and other receivables measured and classified at amortized cost at each reporting date. The measurement of ECL reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events and current conditions. The Company has identified no macroeconomic variable that can be considered to materially affect the historical loss rates given the nature of its loan portfolio.

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

Definition of default and determination of significant increase in credit risk

The Company defines loans and receivables as in default when the borrower delays on its contractual payments beyond the grace period allowed. The Company compares the probability of default occurring over its expected life as at the reporting date with the probability of default occurring over its expected life on the date of initial recognition to determine if there is a significant increase in credit risk. Since comparison is made between information at reporting date against initial recognition, the deterioration in credit risk may be triggered by qualitative factors such as confirmation of the existence of the borrower, or adverse trends or developments in the market that may affect the borrower or a significant weakness in collateral. Credit weakness may be manifested by unfavorable record or unsatisfactory characteristics affecting the loan portfolio that may lead to significant losses or may result in the collection of the outstanding loan amount to be highly improbable.

Staging assessment

For non-credit impaired financial assets:

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk since initial recognition. The Company recognized a 12-month ECL for Stage 1 financial assets.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognized a lifetime ECL for Stage 2 financial assets.

For credit-impaired financial assets:

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

Financial assets that are credit-impaired on initial recognition are classified as purchased or originated credit-impaired assets. These are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit adjusted effective interest rate. ECL is only recognized or released to the extent that there is a subsequent change in the ECL.

Measuring ECL

The ECL is measured on either a 12-month or a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- The PD represents the likelihood that the borrower will default (as per "Definition of default" above), either over the next 12 months (12M PD), or over the remaining life (lifetime PD) of the asset.
- EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining life (lifetime EAD).
- LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The ECL is determined by multiplying the PD, LGD and EAD together for each individual exposure or collective segment. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, if relevant. These assumptions vary on each loan product.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs and how collateral values change, are monitored and reviewed regularly.

There have been no significant changes in estimation techniques or significant assumptions made in 2024 and 2023.

(d) Impairment of financial assets carried at amortized cost

Financial assets are derecognized when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

19.6.2 Financial liabilities

The Company's financial liabilities are limited to those classified at amortized cost. There are no financial liabilities at FVTPL (including financial liabilities held for trading and those that are designated at fair value).

The Company's financial liabilities at amortized cost comprise of accounts payable, notes payable, accrued expenses (except for accrued taxes) and lease liabilities.

Financial liabilities at amortized cost are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities that are not carried at FVTPL are initially measured at fair value less transaction costs and subsequently measured at amortized cost using the effective interest rate method. They are included in current liabilities, except for maturities greater than twelve (12) months after the reporting date, which are classified as non-current liabilities.

Financial liabilities are derecognized when the obligation is settled, discharged, cancelled or has expired.

19.7 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.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfil an obligation.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price within the bid-ask spread that is most representative of fair value is used. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Non-financial assets

The fair value of a non-financial asset is measured based on its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

19.8 Impairment of non-financial assets

The Company assesses at each end of the reporting period whether there is an indication that its non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The estimated recoverable amount of an asset is the greater of the asset's fair value less costs to sell and value-in-use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. 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. In determining the fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used. Non-financial assets that are impaired are reviewed for possible reversal of impairment at each reporting date.

19.9 Earnings per share (EPS)

Basic EPS is calculated by dividing net income for the year attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed in the same manner as basic EPS; however, the net income attributable to common shares and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

19.10 Income recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized:

Interest income

Interest income is recognized in profit or loss for all interest-bearing financial instrument using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates cash flows considering the contractual terms of the financial instrument but does not consider future credit losses. The calculation includes fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

For credit-impaired financial assets, the effective interest rate is applied to the gross carrying amount less the allowance for expected credit loss.

Other income

Other income is recognized when earned at a point in time, when the related services have been rendered and the right to receive payment is established.

19.11 Employee benefits and retirement benefit obligation

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and recognized as expense as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement benefit obligation (asset)

Pension benefits are provided to employees through a defined benefit plan.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Plan assets comprise assets held by the retirement benefit plan which will be used to pay or fund employee benefits.

The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the related pension liability.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the defined benefit plan. The amount of defined benefit asset recognized in the books is reduced by the amount of asset ceiling.

Remeasurement gains or losses are charged or credited to equity in the period in which they arise. Past service costs are recognized immediately in profit or loss.

19.12 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

i. Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the implicit borrowing rate in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

ii. Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

iii. Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

iv. Pre-termination of lease

For pre-termination of a lease, the lessee must derecognize the right-of-use asset and lease liability related to the terminated portion. Any difference between the carrying amounts of these items is recognized as a gain or loss in profit or loss. If termination involves penalties or compensation payments, these are also accounted for in the financial statements

19.13 Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amounts 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 have been enacted or substantively enacted at the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DIT

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

DIT liabilities are recognized for all taxable temporary differences, except where the DIT liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

DIT assets are recognized for all deductible temporary differences, carry-forward benefits of unused tax credits from excess MCIT over regular CIT and unused NOLCO, to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, and the carry-forward benefits of unused tax credits and unused tax losses can be utilized except:

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

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

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

20 Supplementary information required by the Bureau of Internal Revenue (BIR)

The following supplementary information is presented for the purposes of filing with the BIR and is not a required part of the basic financial statements.

20.1 Revenue Regulations (RR) No. 15-2010

(a) The Company registered as a percentage taxpayer.

The Company's other taxes and licenses for the year ended December 31, 2024 include the following:

	2024	2023
Gross receipts tax (GRT)	11,644,971	9,720,139
Documentary stamp taxes (DST)	894,553	1,382,451
DST on stock dividends	19,385	26,779
License and permit fees	2,940,624	1,587,657
	15,499,533	12,717,026

The above are lodged under "Taxes and Licenses" account in the Company's statement of total comprehensive income. As at December 31, 2024, accrued GRT and DST amounted to P4,638,957 and P44,625, respectively.

(b) Withholding taxes

Withholding taxes incurred and accrued for the year ended December 31, 2024 are as follows:

	2024	2023
Withholding tax on compensation	2,710,330	2,185,102
Final withholding tax	30,225	41,720
Expanded withholding taxes	6,888,989	5,950,398
	9,629,544	8,177,220

No withholding taxes were paid to the BIR for the year ended December 31, 2024.

(c) Tax examinations/Tax cases

There are no tax cases nor litigation and/or prosecution in courts or bodies outside the BIR during the year ended December 31, 2024.

20.2 RR No. 34-2020

On December 18, 2020, BIR issued RR NO. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents by providing safe harbors and materiality thresholds. Section 2 of the RR provides the list of taxpayers that are required to file and submit the Related Party Transaction Form, together with the Annual Income Tax Return.

The Company is not covered by the requirements and procedures for related party transactions provided under this RR as it does not meet any criteria of taxpayers prescribed in Section 2 of the RR.





Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Makati Finance Corporation
3rd Floor Mazda Makati Building
2301 Chino Roces Avenue
Barangay Magallanes, Makati City

We have audited the financial statements of Makati Finance Corporation as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 15, 2025.

The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration, and the Map of the Group of Companies within which Makati Finance Corporation belongs as at December 31, 2024, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the Securities Regulation Code.

Isla Lipana & Co.



Zaldy D. Aguirre
Partner

CPA Certificate No. 8768000

P.T.R. No. 00011117 issued on January 3, 2025, Makati City

TIN 000-000-000

BIR A.N. 00-000715-077-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/REG. No. 01112, effective until November 14, 2025

Makati City
April 15, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
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EXHIBIT I

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2024**

Unappropriated Retained Earnings, available for dividends distribution - beginning as previously presented	P106,988,750
Add: Net income actually earned/realized during the year	
Net income during the period	14,462,421
Less: Dividends declared during the year	(3,877,065)
Fair value change in investment properties	(3,335,775)
<hr/>	
RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DISTRIBUTION	P114,238,331

EXHIBIT II

SCHEDULE SHOWING FINANCIAL SOUNDNESS PURSUANT TO SRC RULE 68, AS AMENDED DECEMBER 31, 2024

	2024	2023
SOLVENCY AND LIQUIDITY RATIOS		
Current ratio	123.37%	105.75%
Debt to equity ratio	94.88%	102.40%
Quick ratio	101.60%	86.27%
PROFITABILITY RATIOS		
Return on assets	1.26%	1.12%
Return on equity	2.46%	2.26%
Net profit margin	7.24%	7.17%
ASSET TO EQUITY RATIO	194.88%	202.40%
INTEREST RATE COVERAGE RATIO	1.64	1.50

Computation for the Ratios:

- Current ratio = Current Assets/Current Liabilities
- Debt to Equity Ratio = Total Liabilities/Total Equity
- Quick Ratio = Quick Assets/Current Liabilities
- Return on Assets = Net Income After Tax/Total Assets
- Return on Equity = Net Income After Tax/Total Equity
- Net Profit Margin = Net Income After Tax/Total Income
- Asset to Equity Ratio = Total Assets/Total Equity

EXHIBIT III

**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-F
PURSUANT TO SRC RULE 68, AS AMENDED
DECEMBER 31, 2024**

	2024	2023
Ratio or percentage of total real estate investments to total assets	8.63%	13.26%
Total receivables to total assets	75.03%	70.15%
Total DOSRI receivables to net worth	0.58%	1.10%
Amount of receivables from a single corporation to total receivables:		
Amalgamated Investment Bancorporation (AIB)	0.02%	0.02%
Motor Ace Philippines, Inc. (MAPI)	0.04%	0.04%
Honda Motor World, Inc. (HMWI)	0.02%	0.02%
MAPI Lending Investors, Inc. (MAPILI)	0.17%	0.28%
HMW Lending Investors, Inc. (HMWLI)	0.14%	0.40%

Schedule D. Intangible Assets - Other Assets

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other charges additions (deduction)	Ending balance
84pcs. GV 25 Tracking Device	2,000	–	2,000	–	–	0
Website security renewal	2,166	–	2,166	–	–	0
Renewal of Makatifinance.ph domain	6,217	–	6,217	–	–	0
Hostgator, webhosting, web backup/security	4,865	–	4,865	–	–	0
SYNC renewal	5,035	–	5,035	–	–	0
Web hosting upgrade	28,130	–	4,943	–	–	23,187
Central Device Encryption - 10Users @ 2780.00	7,441	–	5,560	–	–	1,881
Sophos Central Intercept X Advanced with EDR	111,650	–	46,200	–	–	65,450
Sophos Central Intercept X Advanced for Server	13,436	–	11,864	–	–	1,572
20PCS GV 25 Tracking Device	33,000	–	8,800	–	–	24,200
71 units for dual network sim for GPS trucking	5,918	–	5,916	–	–	2
Hostgator, webhosting, web backup/security - makatifinance.ph	5,197	–	5,196	–	–	1
QNE Maintenance	16,667	–	4,000	–	–	12,667
Supply and Delivery of SOPHOS Antivirus Renewal	275,058	–	57,308	–	–	217,750
GPS Installation warehouse truck	690.00	–	689	–	–	1
Renewal of Makatifinance.ph domain (2 years)	9,456	–	9,456	–	–	0
Renewal of Makatifinance.ph domain	–	4,025	1,174	–	–	2,851
16 pcs. Microsoft Office Software 2021	–	112,000	11,200	–	–	100,800
Sophos XGS 2100 Xstream + Email and Web Server - 3 years	–	740,000	49,333	–	–	690,667
SYNC Renewal	–	11,760	1,960	–	–	9,800
Renewal of Sitelock Essentials and Codeguard Basic	–	7,674	1,279	–	–	6,395
Google Workspace Monthly Renewal	–	22,290	1,861	–	–	20,429
Canva PRO Team Subscription	–	7,041	293	–	–	6,747
Hostgator.Com, LLC -Google Workspace	–	22,325	–	–	–	22,325
TOTAL	₱ 530,485	₱ 927,115	₱250,874	₱ –	₱ –	₱1,206,726

Schedule E. Long Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long term debt" in related statement of financial position	Amount shown under caption "Long-Term Debt" in statement of financial position
	P—	P—	P—

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
	P—	P—

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
NONE	P—	P—	P—	P—

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers(Direct & Indirect)	Others
COMMON	77,841,803	77,841,803	—	77,841,803	—	—
COMMON	72,406,597	72,406,597	—	72,406,597	—	—
COMMON	57,601,615	57,601,615	—	57,601,615	—	—
COMMON	10,188,103	10,188,103	—	—	—	10,188,103
COMMON	9,685,633	9,685,633	—	9,685,633	—	—
COMMON	9,062,868	9,062,868	—	—	9,062,868	—
COMMON	7,638,705	7,638,705	—	—	7,638,705	—
COMMON	6,855,756	6,855,756	—	—	—	6,855,756
COMMON	6,527,404	6,527,404	—	—	—	6,527,404
COMMON	6,266,601	6,266,601	—	—	—	6,266,601
COMMON	2,759,174	2,759,174	—	—	2,759,174	—
COMMON	1,042,954	1,042,954	—	—	—	1,042,954
COMMON	813,302	813,302	—	—	—	813,302
COMMON	553,755	553,755	—	—	—	553,755
COMMON	532,714	532,714	—	—	—	532,714
COMMON	473,276	473,276	—	473,276	—	—
COMMON	326,331	326,331	—	—	—	326,331
COMMON	326,331	326,331	—	—	—	326,331
COMMON	326,331	326,331	—	—	—	326,331
COMMON	326,331	326,331	—	—	—	326,331
COMMON	326,331	326,331	—	—	—	326,331
COMMON	326,331	326,331	—	—	—	326,331
COMMON	326,331	326,331	—	—	—	326,331
COMMON	313,297	313,297	—	—	—	313,297
COMMON	197,043	197,043	—	—	—	197,043
COMMON	114,506	114,506	—	—	38,167	76,339
COMMON	63,209	63,209	—	—	—	63,209
COMMON	37,022	37,022	—	—	—	37,022

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers(Direct & Indirect)	Others
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	—	27,184
COMMON	27,184	27,184	—	—	8,578	18,606
COMMON	27,183	27,183	—	—	—	27,183
COMMON	25,743	25,743	—	—	—	25,743
COMMON	25,314	25,314	—	—	—	25,314
COMMON	22,014	22,014	—	—	—	22,014
COMMON	20,803	20,803	—	—	—	20,803
COMMON	20,803	20,803	—	—	—	20,803
COMMON	20,803	20,803	—	—	—	20,803
COMMON	19,434	19,434	—	—	—	19,434
COMMON	17,681	17,681	—	—	—	17,681
COMMON	10,799	10,799	—	—	—	10,799
COMMON	7,871	7,871	—	—	—	7,871
COMMON	7,833	7,833	—	—	—	7,833
COMMON	7,746	7,746	—	—	—	7,746
COMMON	6,044	6,044	—	—	—	6,044
COMMON	2,990	2,990	—	—	—	2,990

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers(Direct & Indirect)	Others
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	2,568	—
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	2,568	—
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,568	2,568	—	—	—	2,568
COMMON	2,567	2,567	—	—	2,567	—
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	2,567	—
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,567	2,567	—	—	—	2,567
COMMON	2,566	2,566	—	—	—	2,566

Schedule H. Capital Stock

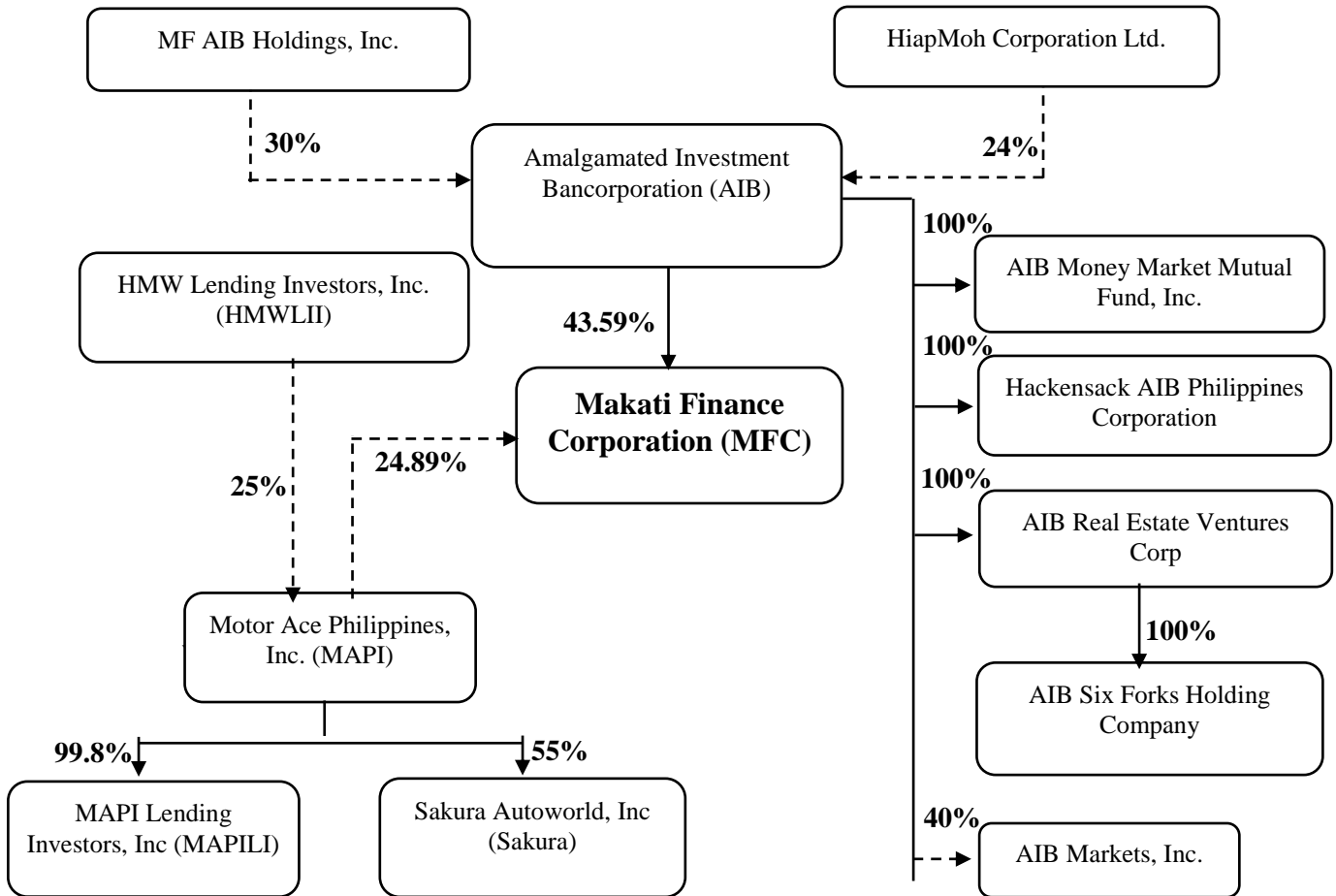
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers(Direct & Indirect)	Others
COMMON	1,640	1,640	—	—	—	1,640
COMMON	1,423	1,423	—	—	—	1,423
COMMON	1,222	1,222	—	—	—	1,222
COMMON	1,064	1,064	—	—	—	1,064
COMMON	810	810	—	—	—	810
COMMON	550	550	—	—	—	550
COMMON	422	422	—	—	—	422
COMMON	290	290	—	—	—	290
COMMON	225	225	—	—	—	225
COMMON	115	115	—	—	—	115
COMMON	115	115	—	—	—	115
COMMON	115	115	—	—	—	115
COMMON	115	115	—	—	—	115
COMMON	73	73	—	—	—	73
COMMON	34	34	—	—	—	34
COMMON	34	34	—	—	—	34
COMMON	34	34	—	—	—	34
COMMON	34	34	—	—	—	34
COMMON	34	34	—	—	—	34
COMMON	17	17	—	—	—	17
COMMON	17	17	—	—	—	17
COMMON	17	17	—	—	—	17
COMMON	17	17	—	—	—	17
COMMON	14	14	—	—	—	14
COMMON	1	1	—	—	—	1
COMMON	1	1	—	—	—	1
COMMON	1	1	—	—	—	1

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers(Direct & Indirect)	Others
COMMON	1	1	—	—	1	—
COMMON	1	1	—	—	1	—
COMMON	1	1	—	—	1	—
COMMON	1	1	—	—	1	—
COMMON	1	1	—	—	1	—
TOTAL	273,900,122	273,900,122	100%	218,008,924	19,517,769	36,373,429

**EXHIBIT V
MAKATI FINANCE CORPORATION**

MAP OF THE GROUP OF COMPANIES WITHIN WHICH MAKATI FINANCE CORPORATION BELONGS AT DECEMBER 31, 2024



Legend:

- - - Associate
- Subsidiary

EXHIBIT VI
MAKATI FINANCE CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE
DECEMBER 31, 2024

	2024	2023
Total Audit Fee	450,000	394,240
Non-Audit Fee:		
Other assurance services	0	0
Tax services	0	0
All other services	0	0
Total Non -audit Fees	0	0
Total Audit and Non-audit Fees	450,000	394,240

REPORTS ON SEC FORM 17-C

ANNEX B



MAKATI FINANCE
CORPORATION
MORE THAN JUST FINANCING

January 23, 2024

via electronic mail

The Markets and Securities Regulation Department
SECURITIES AND EXCHANGE COMMISSION
SEC Building, Mandaluyong City

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Dept.

The Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

We are submitting herewith SEC 17-C to disclose some material items discussed on Makati Finance Corporation's Board of Director's Meeting held today, January 23, 2024 at MFIN Board Room Mazda Makati.

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:


MARC C. LOPEZ
CFO / Compliance Officer

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. **January 23, 2024**
(Date of earliest event reported)
2. SEC Identification Number: 28788
3. BIR Tax Identification No.: 000-473-966-000
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. **3F Mazda Makati, 2301 Chino Roces Ave. Brgy. Magallanes, Makati City** **1231**
Address of principal office Postal Code
8. **(0632) 7751-8132**
Registrant's telephone number, including area code
9. **7823 Makati Avenue, Makati City**
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	271,961,630

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

The regular quarterly meeting of the Board of Directors of MAKATI FINANCE CORPORATION (“MFIN”) was held on January 23, 2024, at 9:00 o'clock in the morning, of which at least a majority of the members of the Board of Directors was present and acting throughout.

The Board has approved the 2024 Budget.

Board formally accepted the resignation of Mr. Eric B. Benitez as a Director of the Corporation, effective 23 January 2024.

The Board elected Ms. Carmen Therese L. Benitez as Director, subject to her qualification, to serve the unexpired portion of the term of Mr. Benitez.

The next Board meeting was later set on 23 April, 2024 (Tuesday) at 10:00 o'clock in the morning.

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:



A handwritten signature in black ink is written over a solid black rectangular redaction box. The signature is cursive and appears to read 'MARCOS E. LAROSA'. The redaction box is positioned horizontally across the middle of the signature.

MARCOS E. LAROSA
CFO / Compliance Officer

Date: 23 January 2024



MAKATI FINANCE
CORPORATION
MORE THAN JUST FINANCING

April 23, 2024

via electronic mail

The Markets and Securities Regulation Department
SECURITIES AND EXCHANGE COMMISSION
SEC Building, Mandaluyong City

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Dept.

The Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Tower
5th Avenue cor. 28th Street
BGC, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Gentlemen:

We are submitting herewith SEC 17- C to disclose some material items discussed on Makati Finance Corporation's Board of Director's Meeting. Held today, April 23, 2024 at MFIN Board Room.

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:


MARCOSE. LAROSA
Chief Finance Officer / CIO

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. **April 23, 2024**
(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. **MAKATI CITY, Philippines** 6. (SEC Use Only)
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. **3F Mazda Makati Bldg., 2301 Chino Roces Ave. Brgy. Magallanes, Makati City 1231**
Address of principal office Postal Code
8. **(0632) 7751-8132**
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	271,961,630

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 today, April 23 2024, Tuesday, 10am at Raffles Salon Room, Fairmont Hotel Makati. All the members of the Board of Directors were present and acting throughout. The following items were discussed and/or approved during the meeting:

1. Upon recommendation of the Audit Committee, the Board approved the 2023 Audited Financial Statements.
2. The Nomination Committee informed the Board that it had pre-screened and shortlisted the candidates for election to the Board of Directors to be nominated during the 2024 Annual Stockholders’ Meeting. The candidates to be nominated are as follows: Max O. Borromeo, Joel S. Ferrer, Maxcy Francisco Jose R. Borromeo, Jose Daniel R. Borromeo, Alan Michael R. Cruz, Robert Charles M. Lehmann, Asterio L. Favis, Jr., Cristino L. Panlilio, Vincent Ee , Irineo Alano Cases Jr. and Carmen Therese L. Benitez. The Board ratified the short-listed candidates for the Board of Directors as presented by the Nomination Committee.

3. The Board scheduled the next regular Board meeting on **July 25, 2024 at 9am.**
4. The Board scheduled the Annual Stockholders' meeting on the last Thursday of July (as stated in the by-laws), **July 25, 2024, at 11 am** through remote communication.
5. Record date for the Annual Stockholders' Meeting was set on **July 01, 2024.**

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:

A handwritten signature in black ink, appearing to read 'MARCOS LAROSA', is written over a solid black rectangular redaction box. The signature is somewhat stylized and loops around the box.

MARCOSE LAROSA
CFO / Compliance Officer

Date: 23 April 2024



MAKATI FINANCE
CORPORATION
MORE THAN JUST FINANCING

May 14, 2024

via electronic mail

The Markets and Securities Regulation Department
SECURITIES AND EXCHANGE COMMISSION
SEC Building, Mandaluyong City

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Dept.

The Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Tower
5th Avenue cor. 28th Street
BGC, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Gentlemen:

We are submitting herewith SEC 17- C to disclose some material items discussed on Makati Finance Corporation's Board of Director's Meeting. Held today, May 14, 2024 via remote communication.

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:


MARCOSE. LAROSA
Chief Finance Officer / CIO

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. **May 14, 2024**
(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. **MAKATI CITY, Philippines** 6. (SEC Use Only)
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. **3F Mazda Makati Bldg., 2301 Chino Roces Ave. Brgy. Magallanes, Makati City 1231**
Address of principal office Postal Code
8. **(0632) 7751-8132**
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	271,961,630

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

The special meeting of the Board of Directors of MAKATI FINANCE CORPORATION (“MFIN”) was held today, May 14 2024, Tuesday, 3pm via remote communication. A majority of the members of the Board of Directors were present and acting throughout. The following items were discussed and/or approved during the meeting:

1. Authorizing the Corporation, through the Management, to disclose certain operational and financial information of the Corporation to any potential purchaser(s) of the shares of Amalgamated Investment Bancorporation and Motor Ace Philippines, Inc. in the Corporation, as part of any due diligence exercise that may be conducted by the said potential purchaser(s).
2. Authorization of Robert Charles M. Lehmann and Maxcy Francisco Jose R. Borromeo, to enter into, sign, execute, and deliver a Non-Disclosure Agreement on behalf of the Corporation with Amalgamated Investment Bancorporation and Motor Ace Philippines, Inc., and any potential purchaser(s) of the said shareholders' shares of stock in the Corporation.

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:



MARCOSE LAROSA
CFO / Compliance Officer

Date: 14 May 2024



MAKATI FINANCE
CORPORATION
MORE THAN JUST FINANCING

July 25, 2024

The Markets and Securities Regulation Department
SECURITIES AND EXCHANGE COMMISSION
SEC Building, Mandaluyong City

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Dept.

The Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Tower
5th Avenue cor. 28th Street
BGC, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Gentlemen:

We are submitting herewith Amended SEC 17- C to disclose some material items discussed on Makati Finance Corporation's Board of Director's Meeting. Held on, July 25, 2024 via online communication using Zoom application.

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:

MARCOS E. LAROSA
Chief Finance Officer / CIO

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. **July 25, 2024**
(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. **MAKATI CITY, Philippines** 6. (SEC Use Only)
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. **3F Mazda Makati Bldg., 2301 Chino Roces Ave. Brgy. Magallanes, Makati City 1231**
Address of principal office Postal Code
8. **(0632) 7751-8132**
Registrant's telephone number, including area code
9. **7823 Makati Avenue, Makati City**
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	271,961,630

11. Indicate the item numbers reported herein: **Item 9 – Other Matters**
 - I. **The Regular Meeting of the Board of Directors of MAKATI FINANCE CORPORATION (“MFIN”) was held on 25 July 2024. The following were approved by the Board of Directors:**
 - a. Minutes of the Regular Board Meeting held on **23 April 2024** and the Special Board Meeting held on **14 May 2024**.
 - b. Stock Dividends amounting to **0.7127962684%** of the outstanding capital stock equivalent to a maximum of **1,938,532.35** shares of stock, to be issued out of the unissued capital stock to stockholders of record as of **22 August 2024** with a payment date not later than **18 September 2024**. Fractional shares of 40.35 shall be paid in cash. The actual stock dividends to be issued may be less than the above indicated shares of stock due to the resulting fractional shares, as of **22 August 2024**.

- c. Cash Dividends in the amount of **Php 1,938,532.35** or an equivalent of **Php 0.00712796268355** per share (**0.7127962684%**) to stockholders of record as of **22 August 2024** with a payment date of **18 September 2024**. Both dividends shall be paid out of the audited net profits of the Corporation as of December 31, 2023.
- d. The Next Board meeting was scheduled on **October 22, 2024 (Tuesday) at 9:00 a.m.**

II. The Annual Stockholders' Meeting was held via remote communication. The following were approved by the Stockholders of the Corporation:

- a. Minutes of the Annual Stockholders' Meeting held on 27 July 2023.
- b. The 2023 Annual Report and 2023 Audited Financial Statements.
- c. Ratification of all acts, contracts, investments, and resolutions of the Board of Directors and Management since the immediately previous Annual Shareholder's Meeting of 27 July 2023.
- d. 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 shall have been elected:

ROBERT CHARLES M. LEHMANN
MAX FRANCISCO JOSE O. BORROMEO
MAXCY FRANCISCO JOSE R. BORROMEO
CRISTINO L. PANLILIO
JOEL S. FERRER
JOSE DANIEL R. BORROMEO
*ALAN MICHAEL R. CRUZ
*ASTERIO L. FAVIS, JR.
VINCENT EE
CARMEN THERESE L. BENITEZ
*IRINEO A. CASES, JR.

Mr. Alan Michael R. Cruz, Mr. Asterio L. Favis, Jr. and Mr. Irineo A. Cases, Jr. were elected as independent directors.

- e. Appointment of Isla Lipana & Co. - PricewaterhouseCoopers as the Corporation's External Auditor for the Year 2024.
- f. Stock Dividends amounting to **0.7127962684%** of the outstanding capital stock equivalent to a maximum of **1,938,532.35** shares of stock, to be issued out of the un-issued capital stock to stockholders of record as of **22 August 2024** with a payment date not later than **18 September 2024**. The actual stock dividends to be issued may be less than the above indicated shares of stock due to the resulting fractional shares, as of **22 August 2024**.
- g. Cash Dividends in the amount of **Php 1,938,532.35** or an equivalent of **Php 0.00712796268355** per share (**0.7127962684%**) to stockholders of record as of **22 August 2024** with a payment date of **18 September 2024**.
- h. Both dividends shall be paid out of the audited net profits of the Corporation as of December 31, 2023

III. The Organizational Meeting of the Board of Directors was held immediately after the Annual Stockholders Meeting.

The following officers and committee chairmen/members were elected.

a. OFFICERS:

Mr. Robert Charles M. Lehmann – Chairman
 Mr. Max Francisco Jose O. Borrromeo – Vice Chairman
 Mr. Maxcy Francisco Jose R. Borrromeo - President
 Mr. Joel S. Ferrer - Treasurer
 Atty. Danilo Enrique O. Co - Corporate Secretary
 Mr. Marcos E. Larosa – Chief Finance Officer / Chief Information Officer/ Compliance Officer
 Mr. Roberto C. Benares – Board Adviser

b. COMMITTEES:

Executive Committee	Compensation Committee
Mr. Max Francisco Jose O. Borrromeo, <i>Chairman</i> Mr. Robert Charles M. Lehmann Mr. Maxcy Francisco Jose R. Borrromeo Mr. Cristino L. Panlilio	Mr. Joel S. Ferrer, <i>Chairman</i> Mr. Jose Daniel R. Borrromeo Mr. Alan Michael R. Cruz * Mr. Asterio L. Favis, Jr. * Mr. Cristino L. Panlilio
Nomination / Corporate Governance Committee	Audit / Related Party Transactions / Board Risk Oversight Committee
Mr. Alan Michael R. Cruz *, <i>Chairman</i> Mr. Robert Charles M. Lehmann Mr. Asterio L. Favis, Jr.*	Mr. Asterio L. Favis, Jr.*, <i>Chairman</i> Mr. Max Francisco Jose O. Borrromeo Mr. Alan Michael R. Cruz *

* Independent Directors

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:



MARCOS E. LAROSA
CFO / Compliance Officer

Date: 25 July 2024



MAKATI FINANCE
CORPORATION
MORE THAN JUST FINANCING

October 22, 2024

via electronic mail

ictsubmission@sec.gov.ph

SECURITIES AND EXCHANGE COMMISSION

7909 Makati Ave., Makati City, 1200

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Dept.

The Disclosure Department

THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Tower, 5th Avenue cor. 28th Street
BGC, Taguig City

Attention: **Atty. Stefanie Ann B. Go**
OIC, Disclosure Department

We are submitting herewith SEC 17-C to disclose some material items discussed on Makati Finance Corporation's Board of Director's Meeting held today, October 22, 2024 at Fairmont Makati.

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:

CHARITO S. ESPIRITU
CFO/Compliance Officer/CIO

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
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(Company's Full Name)

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

CHARITO S. ESPIRITU

Contact Person

(02) 7751-8132

Company Telephone Number

1	2
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Month

3	1
---	---

Day

Fiscal Year

2024

SEC Form 17-C

FORM TYPE

0	7
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Month

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Day

Annual Meeting

**Every last
Thursday of July**

Financing

Secondary License Type, If Applicable

M	S	R	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

113

Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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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. **October 22, 2024**
(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. **3F Mazda Makati, 2301 Chino Roces Ave. Brgy. Magallanes, Makati City** **1231**
Address of principal office Postal Code
8. **(632) 7751-8132**
Registrant's telephone number, including area code
9. **7823 Makati Avenue, Makati City**
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	273,900,122

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

The regular quarterly meeting of the Board of Directors of MAKATI FINANCE CORPORATION ("MFIN") was held on October 22, 2024, at which at least a majority of the members of the Board of Directors was present and acting throughout.

The Board formally ratified the appointment of Ms. Charito S. Espiritu as Chief Finance Office, Chief Information Officer and Compliance Officer of the Corporation.

There were no other material items discussed nor approved during MFIN's Board Meeting.

The next Board meeting was later set on January 21, 2025, Tuesday at 9 o'clock in the morning.

SIGNATURE

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:

A handwritten signature in black ink, appearing to read "Charito S. Espiritu", is written over a solid black rectangular redaction box.

CHARITO S. ESPIRITU
CFO/Compliance Officer/CIO

Date: 22 October 2024

**INTEGRATED ANNUAL CORPORATE GOVERNANCE
REPORT**

(I-ACGR) – 2023

Date Filed to SEC : May 29, 2024

ANNEX C



MAKATI FINANCE
CORPORATION
MORE THAN JUST FINANCING

May 29, 2024

SECURITIES AND EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City, 1209

Attention : **HON. RACHEL ESTHER J. GUMTANG-REMALANTE**
OIC, Corporate Governance and Finance Department

The Disclosure Department

THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 5th Avenue cor. 28th Street, Bonifacio Global City,
Taguig City 1634, Metro Manila, Philippines

Attention: **Ms. Alexandra D. Tom Wong**
OIC, Disclosure Department

Gentlemen:

In compliance with the SEC Memorandum Circular No. 15 Series of 2017, please find attached Integrated Annual Corporate Governance Report (SEC Form I-ACGR) of Makati Finance Corporation covering for the year 2023.

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

MAKATI FINANCE CORPORATION

Registrant

By:

A handwritten signature in black ink, which is partially obscured by a thick black horizontal bar. The signature appears to be 'MARCOS E. LAROSA'.

MARCOS E. LAROSA

Chief Finance Officer/Compliance Officer/CIO



**SEC FORM – I-ACGR
INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **28788**
3. BIR Tax Identification No. **000-473-966-000**
4. Exact name of issuer as specified in its charter – **MAKATI FINANCE CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **3/F Mazda Makati Building 2301 Chino Roces Ave., Brgy. Magallanes, Makati City**
Address of principal office **1231**
Postal Code
8. **+632 77518132**
Issuer's telephone number, including area code
9. **7823 Makati Avenue, Poblacion Makati City 1210**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT / NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following: <ul style="list-style-type: none"> • Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors • Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfil their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		

Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS • SEC FORM 17A -Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 17C –Current Report 2023 (Date of Disclosure: July 27, 2023) Disclosure on the Results of Organizational Meeting, 27 July 2023 https://acesse.dev/edgepse-orgmeeting 	
Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	

2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17-C Current Report 2023 (Date of Disclosure: 31, December 2023) Disclosure on the Certificates of Attendance for having attended Corporate Governance Webinar Certificate-of-Attendance-for-Seminar-on-Corporate-Governance Year-2021.pdf (makatifinance.ph) 	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par.1, p.1 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity	COMPLIANT	Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity.	

and reports on progress in achieving its objectives.		<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1, p.1 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS • SEC FORM 17-C Current Report 2023 (Date of Disclosure July 27, 2023) Disclosure on the appointment https://encr.pw/edgepseph-appointments 	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended 	

		Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • All materials to be discussed on the monthly board meetings have been emailed 5 days before the scheduled meeting. 	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17C – Current Report 2023 (Date of Disclosure: July 27, 2023) Disclosure on the appointment of Compliance Officer, 27 July 2023. • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepsepggh-secform20-IS 	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends	COMPLIANT	Provide information on or link/reference to a document containing	

training/s on corporate governance.		<p>information on the corporate governance training attended, including number of hours and topics covered</p> <ul style="list-style-type: none"> • SEC FORM 17-C Current Report 2023 (Date of Disclosure December 31, 2023) Disclosure on the Certificates of Attendance for having attended Corporate Governance Certificate-of-Attendance-for-Seminar-on-Corporate-Governance Year-2021.pdf (makatifinance.ph) 	
<p>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</p>			
<p>Recommendation 2.1</p>			
<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • Minutes of the Meetings of the Corporation. 	
<p>Recommendation 2.2</p>			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf 	

		<p>(makatifinance.ph)</p> <ul style="list-style-type: none"> Minutes of the Meetings of the Corporation <p>Indicate frequency of review of business objectives and strategy</p> <ul style="list-style-type: none"> The Board of Directors reviews the business objectives and strategy during its quarterly and special Board meetings, based on the reports provided by management. 	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) MFIN WEBSITE https://www.makatifinance.ph SEC FORM 17A -Annual Report 2023 https://encr.pw/edgepseph-secform17A 	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the strategy execution process. CFA</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.1, par. 3.1.1, p.10 par. 3.2.1, p. 11 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A 	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 1.1, p.1 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) Succession Planning 	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its	

with long-term interests of the company.		implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	COMPLIANT	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	nominations from shareholders.	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2, par 2.2, p.6, par. 2.2.1 (a), p. 6, par. 2.2.1 (b), p.6, par. 2.4.1, p.10, par. and 10.1.6, p.21 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	<ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 10.1.1 (a)(b), p.19 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	<ul style="list-style-type: none"> In discussing the shortlist of directors, as presented by the Nomination Committee, the Board passes upon the effectiveness of nomination and election process of directors 	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or	NON-COMPLIANT	Identify the professional search firm used or other external sources of candidates	Not applicable. The Corporation

shareholder bodies) when searching for candidates to the board of directors.			does not use professional search firms or other external sources of candidates.
Recommendation 2.7			
2. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	
3. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par 1.1, p.2 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
4. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	Identify transactions that were approved pursuant to the policy.	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those	COMPLIANT	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf 	

<p>that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>		<p>(makatifinance.ph)</p> <ul style="list-style-type: none"> • SEC FORM 17A -Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>COMPLIANT</p>	<p>Provide information on voting system, if any.</p> <ul style="list-style-type: none"> • Non-related party shareholders are provided an opportunity to discuss, approve or disapprove the acts of the Directors and management, during the annual stockholders' meetings. 	
<p>Recommendation 2.8</p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Identify the Management team appointed</p> <ul style="list-style-type: none"> • SEC FORM 17-C Current Report 2023 (Date of Disclosure July 27, 2023) https://11nq.com/edgepseph-materialinformation 	

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> • Succession Planning 	
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) 	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	Amended, pars. 1.1, p.2 and par 4, p.13 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)	
3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company's Internal Audit Charter	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
3. Board Charter is publicly available	COMPLIANT		

and posted on the company's website.			
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company's insider trading policy.	<p>The Corporation currently does not have an express insider trading policy.</p> <p>However, under the Corporation's New Manual on Corporate Governance, every director shall ensure that it conducts fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the</p>

			interests of the Corporation.
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1</p>			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17C –Current Report 2023 (Date of Disclosure: July 27, 2023) https://acesse.dev/edgepse-orgmeeting 	
<p>Recommendation 3.2</p>			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 2.1, p.2 and par 2.1.1, p.3 	

<p>compliance with applicable laws and regulations.</p>		<p>Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 2.1.1, p.5 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • It is the Audit Committee's responsibility to recommend appointment and removal of an External Auditor. 	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par.21, p.3 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>SEC FORM 17-C Current Report 2023 (Date of Disclosure July 27, 2023) https://acesse.dev/edgepse-orgmeeting</p>	
<p>3. All the members of the committee</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing</p>	

<p>have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>		<p>information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <ul style="list-style-type: none"> • SEC FORM 17-C Current Report 2023(Date of Disclosure July 27, 2023) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2023. https://acesse.dev/edgepse-orgmeeting https://l1nq.com/edgepseph-resultsofASM 	
<p>Supplement to Recommendation 3.2</p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>COMPLIANT</p>	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17A - Annual Report 2023 Annex A https://encr.pw/edgepseph-secform17A 	

[Amended-Manual-on-Corporate-Governance-July-2020.pdf \(makatifinance.ph\)](#)

<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>COMPLIANT</p>	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17A - Annual Report 2023 Annex A https://encr.pw/edgepseph-secform17A 	
<p>Optional: Recommendation 3.2</p>			
<p>1. Audit Committee meet at least four times during the year.</p>	<p>COMPLIANT</p>	<p>Indicate the number of Audit Committee meetings during the year and provide proof</p>	
<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>COMPLIANT</p>	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17-C Current Report 2023 (Date of Disclosure July 27, 2023) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2023. 	

		<p>https://11nq.com/edgepseph-resultsofASM https://acesse.dev/edgepse-orgmeeting</p> <ul style="list-style-type: none"> • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepsepggh-secform20-IS 	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
3. Chairman of the Corporate	COMPLIANT	Provide information or link/reference to a document containing	

<p>Governance Committee is an independent director.</p>		<p>information on the Chairman of the Corporate Governance Committee.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Recommendation 3.4			
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.5 (r) Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17-C Current Report 2023 (Date of Disclosure July 27, 2023) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2023. https://acesse.dev/edgepse-orgmeeting https://11nq.com/edgepseph-resultsofASM 	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended 	

		<p>par.5 (r) Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p> <ul style="list-style-type: none"> • SEC FORM 17-C Current Report 2023 (Date of Disclosure July 27, 2023) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2023. <p>https://acesse.dev/edgepse-orgmeeting https://l1nq.com/edgepseph-resultsofASM</p>	
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Chairman of the BROCC</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.5 (r) Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A 	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.5 (r) Adopted by the Board of Directors on 09 July 2020 	

		<p>Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p> <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A 	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <ul style="list-style-type: none"> • The Audit Committee, as authorized under the Manual (Par. 2.1.1(r)), performs the functions of the Related Party Transactions Committee. 	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <ul style="list-style-type: none"> • The Audit Committee, which is authorized to act as the RPT Committee is composed of at least 3 non-executive directors, two of whom are independent, including the Chairman. 	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	<p>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</p> <ul style="list-style-type: none"> • P.3, 2 of the Manual enumerates the Board Committees and their respective charters. 	

<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>NON-COMPLIANT</p>		<p>Committee Charters provide standards for evaluating the performance of the Committees but the Board conducts a regular periodic self-assessment of its performance including the performance of the Committees. (p.17, 6.1, Manual)</p>
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph 	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele-/videoconferencing board and/or committee meetings.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <ul style="list-style-type: none"> • Advisement Letter on the Attendance of Directors in Board Meetings, filed annually with the SEC 	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>In Board and Committee meetings, the director shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations (SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2) Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p>	

		<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <ul style="list-style-type: none"> • The Manual requires that "A director should notify the Board before accepting a directorship in another company, which may conflict with or affect the performance of his duties as a Director of the Corporation." • There has been no instance where a Director accepted another Board position from the time of the adoption of the current Manual on Corporate Governance 	

Principle 5: The board should endeavour to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.5.2, p.15 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
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Recommendation 5.2

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.5.2, p.15 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
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Supplement to Recommendation 5.2

<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
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		<ul style="list-style-type: none"> The discussion in the minutes of the meetings show that there are no such constraints. 	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) SEC FORM 17C –Current Report 2023 (Date of Disclosure: June 13, 2023) Disclosure of Certification of Independent Director https://i1nq.com/edgepseph-independentdirectors 	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended par.5.5, p.16 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks	COMPLIANT	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 	

<p>shareholders' approval during the annual shareholders' meeting.</p>		<p>Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p> <ul style="list-style-type: none"> None of the Independent Directors has reached its ninth year in the Board seat. 	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	COMPLIANT	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) SEC FORM 17C –Current Report 2023 (Date of Disclosure: July 27, 2023) Disclosure on the Results of the Annual Stockholders' Meeting and Organization Meeting, 27 July 2023 <ul style="list-style-type: none"> <i>Robert Charles M. Lehmann nominated and elected as Chairman of the Board</i> <i>Maxcy Francisco Jose R. Borrromeo nominated and elected as President</i> 	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	

		<ul style="list-style-type: none"> Chairman of the Board and President are not related 	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended par.5.3, p.15 <p>Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p> <p>Indicate if Chairman is independent.</p> <ul style="list-style-type: none"> The Chairman is not an independent Director. The lead independent director is the most senior independent director. 	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	<p>Provide proof of abstention, if this was the case</p> <ul style="list-style-type: none"> There are no readily available documents on this point. 	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	COMPLIANT	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p> <ul style="list-style-type: none"> The Audit Committee is Chaired by the lead independent director and all of its members are NED's. They meet with the external auditor and other heads at least once a year, to 	



2. The meetings are chaired by the lead independent director.	COMPLIANT	discussing audit, compliance and risk matters. • The Chairman, Vice Chairman and Treasurer are likewise NED's who meet with the foregoing at least once per quarter.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years • Maxcy Francisco Jose R. Borromeo	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT	• There are no readily available documents on this point.	
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	The company plans to engaged the services of an external service provider.
Recommendation 6.2			

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	This system is currently being developed by the Board.
2. The system allows for a feedback mechanism from the shareholders.	NON-COMPLIANT		

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	NON-COMPLIANT	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	The Manual provides that The Board, at its discretion, may adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and
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			<p>unacceptable conduct and practices in internal and external dealings.</p> <p>The Board shall consider the adoption of the Code of Business Conduct and Ethics in future meetings.</p>
2. The Code is properly disseminated to the Board, senior management and employees.	NON-COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board senior management and employees.	The Board has not yet adopted a Code at this time.
3. The Code is disclosed and made available to the public through the company website.	NON-COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	The Board has not yet adopted a Code at this time.
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</p> <ul style="list-style-type: none"> • Makati Finance Corporation Code of Conduct 	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	NON-COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	The Board has not yet adopted a Code at this time.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	NON-COMPLIANT	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The Board has not yet adopted a Code at this time.
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par.7.1, p.17 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow	COMPLIANT	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.	

<p>statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>		<ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 17Q – Quarterly Report 2023 Quarterly Report 1st Quarter https://acesse.dev/edgepseph-SECForm17-Q-1 Quarterly Report 2nd Quarter https://11nq.com/edgepseph-SECForm17-Q-2 Quarterly Report 3rd Quarter https://acesse.dev/edgepseph-SECForm17-Q-3 Company Website https://www.makatifinance.ph 	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ul style="list-style-type: none"> • principal risks to minority shareholders associated with the identity of the company's controlling shareholders; • cross-holdings among company affiliates; and • any imbalances between the controlling shareholders' voting power and overall equity position in the company. <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A 	
<p>Recommendation 8.2</p>			

<p>3. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p>	
<p>4. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 23-A Disclosure on Initial Statement of Beneficial Ownership https://acesse.dev/edgepseph-SECForm23-A <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <ul style="list-style-type: none"> • SEC FORM 23-B Disclosure on Statement of Beneficial Ownership https://11nq.com/edgepseph-SEC23-B-MRB https://acesse.dev/edgepseph-SEC23-B-EBB https://11nq.com/edgepseph-SEC23-B-MOB https://11nq.com/edgepseph-SEC23-B-RML https://encr.pw/edgepseph-SEC23-B-JSF https://11nq.com/edgepseph-SEC23-B-DCo https://acesse.dev/edgepseph-SEC23-B-JDRB https://11nq.com/edgepseph-SEC23-B-ALF https://acesse.dev/edgepseph-SEC23-B-AMRC https://acesse.dev/edgepseph-SEC23-B-CLP https://11nq.com/edgepseph-SEC23-B-AIB https://encr.pw/edgepseph-SEC23-B-MAPI 	

Supplement to Recommendation 8.2			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	COMPLIANT	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS • PSE Form 17-12 List of Top 100 Stockholders 2023 https://encr.pw/edgepseph-listoftop100stockholders12-31-2023 	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	COMPLIANT	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 	

		https://encr.pw/edgepsepgh-secform20-IS	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepsepgh-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepsepgh-secform20-IS 	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	

<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>COMPLIANT</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
<p>Recommendation 8.5</p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Disclose or provide reference/link to company's RPT policies</p> <ul style="list-style-type: none"> • SEC FORM Revised Material Related Party Transactions Policy (09 July 2020) Other SEC Forms, Reports and Requirements (pse.com.ph) • SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <ul style="list-style-type: none"> • Any director with a conflict of interest abstained from discussion on that particular matter, except in certain cases, to simply describe the transaction. 	
<p>2. Company discloses material or significant RPTs reviewed and</p>	<p>COMPLIANT</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p>	

approved during the year.		<ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 Full Disclosure in Notes to Financial Statements https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on	COMPLIANT	<p>Provide link or reference where this is disclosed</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 	

<p>the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>		<p>Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>NON-COMPLIANT</p>	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p>	<p>These transactions are subject to approval by the Board which has enough numbers of Independent Directors, and with the recommendation of Executive Committee.</p>
<p>Supplement to Recommendation 8.6</p>			
<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the</p>	<p>COMPLIANT</p>	<p>Provide link or reference where these are disclosed.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	

company.			
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted. <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • Company Website https://www.makatifinance.ph 	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission. <ul style="list-style-type: none"> • Company Website, under Corporate Governance https://www.makatifinance.ph/governance 	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	Provide link or reference to the company's Annual Report containing the said information. <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 • Company Website https://www.makatifinance.ph 	
a. Corporate Objectives	COMPLIANT		
b. Financial performance	COMPLIANT		

indicators		<p>Advisement Letter on the Attendance of Directors in Board meetings held in 2023</p> <ul style="list-style-type: none"> • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepsepggh-secform20-IS 	
c. Non-financial performance indicators	COMPLIANT		
d. Dividend Policy	COMPLIANT		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT		
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT		
g. Total remuneration of each member of the board of directors	COMPLIANT		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT		

3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT		
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT		
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT		
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor. • SEC FORM Manual on Corporate Governance (MCG)	

		<p>Amended, pars. (f), p.5 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <ul style="list-style-type: none"> 100% of all shareholders present approved the appointment of the external auditor as recommended by the Audit Committee. 	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	

Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> a. assessing the integrity and independence of external auditors; b. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and c. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> • p. 3, (a)(c), Manual • The section in the Manual is effectively the Audit Committee Charter. 	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1 <p>Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p>	
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the</p>	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p>	

<p>external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>		<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
Recommendation 9.3			
<p>3. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	COMPLIANT	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <ul style="list-style-type: none"> • SEC FORM 17A - Annual Report 2023 https://encr.pw/edgepseph-secform17A 	
<p>4. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	COMPLIANT	<p>Provide link or reference to guidelines or policies on non-audit services</p> <ul style="list-style-type: none"> • The Company has not engaged any non-audit services with the external auditor 	

Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	NON-COMPLIANT	Provide information on audit and non-audit fees paid.	The Company has not engaged any non-audit services with the external auditor.
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	Provide information on company's external auditor, such as: <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. <ul style="list-style-type: none"> • ISLA LIPANA & CO. SEC Accreditation No. 0142-SEC (Category A) , valid to audit 2020 to 2024 • Ms. Zaldy D. Aguirre Signing Partner CPA Cert No. 0105660 P.T.R. No. 0024447, issued on January 12, 2024, Makati City TIN 221-755-698 BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026 BOA/PRC Reg. No. 0142, effective until November 14, 2025 	

		<ul style="list-style-type: none"> ISLA LIPANA & CO. 29TH Floor, Philamlife Tower 8767 Paseo de Roxas, Makati City 1226 Telephone No. +63 (2) 8845 2728 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	NON-COMPLIANT	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. 	To the best of its knowledge, the Corporation is not aware that its external auditor agreed to be subject to the SOAR inspection program conducted by the SEC.
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin	NON-COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Corporation currently does not adopt a policy on disclosure of non-financial

sustainability.			information, including ESG issues.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	The Corporation currently does not adopt a policy on disclosure of non-financial information, including ESG issues.
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.) Provide links, if any. <ul style="list-style-type: none"> Company Website https://www.makatifinance.ph 	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	Provide link to company website <ul style="list-style-type: none"> SEC Form 17Q – 3rd Quarter 2023 under Company Disclosures – SEC Filings https://acesse.dev/edgepseph-SECForm17-Q-3 	
a. Financial statements/reports	COMPLIANT		

(latest quarterly)		<ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph • SEC Form 17A Annual Report 2023 under Company Disclosures – SEC Filings https://encr.pw/edgepseph-secform17A • Notice of ASM under Company Disclosures – SEC/PSE Filings https://acesse.dev/edgepseph-noticeofASM • Minutes of ASM https://11nq.com/edgepseph-materialinformation 	
b. Materials provided in briefings to analysts and media	COMPLIANT		
c. Downloadable annual report	COMPLIANT		
d. Notice of ASM and/or SSM	COMPLIANT		
e. Minutes of ASM and/or SSM	COMPLIANT		
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	<ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph 	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p>	

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17A - Annual Report 2023 <i>Notes to Financial Statements</i> https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
Supplement to Recommendations 12.1			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	

<p>annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>		<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 17A - Annual Report 2023 <i>Notes to Financial Statements</i> https://encr.pw/edgepseph-secform17A • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
Recommendation 12.2			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	COMPLIANT	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <ul style="list-style-type: none"> • In-house Internal Audit Group 	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	COMPLIANT	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <ul style="list-style-type: none"> • Mr. Asterio L. Favis, Jr. • SEC FORM 20-IS - Definitive Information Statement 2023 	

		https://encr.pw/edgepsepgh-secform20-IS	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable. <ul style="list-style-type: none"> In-house Internal Audit Group 	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	Provide information on company's risk management function.	The Corporation currently does not require assistance of external technical support in risk management .
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available	NON-COMPLIANT	Identify source of external technical support, if any.	The Corporation currently does

internally.			not require assistance of external technical support in risk management .
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	NON-COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Corporation does not have a Chief Risk Officer.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		The Corporation does not have a Chief Risk Officer.
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	Provide link to CEO and CAE's attestation	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic	COMPLIANT	Provide link or reference to the company's Manual on Corporate	

<p>shareholder rights are disclosed in the Manual on Corporate Governance.</p>		<p>Governance where shareholders' rights are disclosed.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 10.1, p.18 Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Provide link to company's website</p> <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph 	
<p>Supplement to Recommendation 13.1</p>			
<p>1. Company's common share has one vote for one share.</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>COMPLIANT</p>	<p>Provide information on all classes of shares, including their voting rights if any.</p> <ul style="list-style-type: none"> • Common Shares, with each share having the equivalent of one vote • SEC FORM Manual on Corporate Governance (MCG) Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	

3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Provide link to voting procedure. Indicate if voting is by poll or show of hands. <ul style="list-style-type: none"> Definitive Information Statement (under Voting Procedures). Unless required by law, or upon motion by any stockholder, voting need not be by ballot and will be done by show of hands and counted manually by the Corporate Secretary. 	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any. <ul style="list-style-type: none"> The company adopts the voting mechanism on cumulative voting on the election of Directors, as required under the law. 	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution) <ul style="list-style-type: none"> SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Provide information or link/reference to the policies on treatment of minority shareholders <ul style="list-style-type: none"> The minority shareholders representing at least 15% of outstanding shares shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate 	

		business purposes. (p. 19, (e), Manual)	
7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>Provide information on or link/reference to the company's dividend Policy.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) • SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepsephg-secform20-IS • The Company declared dividends and were paid dividends within 60 days after declaration. 	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out	

<p>sufficient and relevant information at least 28 days before the meeting.</p>		<p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <ul style="list-style-type: none"> All materials for the Annual Stockholders' Meeting were sent out at least 28 days before the meeting. Notice of Agenda of Annual Stockholders' Meeting https://acesse.dev/edgepseph-noticeofASM <p>Company Website https://www.makatifinance.ph <i>Under Company Disclosure</i></p> <ul style="list-style-type: none"> SEC FORM 20-IS - Definitive Information Statement 2023 https://encr.pw/edgepseph-secform20-IS 	
Supplemental to Recommendation 13.2			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>		<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p> <ul style="list-style-type: none"> Company Website https://www.makatifinance.ph <p>Under Company Disclosures/Notice of Annual Stockholders' Meeting 2023</p>	
<p>2. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed</p>	<p>COMPLIANT</p>	<ul style="list-style-type: none"> Company Website https://www.makatifinance.ph <p>Under Company Disclosures/SEC Filings/Information Statement-SEC</p>	

companies)		Form 20-IS/Definitive Information Statement 2023	
3. Auditors seeking appointment/re-appointment	COMPLIANT	<ul style="list-style-type: none"> Company Website https://www.makatifinance.ph <p>Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2023</p>	
4. Proxy documents	COMPLIANT	<ul style="list-style-type: none"> Company Website https://www.makatifinance.ph <p>Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2023</p>	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>Provide link or reference to the rationale for the agenda items</p> <ul style="list-style-type: none"> Company Website https://www.makatifinance.ph <p>Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2023</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <ul style="list-style-type: none"> The foregoing are reflected in the minutes. 	
2. Minutes of the Annual and Special	COMPLIANT	Provide link to minutes of meeting in the company website.	

<p>Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>		<p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p> <ul style="list-style-type: none"> The foregoing are reflected in the minutes. 	
Supplement to Recommendation 13.3			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	COMPLIANT	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p>	
Recommendation 13.4			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	COMPLIANT	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes Under Par. 10.1.6 of the Manual, the Board provides the shareholders an option to avail of an alternative dispute mechanism, to be determined by the Board on a case-to-case basis.</p>	

<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <ul style="list-style-type: none"> Par. 10.1.16 of the Manual states that the Board may make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. Such mechanism shall be determined by the Board on a case-to-case basis (p.21, 10.1.6, Manual 	
<p>Recommendation 13.5</p>			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>COMPLIANT</p>	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> Name of the person Telephone number Fax number E-mail address <ul style="list-style-type: none"> MARCOS E. LAROSA +63 (2) 7751 7132 mlarosa@makatifinance.com.ph 	
<p>2. IRO is present at every</p>	<p>COMPLIANT</p>	<p>Indicate if the IRO was present during the ASM.</p>	



shareholder's meeting.		<ul style="list-style-type: none"> • Yes, Marcos E. Larosa is concurrently the Compliance Officer of the Corporation 	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	<p>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph) 	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	<p>Indicate the company's public float.</p> <ul style="list-style-type: none"> • 24.11% 	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.</p> <p>A mechanism for employee participation shall be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance process. The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. (p. 23, 12, Manual)</p> <p>It is the company's policy to be open to any shareholder concern</p>	

		even if the same is communicated outside of the formal shareholders' meetings.	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	NON-COMPLIANT	Disclose the process and procedure for secure electronic voting in absentia, if any.	There is no practical system or technology available for this sole purpose.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <ul style="list-style-type: none"> The company has identified its stakeholders, including customers, employees, suppliers, shareholders, investors, creditors, the community the company operates in, society, the government, regulators, competitors, external auditors, and those similarly situated In formulating the company's strategic and operational decisions affecting its wealth, growth and sustainability, due consideration is given to those who have an interest in the company and are directly affected by its operations. (p.21, 10.1.7, Manual) 	

Recommendation 14.2			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	COMPLIANT	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <ul style="list-style-type: none"> Under Par. 10.1.17 of the Manual, in formulating the company's strategic and operational decisions affecting its wealth, growth and sustainability, due consideration is given to those who have an interest in the company and are directly affected by its operations, particularly its stakeholders. 	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	COMPLIANT	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistle blowing policy, practices and procedures for stakeholders</p> <ul style="list-style-type: none"> Under Par. 12.3 it is the policy of the company The Board shall establish a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have a direct access to an independent member of the Board or a unit created to handle whistle blowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement. (p. 12, 12.3, Manual. 	

Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	Provide information on the alternative dispute resolution system established by the company. <ul style="list-style-type: none"> Under Par. 10.1.6 of the Manual, the Board provides the shareholders an option to avail of an alternative dispute mechanism, to be determined by the Board on a case-to-case basis. 	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	Disclose any requests for exemption by the company and the reason for the request. <ul style="list-style-type: none"> No such exemption is sought. 	
2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any. <ul style="list-style-type: none"> The Company respects the law and rights of all stakeholders 	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies,	COMPLIANT	Provide information on or link/reference to company policies,	

<p>programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>		<p>programs and procedures that encourage employee participation.</p> <ul style="list-style-type: none"> • Company Website https://www.makatifinance.ph 	
Supplement to Recommendation 15.1			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	NON-COMPLIANT	<p>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	COMPLIANT	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <ul style="list-style-type: none"> • EMPLOYEE'S HANDBOOK 	
<p>3. Company has policies and practices on training and development of its employees.</p>	COMPLIANT	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <ul style="list-style-type: none"> • CREDIT AND COLLECTION TRAINING • CUSTOMER'S SERVICE TRAINING • GENERAL ORIENTATION TRAINING • LEADERSHIP TRAINING 	
Recommendation 15.2			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	COMPLIANT	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <ul style="list-style-type: none"> • SEC FORM Manual on Corporate Governance (MCG) Amended, par. 12.2, p.23 	

		<p>Adopted by the Board of Directors on 09 July 2020 Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</p> <ul style="list-style-type: none"> • MAKATI FINANCE CORPORATION CODE OF CONDUCT 	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <ul style="list-style-type: none"> • Through issuance of business memorandum 	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <ul style="list-style-type: none"> • MAKATI FINANCE CORPORATION CODE OF CONDUCT <p>Include any finding of violations of the company policy.</p>	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <ul style="list-style-type: none"> • Whistle Blowing Policy 	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent	COMPLIANT	<ul style="list-style-type: none"> • Whistle Blowing Policy 	


member of the Board or a unit created to handle whistleblowing concerns.			
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing <ul style="list-style-type: none"> • Whistle Blowing Policy 	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	



SIGNATURES


Pursuant to the requirements of the Securities Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on 29 MAY 2024.


By:



ROBERT CHARLES M. LEHMANN
Chairman of the Board


MAX O. BORROMELO
Vice-Chairman


ASTERIO L. FAVIS JR.
Independent Director


MAXCY FRANCISCO JOSE R. BORROMELO
President





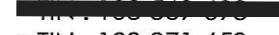




ALAN MICHAEL R. CRUZ
Independent Director


CRISTINO L. PANLILIO
Independent Director


MARCOS E. LAROSA
CFO/Compliance Officer


DANILO ENRIQUE O. CO
Corporate Secretary


SUBSCRIBED AND SWORN to before me this 29 MAY 2024 day of 2024, affiant(s) exhibiting to me their _____, as follows:

<u>NAME/NO.</u>	<u>GOVT.I.D.</u>	<u>PLACE OF ISSUE</u>
ROBERT CHARLES M. LEHMANN		
MAX O. BORROMELO		
ASTERIO L. FAVIS JR.		
MAXCY FRANCISCO JOSE R. BORROMELO		
ALAN MICHAEL R. CRUZ		
CRISTINO L. PANLILIO		
MARCOS E. LAROSA		
DANILO ENRIQUE O. CO		

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Book No. LXXVI
Series of 2024

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NOTARY PUBLIC


ATTY. RENE M. M. VILLA
Notary Public of Makati City
Appointment No. 01-111
Until December 31, 2024

MAKATI FINANCE CORPORATION
SEC FORM I-ACGR 2023
PTR No. MKT 10073904-01-02 2024; Makati City
IBP Lifetime No. 013595; 12-27-2013; LC
Roll No. 37226
MCLE Compliance No. VII-0024195; 02-15-2022
Ground Floor, Makati Terraces Condominium
\$650 Davila St., Brgy. Tejeros, Makati City 1204