

**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, 2025
2. SEC Identification Number  
28788
3. BIR Tax Identification No.  
000-473-966
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  
3F Mazda Makati Bldg., 2301 Chino Roces Ave. Brgy. Magallanes, Makati City  
Postal Code  
1231
8. Issuer's telephone number, including area code  
(0632) 7751-8132
9. Former name or former address, and former fiscal year, if changed since last report  
7823 Makati Avenue, Makati City
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 Shares	276,069,441

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 and 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**

<b>For the fiscal year ended</b>	Dec 31, 2025
<b>Currency</b>	PHP

#### Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2025	Dec 31, 2024
<b>Current Assets</b>	640,445,507	667,214,322
<b>Total Assets</b>	1,047,129,706	1,143,574,571
<b>Current Liabilities</b>	424,002,067	545,622,679
<b>Total Liabilities</b>	449,923,773	556,769,515
<b>Retained Earnings/(Deficit)</b>	301,891,010	295,912,879
<b>Stockholders' Equity</b>	597,205,933	586,805,056
<b>Stockholders' Equity - Parent</b>	-	-
<b>Book Value Per Share</b>	2.16	2.14

#### Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2025	Dec 31, 2024
<b>Gross Revenue</b>	199,389,035	237,840,139
<b>Gross Expense</b>	184,647,372	213,520,995
<b>Non-Operating Income</b>	-	-
<b>Non-Operating Expense</b>	-	-
<b>Income/(Loss) Before Tax</b>	14,741,663	24,319,144
<b>Income Tax Expense</b>	4,424,806	9,856,723
<b>Net Income/(Loss) After Tax</b>	10,316,857	14,462,421
<b>Net Income/(Loss) Attributable to Parent Equity Holder</b>	-	-
<b>Earnings/(Loss) Per Share (Basic)</b>	0.04	0.05

Earnings/(Loss) Per Share (Diluted)	0.04	0.05
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**Financial Ratios**

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2025	Dec 31, 2024
<b>Liquidity Analysis Ratios:</b>			
;; Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	151.05	122.28
;; Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	126.43	101.6
;; Solvency Ratio	Total Assets / Total Liabilities	232.73	205.39
<b>Financial Leverage Ratios</b>			
;; Debt Ratio	Total Debt/Total Assets	42.97	48.68
;; Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	75.34	94.88
;; Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.4	1.64
;; Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	175.34	194.88
<b>Profitability Ratios</b>			
;; Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	81.47	83.97
;; Net Profit Margin	Net Profit / Sales	6.35	7.24
;; Return on Assets	Net Income / Total Assets	0.98	1.26
;; Return on Equity	Net Income / Total Stockholders' Equity	1.73	2.46
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	48.7	39.8

**Other Relevant Information**

Please see Attached MFIN SEC Form 17A Annual Report 2025.

**Filed on behalf by:**

<b>Name</b>	CHARITO ESPIRITU
<b>Designation</b>	Chief Finance Officer/Compliance Officer



**MAKATI FINANCE**  
**CORPORATION**  
MORE THAN JUST FINANCING

April 15, 2026

**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, 2025.

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



**MAKATI FINANCE CORPORATION  
TABLE OF CONTENTS  
SEC FORM 17-A**

	<u>PAGE</u>	
<b>PART I – BUSINESS AND GENERAL INFORMATION</b>		
<b>Item 1</b>	<b>Business</b>	<b>06 -09</b>
<b>Item 2</b>	<b>Properties</b>	<b>10</b>
<b>Item 3</b>	<b>Legal Proceedings</b>	<b>10</b>
<b>Item 4</b>	<b>Submission of Matters to a Vote of Security Holders</b>	<b>10</b>
<b>PART II – OPERATIONAL AND FINANCIAL INFORMATION</b>		
<b>Item 5</b>	<b>Market for Issuer’s Common Equity and Related Stockholder Matters</b>	<b>11 - 15</b>
<b>Item 6</b>	<b>Management’s Discussion and Analysis or Plan of Operation</b>	<b>16 - 22</b>
<b>Item 7</b>	<b>Financial Statements</b>	<b>23</b>
<b>Item 8</b>	<b>Changes in and Disagreements with Accountants on Accounting And Financial Disclosure</b>	<b>23 - 24</b>
<b>PART III – CONTROL AND COMPENSATION INFORMATION</b>		
<b>Item 9</b>	<b>Directors and Executive Officers of the Issuer</b>	<b>25 - 27</b>
<b>Item 10</b>	<b>Executive Compensation</b>	<b>27 - 28</b>
<b>Item 11</b>	<b>Security Ownership of Certain Beneficial Owners and Management</b>	<b>29 - 30</b>
<b>Item 12</b>	<b>Certain Relationships and Related Transactions</b>	<b>30</b>
<b>PART IV – CORPORATE GOVERNANCE</b>		
<b>Item 13</b>	<b>Corporate Governance</b>	<b>31</b>
<b>PART V – EXHIBITS AND SCHEDULES</b>		
<b>Item 14</b>	<b>a. Exhibits</b>	<b>31</b>
	<b>b. Reports on SEC Form 17-C (Current Report)</b>	<b>31</b>
<b>SIGNATURES</b>		
<b>INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES</b>		
<b>INDEX TO SUPPLEMENTARY SCHEDULES</b>		
<b>INDEX TO EXHIBITS</b>		

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17  
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1. For the fiscal year ended : December 31, 2025
2. SEC Identification Number : 28788      3. BIR Tax Identification No. : 000-473-966
4. Exact name of issuer as specified in its charter : MAKATI FINANCE CORPORATION
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
<b>Common Stock</b>	<b>276,069,441</b>

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

Yes [ / ]      No [ ]

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

Philippine Stock Exchange      Common Stock

12. Check whether the issuer:

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

Yes [ / ]      No [ ]

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

Yes [ / ]      No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

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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 documents is incorporated:

- (a) Any annual reports to security holders

NA

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

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.



# MAKATI FINANCE CORPORATION

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MORE THAN JUST FINANCING

## 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.

For the year ended December 31, 2025, the Company recorded total operating income of ₱162.45 million, a decrease from ₱199.72 million in 2024. The decline was primarily attributable to lower other income, which decreased to ₱21.91 million from ₱54.18 million in the prior year, mainly due to the absence of gains on sale of investment property recognized in 2024.

Net interest income remained relatively stable at ₱140.54 million, compared to ₱145.54 million in 2024. The slight decrease was due to lower interest income, partially offset by reduced interest expense. Operating expenses decreased to ₱147.71 million from ₱175.40 million in 2024, primarily driven by reductions in taxes and licenses, depreciation and amortization, professional fees, and miscellaneous expenses, reflecting the Company's continued cost management initiatives.

As a result, income before income tax declined to ₱14.74 million, compared to ₱24.32 million in 2024. Net income for the year amounted to ₱10.32 million, lower than ₱14.46 million in the previous year, mainly due to the decrease in other income.

Other comprehensive income amounted to ₱2.25 million, primarily consisting of remeasurement gains on defined benefit obligations. Consequently, total comprehensive income for the year reached ₱12.57 million, compared to ₱17.67 million in 2024.

Earnings per share (EPS) stood at ₱0.04, compared to ₱0.05 in 2024.

### **Operating Departments and Units**

The Company maintains an integrated Operations Group composed of key functional units that work collaboratively to support its core lending activities, ensure operational efficiency, and uphold sound risk management practices.

In line with evolving regulatory expectations and business requirements, the Company continues to enhance its processes through digitalization, strengthened credit controls, and improved client engagement strategies, while maintaining compliance with applicable SEC and BSP regulations.

The following provides a brief description of each unit:

### **Sales Group**

The Sales Group is composed of dedicated teams responsible for sourcing and originating loan applications across the Company's various products, including Rx Cashline (Doctors' Loans), Business Loans, Receivable Financing, Factoring, Micro Business Loans, Micro Negosyo, and Leisure Bike Financing.

The group performs initial screening and evaluation of loan applications prior to endorsement to the Credit Committee for final review and approval. It is responsible for generating quality accounts that meet the Company's credit standards, while achieving established production targets and portfolio growth objectives.

As part of the Company's 2025 initiatives, the Sales Group continues to strengthen its pipeline through expanded market coverage, strategic partnerships, and data-driven lead generation, while maintaining prudent credit discipline.

### **Marketing Team**

The Marketing Team is responsible for strengthening the Company's brand presence and supporting the Sales Group through the development and execution of targeted marketing strategies and initiatives.

This includes the preparation of marketing materials, implementation of promotional campaigns, and provision of support for sales activities across all product lines.

In 2025, the team has enhanced its lead generation initiatives by actively participating in and sponsoring professional events such as Philippine Dental Association (PDA) conventions and similar industry seminars, enabling direct engagement with medical professionals for the Rx Cashline product.

In addition, the Company has expanded its network by engaging with audit and accounting firms to establish referral channels, allowing the Company to offer financing solutions, particularly business loans, to their client base.

These initiatives are expected to further improve market reach, strengthen client acquisition, and support the Company's growth objectives.

### **Credit and Verification Team**

The Credit and Verification Team is responsible for conducting comprehensive credit due diligence and background verification on all loan applicants.

This includes validation through established credit bureaus and systems such as NFIS/Loandex, TransUnion, and CMAP, as well as other relevant data sources. Verification procedures include phone validation, document review, and field investigation, including residence and neighborhood checks where necessary.

In line with regulatory expectations, the Company continues to enhance its credit processes through risk-based assessment, improved data analytics, and strengthened internal controls, ensuring that all credit decisions are supported by accurate and reliable information.

The team's primary objective is to maintain a high-quality loan portfolio through prudent and consistent credit evaluation standards.

### **Billing and Collections Team**

The Billing and Collections Team is responsible for monitoring loan repayments and ensuring timely collection of amortizations across all loan products. The team utilizes the Company's Loan Management System (LMS) to track accounts and maintain accurate and up-to-date client records.

Collections are facilitated through various payment channels, including postdated checks, auto-debit arrangements, payroll ATM assignments, and direct payments. Accounts with missed payments or

returned checks are promptly followed up, with corresponding penalties and charges applied as necessary.

The Company adopts a balanced and client-focused approach in managing collections, addressing payment issues on a case-to-case basis while maintaining discipline in receivable recovery.

For Motorcycle Financing accounts, Collection Sales Representatives (CSRs) conduct field collections and coordinate directly with clients or branch offices.

Ongoing improvements in 2025 include enhanced monitoring tools, tighter aging analysis, and more proactive collection strategies to manage portfolio quality and minimize delinquency.

### **Remedial Team**

Accounts classified as past due are closely monitored, while those exceeding 90 days past due are categorized as delinquent and referred to the Remedial Team.

The team implements structured recovery strategies, including negotiation of repayment arrangements and restructuring options for borrowers demonstrating willingness to settle their obligations. Accounts that remain unresolved are endorsed to accredited collection agencies or for legal action, including foreclosure of collateral, in accordance with Company policy.

For Motorcycle Financing accounts, repossession of units is undertaken for significantly delinquent accounts, subject to applicable procedures. Clients may redeem repossessed units upon settlement of outstanding obligations.

In 2025, the Company continues to strengthen its remedial processes through early intervention strategies, improved recovery tracking, and coordination with legal and external partners, in line with prudent risk management practices.

### **Commitment to Service and Compliance**

Despite maintaining stringent credit evaluation and collection policies, the Company remains committed to delivering quality service, fostering long-term client relationships, and ensuring sustainable growth.

The Company continuously aligns its operations with regulatory requirements and industry best practices, while enhancing internal processes to support operational resilience, transparency, and effective risk management.

### **Employees**

As of December 31, 2025, the Company accounted for a total of 106 employees, distributed as follows:

<u>Rank</u>	<u>2025 No. of Employees</u>	<u>Projected 2026 No. of Employees</u>
Officers	3	3
Managerial/Supervisory	14	17
Rank and File	89	100
<b>Total</b>	<b>106</b>	<b>120</b>
<u>Employee Status</u>	<u>No. of Employees</u>	
Regular	94	
Probationary	12	
<b>Total</b>	<b>106</b>	

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:

<b>List of Foreclosed Properties as of December 31, 2024</b>		
<b>Location</b>	<b>Size(s.qm)</b>	<b>Description</b>
(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
<b>TOTAL</b>	<b>10,551</b>	

## 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 2025.

## 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.

On July 24, 2025, the BOD and stockholders approved the declaration of 0.79% stock dividends in the amount of ₱ 2,169,363.15 to stockholders of record as of August 22, 2025 with distribution date not later than September 17, 2025. On the same date, the BOD also approved the declaration of cash dividends amounting to ₱ 2,169,363.15. Fractional shares related to this declaration were settled in cash amounting to ₱44.15.

The movements in the number of shares and capital stock amount for the years ended December 31, 2025, 2024, and 2023 as follow:

	2025		2024		2023	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of year	273,900,122	273,900,122	271,961,630	271,961,630	269,283,709	269,283,709
Stock dividends	2,169,319	2,169,319	1,938,492	1,938,492	2,677,921	2,677,921
Balance at end of year	276,069,441	276,069,441	273,900,122	273,900,122	271,961,630	271,961,630

## 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 ₱ 1.82 per share as of April 10, 2026.

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

<b>Quarter Ending</b>	<b>Market Prices</b>	
	<b>High</b>	<b>Low</b>
March 2026	1.82	1.82
December 2025	1.80	1.80
September 2025	1.60	1.89
June 2025	1.60	1.61
March 2025	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

**HOLDERS OF COMMON STOCK as of December 31, 2025**  
**TOP 20 Stockholders**

Name	Nat	Class	No. of Shares	Percentage
AMALGAMATED INVESTMENT BANCORPORATION	FIL	A	78,458,331	28.42%
PCD NOMINEE CORPORATION (FILIPINO)	FIL	A	72,970,032	26.43%
MOTOR ACE PHILIPPINES INC.	FIL	A	58,057,835	21.03%
BORROMEO BROS. ESTATE INC.	FIL	A	10,268,795	3.72%
MF PIKEVILLE HOLDINGS INC.	FIL	A	9,762,345	3.54%
GRACEFIELD CAPITAL HOLDINGS INC.	FIL	A	9,134,648	3.31%
BENITEZ ERIC B.	FIL	A	7,699,205	2.79%
LIMCAOCO MELLISSA B.	FIL	A	6,910,055	2.50%
BENITEZ GLEN B.	FIL	A	6,579,102	2.38%
BENITEZ RENE B.	FIL	A	6,316,234	2.29%
FERRER JOEL	FIL	A	2,781,027	1.01%
WEE MICHAEL	FOR	A	1,051,214	0.38%
REYES MARY GRACE V.	FIL	A	819,743	0.30%
SALUD BORROMEO FOUNDATION INC.	FIL	A	558,140	0.20%
BENITEZ TERESITA B.	FIL	A	536,933	0.19%
MERG REALTY DEVELOPMENT	FIL	A	477,024	0.17%
LIMCAOCO MELLISSA B. ITF MICHAELA LIMCAOCO	FIL	A	328,915	0.12%
BENITEZ GLENN ITF ANDREA C. BENITEZ	FIL	A	328,915	0.12%
BENITEZ GLENN ITF ALFONSO C. BENITEZ	FIL	A	328,915	0.12%
BENITEZ GLENN ITF ALESSANDRA C. BENITEZ	FIL	A	328,915	0.12%
SUB-TOTAL			273,696,323	99.14%
OTHER STOCKHOLDERS (93)			2,373,118	0.86%
GRAND TOTAL (113 stockholders)			276,069,441	100.00%

**There are a total of 113 stockholders as of December 31, 2025**

*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 27.18% 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.

For the year 2025, the Board of Directors and Stockholders approved the declaration of cash dividends amounting to ₱ 2,169,363.15. 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 2026**

For fiscal year 2026, the Company will continue to focus on strengthening its core lending operations while pursuing opportunities for measured and sustainable growth, taking into account prevailing economic conditions and market developments.

The Company's strategic direction is anchored on enhancing its portfolio through ongoing refinements in credit evaluation and product offerings, improving operational efficiency through process enhancements, and expanding its market presence in selected areas. As part of its expansion initiatives, the Company is currently undertaking the construction of its Tarlac Branch, which is expected to support business activities upon commencement of operations.

The Company also intends to continue managing its repossessed motorcycle inventory, including efforts to accelerate its disposal. While such actions may result in the recognition of losses, management believes that these measures will help reduce carrying and storage costs and allow for the redeployment of capital into earning assets.

In implementing its plans, the Company remains mindful of external factors, including geopolitical developments, inflationary pressures, interest rate movements, and overall economic conditions, which may affect its operations and financial performance. As such, management will continue to adopt a prudent and disciplined approach, with emphasis on asset quality, cost management, and operational efficiency.

Overall, the Company aims to improve operational efficiency and strengthen its market position while maintaining a balanced and prudent approach to business expansion in 2026.

## *Discussion of Past Financial Performance*

### **As of December 31, 2025**

#### **Results of Operations**

As of December 31, 2025, Makati Finance Corporation (MFC) recorded a decline in financial performance compared to 2024, primarily driven by lower non-interest income despite relatively stable core lending operations. Total operating income decreased by 18.7% to ₱162.45 million from ₱199.72 million in 2024.

Interest income declined by 3.4% to ₱177.48 million from ₱183.66 million, while interest expense decreased by 3.1% to ₱36.94 million from ₱38.12 million. As a result, net interest income slightly declined by 3.4% to ₱140.54 million, indicating stable performance in core lending activities.

Other income decreased significantly by 59.6% to ₱21.91 million from ₱54.18 million in 2024, primarily due to the absence of the ₱21.57 million gain on sale of investment property recognized in the prior year. Service charges increased, reflecting stronger fee-based income, while miscellaneous income declined, indicating lower non-recurring income during the year.

Operating expenses decreased by 15.8% to ₱147.71 million from ₱175.40 million in 2024. The decline was mainly due to lower taxes and licenses, depreciation and amortization, professional fees, travel expenses, and miscellaneous expenses, reflecting continued cost rationalization. Provision for credit losses remained relatively stable, indicating sustained credit quality.

As a result, income before income tax declined by 39.4% to ₱14.74 million from ₱24.32 million in 2024. Net income decreased by 28.7% to ₱10.32 million, compared to ₱14.46 million in the prior year.

Other comprehensive income amounted to ₱2.25 million, slightly lower than ₱3.21 million in 2024, primarily arising from remeasurement gains on defined benefit obligations. This resulted in total comprehensive income of ₱12.57 million, down from ₱17.67 million in 2024.

Earnings per share (EPS) decreased to ₱0.04 from ₱0.05 in 2024, reflecting lower net income during the year.

Overall, the decline in profitability was mainly attributable to lower non-recurring income, partially offset by stable core lending operations and continued cost management initiatives.

#### **Financial Condition and Capital Resources**

As of December 31, 2025, the Company's total assets amounted to ₱1.05 billion, representing a decrease of 8.4% from ₱1.14 billion in 2024. The decline was primarily attributable to reductions in loans and other receivables and investment properties.

Current assets decreased by 4.0% to ₱640.45 million from ₱667.21 million in 2024. This was mainly due to a decrease in loans and receivables, which declined to ₱515.35 million, reflecting collections and changes in loan portfolio composition. Other current assets also decreased, while cash and cash equivalents increased to ₱20.71 million, indicating improved liquidity.

Non-current assets decreased by 14.6% to ₱406.68 million from ₱476.36 million in 2024. The decline was primarily driven by reductions in non-current loans and receivables. This was partially offset by increases in investment properties, deferred tax assets, right-of-use assets, and other non-current assets.

Total liabilities decreased by 19.2% to ₱449.92 million from ₱556.77 million in 2024. Current liabilities declined by 22.3% to ₱424.00 million, mainly due to lower notes payable, reflecting repayments of borrowings during the year. Accounts payable and accrued expenses also decreased, indicating improved working capital management.

Non-current liabilities increased, primarily due to higher lease liabilities.

Total equity increased by 1.8% to ₱597.21 million from ₱586.81 million in 2024. The increase was mainly driven by net income and remeasurement gains on defined benefit obligations.

Retained earnings amounted to ₱221.89 million (unappropriated), compared to ₱295.91 million in 2024, following the appropriation of ₱80.00 million during the year.

Overall, the Company's financial position reflects improved liquidity and reduced leverage, supported by lower borrowings and continued prudent capital management.

## **Income before Income Tax**

The Company's income before income tax decreased by 39.4% in 2025, declining to ₱14.74 million from ₱24.32 million in 2024. This was mainly due to lower total operating income, which decreased by ₱37.27 million or 18.7%, driven primarily by the absence of the ₱21.57 million gain on sale of investment property recognized in 2024.

While net interest income remained relatively stable, the decline in other income significantly impacted overall revenues. Operating expenses decreased by ₱27.69 million or 15.8%, reflecting effective cost management initiatives.

Despite the reduction in expenses, the decline in revenues outweighed the cost savings, resulting in lower pre-tax income. Overall, the decrease reflects reduced non-recurring income, partially offset by stable core operations and continued expense control.

## **Funds Generation**

As of December 31, 2025, the Company's total borrowings amounted to ₱395.08 million, representing a decrease of ₱115.24 million or 22.6% from ₱510.32 million as of December 31, 2024. The reduction was primarily due to repayments of outstanding obligations during the year.

The decrease in borrowings indicates that the Company was able to partially fund its lending activities through internally generated cash flows, including collections from its loan portfolio, thereby reducing reliance on external financing.

As of year-end, the Company maintained total available credit lines of approximately ₱393.0 million, providing sufficient liquidity to support its operational requirements and future funding needs. A portion of the Company's borrowings bears fixed interest rates up to maturity, which helps mitigate exposure to interest rate fluctuations.

The Company's funding requirements continue to be supported by a combination of borrowings, internally generated collections, and private placements in compliance with the 19-lender rule.

Overall, the Company continues to manage its funding sources prudently by balancing internally generated funds and external borrowings to support its lending operations while maintaining financial flexibility and adequate liquidity.

## **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 amounted 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.

	2025	2024
<b>SOLVENCY AND LIQUIDITY RATIOS</b>		
Current ratio	151.05%	122.28%
Debt to equity ratio	75.34%	94.88%
Quick ratio	126.43%	101.60%
<b>PROFITABILITY RATIOS</b>		
Return on assets	0.94%	1.26%
Return on equity	1.74%	2.50%
Net profit margin	6.35%	7.24%
<b>ASSET TO EQUITY RATIO</b>		
	175.34%	194.88%
<b>INTEREST RATE COVERAGE RATIO</b>		
	1.40	1.64
<b>OTHER RELEVANT RATIOS</b>		
Ratio or percentage of total real estate investments to total assets	10.01%	8.63%
Total receivables to total assets	70.11%	75.03%
Total DOSRI receivables to net worth	0.42%	0.58%
Amount of receivables from a single corporation to total receivables:		
Amalgamated Investment Bancorporation	0.03%	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)	0.20%	0.17%
HMW Lending Investors, Inc. (HMWLI)	0.05%	0.14%

## 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 R.G. Manabat & Co. (KPMG) is the incumbent external auditor of the Company for the calendar year 2025. The Company has complied with SRC Rule 68 (3)(b)(iv), regarding rotation of external auditors or engagement partners every five years. Mr. Tirezo Randy F. Lapidez, as the signing Partner, of the Company. It is expected that R.G. Manabat & Co. (KPMG) will be reappointed as the Company's external auditor for year 2026.

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 R.G. Manabat & Co. (KPMG) 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 R.G. Manabat & Co. (KPMG) with regard to accounting policies and financial disclosures of the Company. Mr. Tirezo Randy F. Lapidez, the signing partner, are the newly appointed auditors of the Company for the Calendar Year ending December 31, 2025, 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 R.G. Manabat & Co. (KPMG) for a service fee of ₱675,000 for 2025 audit period. The Company has not engaged R.G. Manabat & Co. (KPMG) 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**, 70, 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 Master’s in Business Administration from the University of San Francisco.

**Mr. Max O. Borrromeo**, 76, Filipino, is the Company’s *Vice Chairman*. He has been a Director since 2000. Aside from being a Director of the Company, Mr. Borrromeo 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 Borrromeo 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**, 72, 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. Borrromeo**, 52, 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, Borrromeo Brother’s Estate, Inc. and Mizukawa Motors Corporation. He is also a member of the Board of Trustees of Salud Borrromeo 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**, 54, 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**, 63, 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.**, 73, 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**, 73, 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.**, 49, Filipino, was nominated for election as Independent Director of Makati Finance Corporation. Mr. Cases expertise in overseeing and managing business operations is attributed 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 26-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. Vincent Khoon Ann Ee**, CFA, 52, Singaporean, was nominated for election as Director of Makati Finance Corporation. Mr. Ee started his career in HSBC Asset Management in London, Hong Kong and New York handling various positions from 1996 to 2000. Currently, he is the Head of Investments, Asia in Schroders Wealth Management, Singapore. He is also a member of Investment Committee of Community Foundation of Singapore since 2014 and in Raffles Institution since 2018 as part of his Pro Bono activities. Mr. Ee was also the Chief Investment Officer and Portfolio Manager of Ford Asset Management, Singapore in 2012 to 2014. He was also the Fund Manager, Asia Ex-Japan Equities of Morgan Stanley Investment Management, Singapore in 2009 to 2012. He also served as Managing Director, Co-Founder and CEO of Libra Capital Management from 2007 to 2009. He also worked in Goldman Sachs Asset Management, Singapore as Fund Manager, Asia ex-Japan Equities from 2000 to 2007. He earned his Bachelor of Science (Econs) Accounting and Finance Degree in 1996, Second Class (Upper) Honours from London School of Economics and Political Science in London and is CFA Charterholder.

**Mr. Roberto C. Benares**, a 72-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, 58, 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*, 56, 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 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**

Each of the directors receives per diem amounting to ₱50,000 for every Board meeting they attend.

**COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

<b>SUMMARY COMPENSATION TABLE</b>				
<b>YEAR</b>	<b>NAME AND PRINCIPAL POSITION</b>	<b>SALARY/MANAGEMENT FEE</b>	<b>BONUS</b>	<b>OTHER COMPENSATION</b>
<b>2026</b> (Estimate)	<b>Top 5 Executive Officers:</b> <b>Robert Charles M. Lehmann – Chairman</b> <b>Max O. Borromeo – Vice Chairman</b> <b>Maxcy R. Borromeo – President/COO</b> <b>Charito S. Espiritu – Chief Finance Officer</b> <b>Jonathan B. Pena – Chief Operating Officer</b>	<b>18,170,392</b>	<b>1,789,428</b>	<b>1,200,000</b>
	<b>ALL BOARD DIRECTORS AND OFFICERS AS A GROUP</b>	<b>12,857,322</b>	<b>2,366,512</b>	<b>1,602,085</b>
<b>2025</b> (Actual)	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	10,756,522	1,840,606	1,602,085
	ALL BOARD DIRECTORS AND OFFICERS AS A GROUP	12,616,522	2,366,512	1,602,085
<b>2024</b> (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
<b>2023</b> (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
<b>2022</b> (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
<b>2021</b> (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	119,999,040	43.47%
Common	Motor Ace Philippines, Inc. MC Briones St. Hi-way Magukay, Mandaue City	Record and beneficial owner	Filipino	68,627,601	24.86%

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 [REDACTED]	Beneficial owner	Filipino	1	0.00%
Common	Max O. Borromeo [REDACTED]	Beneficial owner	Filipino	47,123	0.02%
Common	Maxey Francisco Jose R. Borromeo [REDACTED]	Beneficial owner	Filipino	2,586	0.00%
Common	Joel S. Ferrer [REDACTED] City	Beneficial owner	Filipino	2,781,027	1.01%
Common	Jose Daniel R. Borromeo [REDACTED]	Beneficial owner	Filipino	2,588	0.00%
Common	Alan Michael R. Cruz [REDACTED]	Beneficial owner	Filipino	1	0.00%
Common	Asterio L. Favis, Jr [REDACTED]	Beneficial owner	Filipino	1	0.00%
Common	Cristino L. Panlilio [REDACTED]	Beneficial owner	Filipino	1	0.00%
Common	Irineo A. Cases, Jr. [REDACTED]	Beneficial owner	Filipino	1	0.00%
Common	Carmen Therese L. Benitez [REDACTED]	Beneficial owner	Filipino	1	0.00%
Common	Vincent Ee [REDACTED]	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 15 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 15 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. Charito S. Espiritu 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, 2025 are hereby attached "ANNEX B".


Quarterly Financial Reports ending March 31, 2025 were submitted to the SEC on May 15, 2025; quarterly ending June 30, 2025 on August 14, 2025 and for the quarter ending September 30, 2025 on November 15, 2025.


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 14 APR 2026

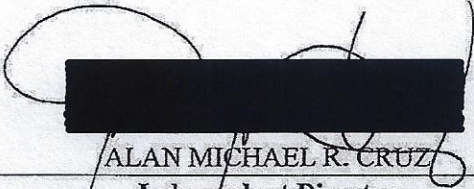
By:


  
ROBERT CHARLES M. LEHMANN  
Chairman of the Board

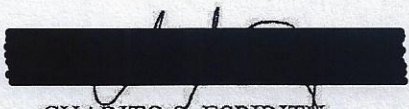
  
MAX O. BORROMEEO  
Vice-Chairman

  
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

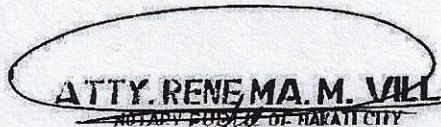
14 APR 2026

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2026, 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. 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. 229  
Page No. 47  
Book No. XVI  
Series of 2026

  
**ATTY. RENE MA. M. VILLA**  
NOTARY PUBLIC - CI, MAKATI CITY  
APPOINTMENT NO. M-110  
(REN) (2025-2026)  
UNTIL DECEMBER 31, 2026  
PTR NO. 107667221-04-05-2026; MAKATI CITY  
IBP LIFETIME NO. 015375; 12-27-2013; I.C.  
RON NO. 37226  
MCLE COMPLIANCE NO. VIII-0012754; 03-27-2024  
GROUND FLOOR, MAKATI TERRACES CONDOMINIUM  
3650 DAVILA ST., TEJEROS, MAKATI CITY

# **MAKATI FINANCE CORP.**

**SUSTAINABILITY REPORT**

**YEAR 2025**

## TABLE OF CONTENTS

A. CONTEXTUAL INFORMATION.....	3
1. Company Details.....	3
2. Materiality Process.....	3
B. ECONOMIC	
1. Economic Performance.....	4
a. Direct Economic Value Generated and Distributed.....	6
2. Climate-Related Risks and Opportunities.....	8
3. Procurement Practices.....	9
a. Proportion of Spending on Local Suppliers.....	10
4. Anti-Corruption.....	10
a. Training on Anti-Corruption Policies and Procedures.....	11
b. Incidents of Corruption.....	11
C. ENVIRONMENT.....	12
1. Resource Management.....	12
a. Energy Consumption within the Organization.....	12
b. Reduction of Energy Consumption.....	13
c. Water Consumption within the Organization.....	13
d. Materials Used by the Organization.....	14
e. Ecosystem and Biodiversity (Upland/Watershield or Coastal/Marine).....	15
2. Environmental Impact Management.....	15
a. Air Emissions.....	15
b. Air Pollutant.....	16
c. Solid and Hazardous Wastes.....	16
d. Hazardous Waste.....	17
e. Effluents.....	18
f. Environmental Compliance.....	19

D. SOCIAL.....	20
1. Employee Management.....	20
a. Employee Hiring and Benefits.....	21
b. Employee Training and Development.....	22
c. Labor Management Relations.....	23
d. Diversity and Equal Opportunity.....	24
e. Occupational Health and Safety.....	24
f. Labor Laws and Human Rights.....	25
2. Supply Chain Management.....	26
3. Relationship with Management.....	26
a. Significant Impacts on Local Community.....	26
4. Customer Management.....	27
a. Customer Satisfaction.....	28
b. Health and Safety.....	28
c. Marketing and Labelling.....	29
d. Customer Privacy.....	30
e. Data Privacy.....	31
E. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS.....	32
1. Product or Services Contribution to UN SGDs.....	32

## A. CONTEXTUAL INFORMATION

<b>1.) COMPANY DETAILS</b>	
<b>Name of Organization</b>	MAKATI FINANCE CORPORATION (MFIN ) or “The Company”
<b>Location of Headquarters</b>	3 <sup>rd</sup> Floor Mazda Makati Building, 2301 Chino Roces Avenue, Brgy. Magallanes, Makati City
<b>Location of Operations</b>	MFIN’s operations are located in Metro Manila, and nearby provinces such as Rizal, Laguna, Cavite, Batangas, etc.
<b>Report Boundary: Legal entities (e.g. subsidiaries) included in this report *</b>	This report covers the sustainability report of Makati Finance Corporation.
<b>Business Model, including Primary Activities, Brands, Products and Services</b>	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.
<b>Reporting Period</b>	January to December 2025
<b>Highest Ranking Person responsible for this report</b>	Charito S. Espiritu, Chief Finance Officer

## 2.) MATERIALITY PROCESS

<b>Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.</b>
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)	177	Php
Direct Economic Value Distributed:		
a. Operating Costs	74	Php
b. Employee Wages and Benefits	63	Php
c. Payments to Suppliers	14	Php
d. Dividends given to stockholders and interest payments to loan providers	41	Php
e. Taxes Given to the Government	11	Php
f. Investment to community (e.g. donations, CSR)	-	Php

<b>What is the impact and where does it incur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<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>

<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<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 growing exposure to cybersecurity threats and data breaches, which can disrupt operations, damage reputations, and compromise sensitive customer</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 protection by investing in advanced security systems, conducting regular audits, and fostering a culture of</p>

<p>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>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

<b>GOVERNANCE</b>	
<b>Disclose the organization’s governance around climate related risks and opportunities</b>	
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.
<b>STRATEGY:</b>	
<b>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</b>	
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.

<b>Risk Management</b>	
<b>Disclose how the organization identifies, assesses, and manages climate-related risks</b>	
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.
<b>Metrics and Targets</b>	
<b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>	
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	117,500	kwh
Energy Consumption Diesel	0	liters
Energy Consumption Gasoline	18,700	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.

<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Water Consumption	3547	Cubic meters
Water Withdrawal	Not measured	Cubic meters
Water Recycled and Reused	Not measured	Cubic meters

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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 <sub>x</sub>	Not measured	Kg
SO <sub>x</sub>	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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>

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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
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	106	#
Female Employees	37	#
Male Employees	69	#
Attrition Rate	32%	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	60%	38%
PhilHealth	Y	20%	0%
Pag-ibig	Y	28%	26%
Parental leaves	Y	6%	1%
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	10%	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)			

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<p>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.</p>	<p>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.</p>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<p>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.</p>	<p>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.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
<p>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 will be encouraged to contribute to innovation and play a key role in the company's continued success.</p>	<p>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 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</p>

	contribute to the company's success and long-term goals.
--	--

***b. Employee Training and Development***

Disclosure	Quantity	Units
Total training hours provided to employees	220,500	Hours
a. Female employees	75,000	Hours
b. Male employees	145,500	Hours
Average training hours provided to employees		
a. Female employees	1,500	Hours/employee
b. Male employees	1,500	Hours/employee

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.	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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The Company recognizes the business risks resulting from the stagnant development of its employees, which may affect its financial performance.	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
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
The Company recognizes opportunities for growth for its employees that will contribute to the overall success and financial performance of the Company.	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.

***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	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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).

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>

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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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***

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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.

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
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.

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>

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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
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.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
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**





# MAKATI FINANCE CORPORATION

MORE THAN JUST FINANCING

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Makati Finance Corporation** (the **Company**) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at December 31, 2025 and 2024 and for each of the three years in period ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


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

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

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

R. G. Manabat & Co. and Isla Lipana & Co., the independent auditors appointed by the stockholders as at and for the year ended December 31, 2025 and as at December 31, 2024 and 2023 and for the years then ended, respectively, have audited the financial statements of the Company in accordance with Philippine Standard on Auditing, and in their reports to the board of directors and stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

  
**MAXCY FRANCISCO JOSE R. BORROMEO**  
 President

  
**ROBERT CHARLES M. LEHMANN**  
 Chairman

  
**CHARITO S. ESPIRITU**  
 Chief Finance Officer

Signed this 14<sup>th</sup> day of April 2026

SUBSCRIBED AND SWORN TO BEFORE ME

THIS DAY OF **14 APR 2026** IN MAKATI CITY

NO. \_\_\_\_\_ ISSUED ON \_\_\_\_\_ AT **ATTY. RENEMA M. VILLA**

DOC. NO. 236  
 PAGE NO. 89  
 BOOK NO. YVI  
 SERIES OF 2026

NOTARY PUBLIC OF MAKATI CITY  
 APPOINTMENT NO. M-110  
 (RND) (2025-2026)  
 UNTIL DECEMBER 31, 2026  
 PTR NO. 10707/221/05-2026/ MAKATI CITY  
 IBP LIFETIME NO. DLS/25/12-27-2013/I.C.  
 ROL NO. 37226  
 MCLE COMPLIANCE NO. VIII-0012751/03-27-2024  
 GROUND FLOOR, MAKATI TERRACES CONDOMINIUM  
 3650 DAVILA ST., TEJEROS, MAKATI CITY



Wilma Fundan &lt;wpfundan@makatifinance.com.ph&gt;

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**Your BIR AFS eSubmission uploads were received**

1 message

---

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

Wed, Apr 15, 2026 at 6:44 PM

Hi MAKATI FINANCE CORPORATION,

**Valid files**

- EAFS000473966ITRTY122025.pdf
- EAFS000473966TCRTY122025-04.pdf
- EAFS000473966AFSTY122025.pdf
- EAFS000473966OTHTY122025.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-4ZR2XMVP066FD9JCHNXMZ2N1X09G5LA8KB**  
Submission Date/Time: **Apr 15, 2026 06:44 PM**  
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.



# MAKATI FINANCE CORPORATION

MORE THAN JUST FINANCING

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **Makati Finance Corporation** (the **Company**) is responsible for all information and representations contained in the **Annual Income Tax Return** for the year ended December 31, 2025.

Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the percentage tax returns, withholding tax returns, documentary stamp tax returns, and all other tax returns.

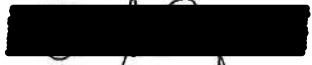
In this regard, management affirms that the attached audited financial statements as at and for the year ended December 31, 2025, and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, As Amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards (Philippine Financial Reporting Standards) and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling item and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and
- (c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed under oath by the following:

  
**MAXCY FRANCISCO JOSE R. BORROMELO**  
President

  
**ROBERT CHARLES M. LEHMANN**  
Chairman

  
**CHARITO S. ESPIRITU**  
Chief Finance Officer

Signed this 14<sup>th</sup> day of April 2026

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 14 APR 2026 IN MAKATI CITY

NO. \_\_\_\_\_ ISSUED ON \_\_\_\_\_ AT \_\_\_\_\_

**ATTY. RENE MA M. VILLA**

NOTARY PUBLIC OF MAKATI CITY  
APPOINTMENT NO. 14-110  
(REND. 2025-2025)

UNTIL DECEMBER 31, 2026

PTR NO. 107607221-01-05-2025; MAKATI CITY  
IBP LICENSE NO. 00525-12-27-2013; I.C.  
FOR NO. 37226  
MCLE COMPLIANCE NO. VIII-0092754; 03-27-2024  
GROUND FLOOR, MAKATI TEPAC...  
3650 DAVIAS ST., TEJERAS, MAKATI CITY

DOC. NO. 227  
PAGE NO. 48  
BOOK NO. 211  
SERIES OF 1000

# MAKATI FINANCE CORPORATION

**FINANCIAL STATEMENTS**  
**December 31, 2025 and 2024**

With Independent Auditors' Report

# R.G. Manabat & Co.



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet [www.home.kpmg/ph](http://www.home.kpmg/ph)  
Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders  
**Makati Finance Corporation**  
3rd Floor Mazda Makati Building  
2301 Chino Roces Avenue  
Barangay Magallanes, Makati City

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Makati Finance Corporation (the Company), which comprise the statement of financial position as at December 31, 2025, and the statements of profit or loss and other comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *Basis for Opinion*

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

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025  
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

## *Key Audit Matter*

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was 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 this matter.

### *Allowance for Credit Losses for Loans and Other Receivables*

As described in Notes 5 and 8 to the financial statements, the Company's total allowance for credit losses for loans and other receivables amounted to P109.95 million as at December 31, 2025.

The expected credit losses for loans and other receivables are the product of multiplying the probability of default (PD), loss given default (LGD), and exposure at default (EAD). The PD, LGD, and EAD assumptions are determined based on three macroeconomic scenarios (base, downside and upside) multiplied by their respective scenario weights. The macroeconomic scenario weights are estimated based on a statistical model, which takes into consideration both internal and external forecasted macroeconomic variables over a reasonable and supportable period, after which means reversion reflecting historical loss experience is used for the remaining life of the loan to estimate expected credit losses.

A high degree of effort, including specialized skills and knowledge, and subjective and complex auditor judgment was involved in the assessment due to significant measurement uncertainty. Specifically, the assessment encompassed the evaluation of the various portfolios of loans and other receivables in the Company's methodology, including the methods and models used to estimate the PD, LGD, and EAD and certain significant assumptions for the Company's quantitative and qualitative components. The significant assumptions encompass the loss percentage rate per default as well as the reasonable and supportable forecasts for significant macroeconomic variables. The significant macroeconomic variables include inflation rate and gross domestic product (GDP) growth rate, which are utilized by the models. The assessment also included an evaluation of the conceptual soundness and performance of the PD, LGD, and EAD models. In addition, auditor judgment was required to evaluate the sufficiency of audit evidence obtained.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design and implementation of certain internal controls related to the Company's measurement of expected credit losses, including controls over the methodology's governance.

We evaluated the Company's process to develop the expected credit losses estimate by testing certain sources of data and assumptions that the Company used and considering the relevance and reliability of such data and assumptions.

In addition, we used our own credit risk professional with specialized skills and knowledge, who assisted in:

- evaluating the Company's expected credit losses methodologies for compliance with PFRS 9, *Financial Instruments*;
- continued assessment of the conceptual soundness and performance testing of the PD, LGD, and EAD;
- models by inspecting the model documentation to determine whether the models are suitable for their intended use;
- evaluating judgments made by the Company relative to the performance monitoring testing of the PD, LGD, and EAD models by comparing them to relevant Company-specific metrics; and
- assessing the macroeconomic forecast scenarios through comparison to publicly available forecasts.

We also assessed the sufficiency of the audit evidence obtained related to expected credit losses for loans and other receivables by evaluating the:

- cumulative results of the audit procedures;
- qualitative aspects of the Company's accounting practices; and
- potential bias in the accounting.

### *Emphasis of Matter - Comparative Information*

We draw attention to Note 24 to the financial statements, which describes that the comparative information as at and for the year ended December 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

### *Other Matter - Comparative Information*

The financial statements of the Company as at and for the years ended December 31, 2024 and 2023, excluding the reclassifications described in Note 24, were audited by another auditor who expressed an unmodified opinion on those financial statements on April 15, 2025.

As part of our audit of the financial statements as at and for the year ended December 31, 2025, we audited the reclassifications described in Note 24 that were applied to restate the comparative information as at and for the year ended December 31, 2024.

We were not engaged to audit, review, or apply any procedures to the comparative information other than those related to the reclassifications described in Note 24. Accordingly, we do not express an opinion or any other form of assurance on the comparative information taken as a whole. However, in our opinion, the reclassifications described in Note 24 are appropriate and have been properly applied.

## *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *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.

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

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

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

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

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

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

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tireso Randy F. Lapidez.

# R.G. Manabat & Co.



## Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 26 to the basic 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. The supplementary information has been subjected to the auditing procedures applied in our audit 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.

### R.G. MANABAT & CO.



TIRESO RANDY F. LAPIDEZ

Partner

CPA License No. [REDACTED]

SEC Accreditation No. [REDACTED]-SEC, Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. [REDACTED]

BIR Accreditation No. [REDACTED]

Issued May 25, 2023; valid until May 25, 2026

PTR No. [REDACTED]

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

# R.G. Manabat & Co.



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## REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders  
**Makati Finance Corporation**  
3rd Floor Mazda Makati Building  
2301 Chino Roces Avenue  
Barangay Magallanes, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Makati Finance Corporation (the Company) as at and for the year ended December 31, 2025, and have issued our report thereon dated April 15, 2026.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025  
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

# R.G. Manabat & Co.



This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the financial statements as at and for the year ended December 31, 2025 and no material exceptions were noted.

## R.G. MANABAT & CO.



TIRESO RANDY F. LAPIDEZ

Partner

CPA License No. [REDACTED]

SEC Accreditation No. [REDACTED]-SEC, Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. [REDACTED]

BIR Accreditation [REDACTED]

Issued May 25, 2023; valid until May 25, 2026

PTR No. [REDACTED]

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

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## REPORT OF INDEPENDENT AUDITORS ON ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders  
**Makati Finance Corporation**  
3rd Floor Mazda Makati Building  
2301 Chino Roces Avenue  
Barangay Magallanes, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Makati Finance Corporation (the Company) as at and for the year ended December 31, 2025, included in this Form 17-A, and have issued our report thereon dated April 15, 2026.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Company's management. Such additional components include:

- Reconciliation of Retained Earnings Available for Dividend Declaration;
- Map of Group of Companies within which the Company belongs; and
- Supplementary Schedules of Annex 68-J.

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025  
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029  
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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# R.G. Manabat & Co.



This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

## R.G. MANABAT & CO.



TIRESO RANDY F. LAPIDEZ

Partner

CPA License [REDACTED]

SEC Accreditation [REDACTED], Group A, valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. [REDACTED]

BIR Accreditation No. [REDACTED]

Issued May 25, 2023; valid until May 25, 2026

PTR No. [REDACTED]

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

**MAKATI FINANCE CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	7	P20,713,027	P19,078,143
Loans and other receivables - net	5, 8, 12	515,346,123	535,274,139
Other current assets - net	11	104,386,357	112,862,040
<b>Total Current Assets</b>		<b>640,445,507</b>	667,214,322
<b>Noncurrent Assets</b>			
Loans and other receivables - net of current portion	5, 8, 12	218,846,665	322,729,101
Property and equipment - net	9	9,711,041	7,042,381
Investment properties - net	10	104,807,735	98,664,010
Right-of-use asset - net	22	25,001,900	4,546,617
Deferred tax assets - net	19	41,997,221	37,437,621
Other noncurrent assets - net	11	6,319,637	5,940,519
<b>Total Noncurrent Assets</b>		<b>406,684,199</b>	476,360,249
		<b>P1,047,129,706</b>	P1,143,574,571
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Notes payable	5, 15	P395,079,832	P510,316,500
Accounts payable	5, 13, 21	2,249,181	11,890,538
Accrued expenses	14	14,362,206	15,956,255
Lease liabilities	22	9,577,770	3,960,368
Income tax payable		2,733,078	3,499,018
<b>Total Current Liabilities</b>		<b>424,002,067</b>	545,622,679
<b>Noncurrent Liabilities</b>			
Lease liabilities - net of current portion	22	15,484,204	1,033,684
Retirement benefit obligation	20	10,437,502	10,113,152
<b>Total Noncurrent Liabilities</b>		<b>25,921,706</b>	11,146,836
		<b>449,923,773</b>	556,769,515
<b>Equity</b>			
Capital stock	16	276,069,441	273,900,122
Additional paid-in capital		5,803,922	5,803,922
Retained earnings:			
Appropriated	16	80,000,000	-
Unappropriated		221,891,010	295,912,879
Remeasurement gain on retirement benefit obligation		13,441,560	11,188,133
		<b>597,205,933</b>	586,805,056
		<b>P1,047,129,706</b>	P1,143,574,571

See Notes to the Financial Statements.

**MAKATI FINANCE CORPORATION**  
**STATEMENTS OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (LOSS)**

		Years Ended December 31		
	Note	2025	2024	2023
<b>INTEREST INCOME</b>	12	<b>P177,478,804</b>	P183,657,793	P175,174,176
<b>INTEREST EXPENSE</b>	12	<b>36,939,261</b>	38,120,468	34,653,048
<b>NET INTEREST INCOME</b>		<b>140,539,543</b>	145,537,325	140,521,128
<b>OTHER INCOME</b>				
Service charges	12, 17	<b>13,238,100</b>	9,031,628	8,428,924
Fair value adjustment on investment properties	10, 12, 18	<b>5,955,225</b>	4,447,700	4,817,734
Gain on sale of investment property	12, 18	-	21,568,169	-
Miscellaneous	12, 18	<b>2,716,906</b>	19,134,849	26,403,922
		<b>21,910,231</b>	54,182,346	39,650,580
<b>TOTAL OPERATING INCOME</b>		<b>162,449,774</b>	199,719,671	180,171,708
<b>OPERATING EXPENSES</b>				
Salaries and employee benefits		<b>63,418,413</b>	64,274,365	56,752,510
Provision for credit losses	8, 12	<b>18,597,944</b>	19,349,940	32,176,691
Depreciation and amortization	9, 11, 12	<b>14,522,457</b>	16,603,690	16,879,761
Taxes and licenses		<b>10,690,107</b>	17,929,494	14,992,634
Management and professional fees		<b>8,166,544</b>	10,895,941	7,152,343
Commission		<b>4,853,431</b>	4,943,426	3,267,254
Travel and transportation		<b>3,341,599</b>	5,038,518	5,138,614
Provision for impairment loss of repossessed assets	11	<b>2,281,661</b>	1,937,134	7,495,767
Occupancy costs		<b>1,548,276</b>	3,188,214	4,451,052
Entertainment, amusement and recreation		<b>1,305,146</b>	1,180,090	558,787
Miscellaneous	18	<b>18,982,533</b>	30,059,715	14,044,270
	12	<b>147,708,111</b>	175,400,527	162,909,683
<b>INCOME BEFORE INCOME TAX EXPENSE</b>		<b>14,741,663</b>	24,319,144	17,262,025
<b>INCOME TAX EXPENSE</b>	12, 19	<b>4,424,806</b>	9,856,723	4,338,476
<b>NET INCOME</b>	16	<b>10,316,857</b>	14,462,421	12,923,549
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that may not be reclassified to profit or loss</i>				
Net remeasurement gain (loss) on retirement benefit obligation - net of tax		<b>2,253,427</b>	3,205,173	(2,268,741)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>P12,570,284</b>	P17,667,594	P10,654,808
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	16	<b>P0.04</b>	P0.05	P0.05

See Notes to the Financial Statements.

**MAKATI FINANCE CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**

Years Ended December 31

	Capital Stock (Note 16)	Additional Paid-In Capital	Retained Earnings (Note 16)		Remeasurement Gain (Loss) on Retirement Benefit Obligation	Total Equity
			Unappropriated	Appropriated		
<b>Balances at January 1, 2025</b>	<b>P273,900,122</b>	<b>P5,803,922</b>	<b>P295,912,879</b>	<b>P -</b>	<b>P11,188,133</b>	<b>P586,805,056</b>
<b>Transactions with Owners</b>						
Stock dividends	2,169,319	-	(2,169,319)	-	-	-
Cash dividends	-	-	(2,169,407)	-	-	(2,169,407)
Total transactions with owners	2,169,319	-	(4,338,726)	-	-	(2,169,407)
Comprehensive Income						
Net income for the year	-	-	10,316,857	-	-	10,316,857
Other comprehensive income	-	-	-	-	2,253,427	2,253,427
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>10,316,857</b>	<b>-</b>	<b>2,253,427</b>	<b>12,570,284</b>
<b>Appropriation of retained earnings</b>	<b>-</b>	<b>-</b>	<b>(80,000,000)</b>	<b>80,000,000</b>	<b>-</b>	<b>-</b>
<b>Balances at December 31, 2025</b>	<b>P276,069,441</b>	<b>P5,803,922</b>	<b>P221,891,010</b>	<b>P80,000,000</b>	<b>P13,441,560</b>	<b>P597,205,933</b>
Balances at January 1, 2024	P271,961,630	P5,803,922	P285,327,523	P -	P7,982,960	P571,076,035
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 income	-	-	-	-	3,205,173	3,205,173
Total comprehensive income	-	-	14,462,421	-	3,205,173	17,667,594
Balances at December 31, 2024	P273,900,122	P5,803,922	P295,912,879	P -	P11,188,133	P586,805,056
Balances at January 1, 2023	P269,283,709	P5,803,922	P277,759,903	P -	P10,251,701	P563,099,235
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	-	-	12,923,549	-	(2,268,741)	10,654,808
Balances at December 31, 2023	P271,961,630	P5,803,922	P285,327,523	P -	P7,982,960	P571,076,035

See Notes to the Financial Statements.

**MAKATI FINANCE CORPORATION**  
**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>		
		<b>2025</b>	2024 (As reclassified - Note 24)	2023 (As reclassified - Note 24)
<i>Note</i>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
	Income before income tax expense	<b>P14,741,663</b>	P24,319,144	P17,262,025
	Adjustments for:			
	Provision for credit losses on loans and other receivables	8, 12 <b>18,597,944</b>	19,349,940	16,377,948
	Depreciation and amortization	9, 11, 12, 22 <b>14,522,457</b>	16,603,690	16,879,761
	Fair value change in investment properties	10, 18 <b>(5,955,225)</b>	(4,447,700)	(4,817,734)
	Retirement benefits expense	20 <b>3,328,919</b>	3,093,037	2,477,820
	Interest expense from lease liabilities	22 <b>240,237</b>	905,309	1,169,810
	Provision for impairment loss of repossessed assets	11 <b>2,281,661</b>	1,937,134	7,495,767
	Loss (gain) from sale of repossessed assets	11 <b>10,252,173</b>	(99,021)	567,701
	Gain from sale of investment properties	10 <b>-</b>	(21,568,169)	-
	Loss (gain) from sale of property and equipment	9 <b>295,255</b>	(1,153,360)	-
	Gain on lease termination	22 <b>-</b>	(1,880,589)	-
	Lease additions, net of modification	<b>-</b>	<b>-</b>	3,451
		<b>58,305,084</b>	37,059,415	57,416,549
	Changes in:			
	Loans and other receivables - net	<b>52,919,067</b>	(66,144,988)	(69,623,207)
	Other current assets - net	<b>42,945,962</b>	(13,946,808)	(4,312,634)
	Other noncurrent assets - net	<b>(38,863)</b>	-	-
	Accounts payable	<b>(9,641,357)</b>	(11,074,202)	(17,427,757)
	Accrued expenses	<b>35,963,820</b>	31,143,381	30,563,476
		<b>180,453,713</b>	(22,963,202)	(3,383,573)
	Interest received	<b>11,637</b>	-	-
	Interest paid	14 <b>(37,557,869)</b>	(36,710,948)	(33,241,573)
	Income taxes paid	<b>(4,947,526)</b>	(2,236,014)	(3,478,159)
	Net cash flows provided by (used in) operating activities	<b>137,959,955</b>	(61,910,164)	(40,103,305)

Forward

**Years Ended December 31**

		2024	2023
		(As reclassified -	(As reclassified -
	<b>Note</b>	<b>2025</b>	<b>Note 24)</b>
			<b>Note 24)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Property and equipment	9	<b>(P6,912,884)</b>	(P4,278,985)
Computer software	11	<b>(1,345,031)</b>	(676,242)
Investment properties	10	<b>(188,500)</b>	(111,575)
Proceeds from disposals of:			
Property and equipment		<b>2,698</b>	-
Investment properties	10	-	80,776,021
Net cash (used in) provided by investing activities			
		<b>(8,443,717)</b>	75,709,219
			(2,455,126)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Availment of notes payable	15	<b>144,716,375</b>	126,793,767
Settlement of notes payable	15	<b>(259,953,043)</b>	(127,351,530)
Payment of lease liabilities	22	<b>(10,475,279)</b>	(15,326,686)
Cash dividends paid	16	<b>(2,169,407)</b>	(1,938,573)
Net cash (used in) provided by financing activities			
		<b>(127,881,354)</b>	(17,823,022)
			31,609,035
<b>NET INCREASE (DECREASE) IN CASH</b>			
		<b>1,634,884</b>	(4,023,967)
			(10,949,396)
<b>CASH AT BEGINNING OF YEAR</b>			
		<b>19,078,143</b>	23,102,110
			34,051,506
<b>CASH AT END OF YEAR</b>			
	7	<b>P20,713,027</b>	P19,078,143
			P23,102,110

See Notes to the Financial Statements.

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**MAKATI FINANCE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**1. Reporting Entity**

Makati Finance Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 17, 1966. The Company's shares were listed with the Philippine Stock Exchange (PSE) on November 28, 2002, as approved by the SEC on December 9, 2002.

The Company is primarily engaged in 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 receivable, or by buying or selling contracts, leases, chattel mortgages, or other evidence of indebtedness, or by financial leasing of movable as well as immovable property.

As at December 31, 2025 and 2024, Amalgamated Investment Bancorporation and Motor Ace Philippines, Inc. own 43.47% and 43.59%, and 24.68% and 24.89% of the Company's outstanding shares, respectively.

The Company's principal place of business is located at 3rd Floor, Mazda Makati Building, 2301 Chino Roces Avenue, Barangay Magallanes, Makati City.

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**2. Basis of Preparation**

Basis of Accounting

These financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. They were authorized for issue by the Company's board of directors (BOD) on April 10, 2026.

Details of the Company's material accounting policies are included in Note 23.

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for the following items:

Items	Measurement Bases
Investment properties	Fair value
Retirement benefit obligation	Present value of the defined benefit obligation less fair value of plan assets
Lease liabilities	Present value of the lease payments not yet paid discounted using the incremental borrowing rate (IBR)

Functional and Presentation Currency

These financial statements are presented in Philippine peso, which is also the Company's functional currency. All financial information presented in Philippine peso have been rounded to the nearest peso, unless otherwise indicated.

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### 3. Use of Judgments and Estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

##### *Significant Increase in Credit Risk*

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment, including forward-looking information.

The Company's quantitative and qualitative factors in determining whether credit risk of a particular exposure is deemed to have increased significantly since its initial recognition is disclosed in Note 5.

##### *Identifying Leases - Company as a Lessee*

The Company uses its judgment in assessing that a contract is, or contains, a lease when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has the right to control the asset if it obtains substantially all of the economic benefits from the use of the identified asset throughout the period of use when the Company has the right to direct the use of the identified asset. The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The Company has lease contracts for office and parking spaces, warehouses and branch stores used in its operations. The Company has determined that it has the right to control the use of the identified assets over their respective lease terms.

Further details on the leases are disclosed in Note 22.

##### *Determining the Lease Term of Contract with Renewal and Termination Options - Company as a Lessee*

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 judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

Further details on the leases are disclosed in Note 22.

### Assumptions and Estimation Uncertainties

Information about assumptions and uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

#### *Fair Value of Financial Instruments*

When the fair values of financial assets and liabilities recorded in the statement financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility for discount rates, prepayments and default rate assumptions. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of the Company's financial instruments are disclosed in Note 4.

#### *Impairment Losses on Loans and Other Receivables*

The Company reviews its loan portfolio to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income (loss).

A number of significant judgements are also required in applying the accounting requirements for measuring expected credit losses (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.

The details of the provision for impairment losses on loans and other receivables are disclosed in Note 8.

#### *Determining the Impairment Indicators on Non-Financial Assets*

The Company assesses, at the end of each reporting period, whether there is any indication that its non-financial assets, including investment properties, may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Investment properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The allowance for impairment losses recognized on investment properties are disclosed in Note 10.

#### *Determining the Subsequent Measurement for Noncurrent Assets Held for Sale*

The Company applies judgment in determining whether noncurrent assets meet the criteria to be classified as held for sale, including whether the assets are available for immediate sale and whether the sale is highly probable. Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell involves estimates of expected selling prices and directly attributable disposal costs, which require judgement and are subject to changes in market conditions.

The details for the repossessed assets recognized as noncurrent assets held for sale is disclosed in Note 11.

#### *Estimating Useful Lives of Property and Equipment and Software Costs*

The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and the period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment and software costs.

The estimated useful lives of property and equipment and software costs are disclosed in Note 23.

#### *Recoverability of Deferred Tax Assets*

The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. However, there is no assurance that the Company will utilize all or part of its deferred tax assets. Any deferred tax assets will be remeasured if it might result to derecognition in cases where the expected tax law to be enacted will impose a possible risk on its realization.

The Company's deferred tax assets are disclosed in Note 19.

#### *Determining the IBR*

The weighted average IBR applied to its lease liabilities 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 leased contracts.

#### *Estimating Retirement Benefit Obligation*

The retirement expense and liability are determined based on actuarial valuation. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and salary increase rates. Due to the complexity of the actuarial valuation, the underlying assumptions and its long-term nature, the retirement obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the statement of financial position date.

In determining the appropriate discount rate, management considers the interest rates of government bonds with extrapolated maturities corresponding to the expected duration of the retirement liability. Salary increase rates are based on expected future inflation rates.

The retirement benefit obligation of the Company and details about the assumptions used are disclosed in Note 20.

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#### 4. Fair Value Measurement

As at December 31, 2025 and 2024, the carrying values of the Company's financial assets and liabilities as reflected in the statement of financial position and related notes approximate their respective fair values as of the statement of financial position date. The methods and assumptions used by the Company in estimating the fair value of its financial instruments are as follows:

*Cash in Banks, Loans and Other Receivables, Security Deposits, Notes Payable, Accounts Payable, Accrued Expenses and Lease Liabilities* - The carrying amounts approximate their fair value due to the relatively short-term nature and maturity of these assets and liabilities.

##### *Fair Value Hierarchy*

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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 amounted to P104.81 million and P98.66 million (see Note 10) fall under Level 3 of the fair value hierarchy as at December 31, 2025 and 2024, respectively. The main Level 3 inputs used by the Company pertain to marketability and size.

For the years ended December 31, 2025 and 2024, carrying amounts of repossessed assets - net are lower than fair value less costs to sell.

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## 5. Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

### Risk Management Framework

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.

### Credit Risk

Credit risk is the risk of financial loss resulting from the inability of customers or borrowers to fulfill their contractual payment obligations to the Company. 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 majority of the Company's exposure to credit risk arises in connection with the provision of ECL for consumer financing, which is the Company's principal business. The remaining part of the Company's exposures to credit risk is related to cash in banks and security deposits.

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:

	<i>Note</i>	<b>2025</b>	2024
Cash in banks	7	<b>P20,190,974</b>	P18,620,665
Loans and other receivables	8	<b>844,138,460</b>	999,337,564
Security deposits	11	<b>4,651,862</b>	4,733,792
		<b>P868,981,296</b>	P1,022,692,021

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 other receivable is disclosed in Note 8.

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

December 31, 2025					
Note	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance	Credit Impaired	
<b>Loans Receivables*</b>					
	0.00%	P596,413,418	P -	No	
	6.51%	184,719,277	(54,266,725)	No	
	6.26%	52,334,686	(52,189,425)	Yes	
8		P833,467,381	(P106,456,150)		

\*includes accrued interest receivable and unearned interest income.

December 31, 2024					
Note	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance	Credit Impaired	
<b>Loans Receivables*</b>					
	0.00%	P704,944,601	P -	No	
	4.61%	185,353,917	(45,261,659)	No	
	9.33%	91,606,950	(91,606,950)	Yes	
8		P981,905,468	(P136,868,609)		

\*includes accrued interest receivable and unearned interest income.

December 31, 2025					
Note	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance	Credit Impaired	
<b>Other receivables</b>					
	32.70%	P10,671,079	(P3,489,522)	No	
	0.00%	-	-	No	
	0.00%	-	-	Yes	
8		P10,671,079	(P3,489,522)		

December 31, 2024					
Note	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance	Credit Impaired	
<b>Other receivables</b>					
	25.62%	P17,432,096	(P4,465,715)	No	
	0.00%	-	-	No	
	0.00%	-	-	Yes	
8		P17,432,096	(P4,465,715)		

The movement in the allowance for ECL is disclosed in Note 8.

Security deposits are made in connection with the lease arrangements (see Note 23) 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.

*Republic Act (R.A.) No. 8556, The Financing Company Act of 1998*

Section 8(f) of R.A. No. 8556 requires that a 100% allowance for credit losses should be set up for the following:

- Clean loans and advances past due for a period of more than six (6) months;
- Past due loans secured by collateral such as inventories, receivables, equipment and other chattels that have declined in value by more than 50%, without the borrower offering additional collateral for the loans;
- Past due loans secured by real estate mortgage title to which is subject to an adverse claim rendering settlement through foreclosure;
- When borrower and his co-maker or guarantor, are insolvent or where their whereabouts are unknown, or their earnings power is permanently impaired;
- Accrued interest receivable that remain uncollected after six (6) months from the maturity date of such loans to which it accrues; and
- Accounts receivable past due for three hundred sixty-one (361) days or more.

For the years ended December 31, 2025 and 2024, the Company is compliant with the provisioning requirements of R.A. No. 8556.

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, 2025 and 2024.

	2025		Total
	Up to One Year	Over One Year	
<b>Financial Assets</b>			
Cash in banks	P20,190,974	P -	P20,190,974
Loans and other receivables	515,346,123	218,846,665	734,192,788
Security deposits	4,651,862	-	4,651,862
<b>Total Financial Assets</b>	<b>540,188,959</b>	<b>218,846,665</b>	<b>759,035,624</b>
<b>Financial Liabilities</b>			
Notes payable	395,079,832	-	395,079,832
Accounts payable	2,249,181	-	2,249,181
Accrued expenses*	10,456,417	-	10,456,417
Lease liabilities	9,047,064	18,000,318	27,047,382
<b>Total Financial Liabilities</b>	<b>416,832,494</b>	<b>18,000,318</b>	<b>434,832,812</b>
<b>Total Maturity Gap</b>	<b>P123,356,465</b>	<b>P200,846,347</b>	<b>P324,202,812</b>

\*Excluding government payables

	2024		Total
	Up to One Year	Over One Year	
<b>Financial Assets</b>			
Cash in banks	P18,620,665	P -	P18,620,665
Loans and other receivables	535,274,139	322,729,101	858,003,240
Security deposits	4,733,792	-	4,733,792
<b>Total Financial Assets</b>	<b>558,628,596</b>	<b>322,729,101</b>	<b>881,357,697</b>
<b>Financial Liabilities</b>			
Notes payable	510,316,500	-	510,316,500
Accounts payable	11,890,538	-	11,890,538
Accrued expenses*	9,955,860	-	9,955,860
Lease liabilities	4,059,435	1,042,105	5,101,540
<b>Total Financial Liabilities</b>	<b>536,222,333</b>	<b>1,042,105</b>	<b>537,264,438</b>
<b>Total maturity Gap</b>	<b>P22,406,263</b>	<b>P321,686,996</b>	<b>P344,093,259</b>

\*Excluding government payables

The Company expects to generate sufficient cash flows from its operating activities. In addition, the major stockholders are 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.

#### Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes. The Company considers market risk to be relevant due to changes in market variables such as interest rate risk.

#### 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 (see Note 15). 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.

## **6. 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 2025.

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

- (a) minimum paid-up capital of P10 million; and
- (b) additional capital requirements for each branch of P1 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, 2025 and 2024, the Company is compliant with the minimum capital requirements.

The Company is also compliant with the minimum public float of 20% that is required by the PSE where the Company's shares also are traded.

## 7. Cash

This account consists of:

	<i>Note</i>	<b>2025</b>	2024
Cash in banks	5	<b>P20,190,974</b>	P18,620,665
Cash on hand		<b>522,053</b>	457,478
		<b>P20,713,027</b>	P19,078,143

Cash in banks pertain to current and savings accounts earning interest at prevailing bank deposit rates.

## 8. Loans and Other Receivables - net

The account as at December 31 consists of:

	<i>Note</i>	<b>2025</b>	2024
Loans receivable		<b>P1,250,043,130</b>	P1,488,783,918
Accrued interest receivable		<b>6,361,799</b>	6,020,662
Other receivables		<b>10,671,079</b>	17,432,096
		<b>1,267,076,008</b>	1,512,236,676
Unearned interest income		<b>(422,937,548)</b>	(512,899,112)
	5	<b>844,138,460</b>	999,337,564
Allowance for ECL		<b>(109,945,672)</b>	(141,334,324)
	5, 12	<b>P734,192,788</b>	P858,003,240

The terms of the loans vary from three (3) months to five (5) years in 2025 and 2024. The average monthly interest rates charged to clients range from 1.04% to 9.10% and 0.42% to 3.00% in 2025 and 2024, respectively.

Interest income earned from loans receivable amounted to P177.48 million, P183.66 million and P175.17 million in 2025, 2024 and 2023, respectively.

In 2025, leisure bike loans receivables, doctor's loan receivables, microbusiness loans receivables and motorcycle financing receivables amounting to P1.40 million, P2.12 million, P3.18 million and P82.87 million, respectively were used as collateral for notes payable to banks. In 2024, motorcycle financing loan receivables amounting to P100.90 million were used as collateral for notes payable to banks.

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

	2025	2024
Secured loans:		
Chattel mortgage	<b>P242,569,819</b>	P384,585,981
Real estate mortgage	<b>3,682,128</b>	3,823,482
Other collaterals	<b>39,997,154</b>	45,563,421
Total secured	<b>286,249,101</b>	433,972,884
Unsecured	<b>557,889,359</b>	565,364,680
	<b>P844,138,460</b>	P999,337,564

Other collaterals pertain to deposits, assignment of receivables and salary.  
The movements in the allowance for ECL are as follows:

	<i>Note</i>	December 31, 2025		Total
		Loans Receivable	Other Receivables	
At January 1		<b>P136,868,609</b>	<b>P4,465,715</b>	<b>P141,334,324</b>
Provision	12	<b>18,597,944</b>	-	<b>18,597,944</b>
Write-off		<b>(49,010,403)</b>	<b>(976,193)</b>	<b>(49,986,596)</b>
At December 31		<b>P106,456,150</b>	<b>P3,489,522</b>	<b>P109,945,672</b>

	<i>Note</i>	December 31, 2024		Total
		Loans Receivable	Other Receivables	
At January 1		P152,423,221	P4,465,715	P156,888,936
Provision	12	19,349,940	-	19,349,940
Write-off		(34,904,552)	-	(34,904,552)
At December 31		P136,868,609	P4,465,715	P141,334,324

## 9. Property and Equipment - net

The movements in this account are as follows:

2025					
	<i>Note</i>	Furniture, Fixtures and equipment	Leasehold Rights and Improvements	Transportation Equipment	Total
<b>Cost</b>					
At January 1		P23,328,925	P11,554,852	P6,263,297	P41,147,074
Additions		3,439,984	-	3,472,900	6,912,884
Disposals		-	-	(821,658)	(821,658)
At December 31		26,768,909	11,554,852	8,914,539	47,238,300
<b>Accumulated Depreciation</b>					
At January 1		20,417,899	9,835,760	3,851,034	34,104,693
Depreciation	12	1,838,225	815,603	1,136,966	3,790,794
Disposals		-	-	(368,228)	(368,228)
At December 31		22,256,124	10,651,363	4,619,772	37,527,259
<b>Carrying Amount</b>		<b>P4,512,785</b>	<b>P903,489</b>	<b>4,294,767</b>	<b>P9,711,041</b>
2024					
	<i>Note</i>	Furniture, Fixtures and equipment	Leasehold Rights and Improvements	Transportation Equipment	Total
<b>Cost</b>					
At January 1		P20,701,416	P11,331,636	P10,643,838	P42,676,890
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
<b>Accumulated Depreciation</b>					
At January 1		19,462,537	9,069,735	8,476,981	37,009,253
Depreciation	12	955,362	766,025	1,182,851	2,904,238
Disposals		-	-	(5,808,798)	(5,808,798)
At December 31		20,417,899	9,835,760	3,851,034	34,104,693
<b>Carrying Amount</b>		<b>P2,911,026</b>	<b>P1,719,092</b>	<b>P2,412,263</b>	<b>P7,042,381</b>

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

In 2025, 2024 and 2023, disposals of fully depreciated transportation equipment resulted in a (loss) gain of (P0.30 million), P1.15 million and nil which are recorded under 'miscellaneous income' account in the statement of profit or loss and other comprehensive income (loss).

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**10. Investment Properties - net**

The Company's investment properties consist of land and building.

The movements in this account are as follows:

	<i>Note</i>	<b>2025</b>	2024
Beginning of year		<b>P98,664,010</b>	P153,312,587
Additions		<b>188,500</b>	111,575
Disposals		-	(59,207,852)
Fair value adjustment	18	<b>5,955,225</b>	4,447,700
		<b>P104,807,735</b>	P98,664,010

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The following are the amounts recognized in the statement of profit of loss and other comprehensive income (loss):

		<b>2025</b>	2024
Fair value adjustment on investment property	18	<b>P5,955,225</b>	P4,447,700
Gain on sale of investment property	18	-	21,568,169
		<b>P5,955,225</b>	P26,015,869

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In 2024, the Company sold investment properties with a proceeds amounting to P80.78 million resulting to a gain amounting to P21.57 million recognized under 'gain on sale of investment property' account in the statement of profit or loss and other comprehensive income (loss) (Note 18).

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 valued is based on recent market transactions of comparable properties.

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**11. Other Assets - net**

This account consists of:

	<i>Note</i>	<b>2025</b>	2024
<b>Other Current Assets</b>			
Repossessed assets - net	12	<b>P98,058,649</b>	P107,790,036
Prepaid expenses		<b>6,327,708</b>	5,072,004
		<b>104,386,357</b>	112,862,040
<b>Other Noncurrent Assets</b>			
Security deposits	5, 22	<b>4,651,862</b>	4,733,792
Software costs		<b>1,667,775</b>	1,206,727
		<b>6,319,637</b>	5,940,519
		<b>P110,705,994</b>	P118,802,559

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Repossessed assets pertain to motorcycle units that were repossessed from the Company's motorcycle financing business. The movements in the account are as follows:

	2025	2024
<b>Cost</b>		
Balance at beginning of year	P144,863,341	P140,623,906
Additions	46,883,319	77,481,667
Disposals	(57,594,507)	(62,947,487)
Write-off	(32,754,267)	(10,294,745)
<b>Balance at end of year</b>	<b>101,397,886</b>	144,863,341
<b>Allowance for Impairment Losses</b>		
Balance at beginning of year	37,073,305	45,430,916
Provision for impairment loss	2,281,661	1,937,134
Reversal of impairment loss	(3,261,462)	-
Write-off	(32,754,267)	(10,294,745)
<b>Balance at end of year</b>	<b>3,339,237</b>	37,073,305
<b>Carrying amount at end of year</b>	<b>P98,058,649</b>	P107,790,036

The Company earned (loss) gain from sale of repossessed assets amounted to (P10.25 million), P0.10 million and P0.57 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Prepaid expenses consist of supplies, insurance and rent.

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

The movements in computer software are as follows:

	<i>Note</i>	2025	2024
<b>Cost</b>			
Balance at beginning of year		P7,776,505	P6,851,016
Additions		1,345,031	925,489
<b>Balance at end of year</b>		<b>9,121,536</b>	7,776,505
<b>Accumulated Amortizations</b>			
Balance at beginning of year		6,569,779	6,320,524
Amortization	12	883,982	249,255
<b>Balance at end of year</b>		<b>7,453,761</b>	6,569,779
		<b>P1,667,775</b>	P1,206,726

## 12. Operating Segment

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 wish to expand its business or for the purpose of starting capital.
- (c) Motor Vehicles Financing Group  
The Motorcycle Financing Group grants loans to motorcycle and car buyers. As at December 31, 2025, the Company has discontinued its motor vehicle financing program to enhance profitability and operational efficiency.
- (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. The Company does not have a single customer from which sales revenue generated amounted to 10% or more of the total revenue of the Company.

Financial information about operating segments follows:

	Note	2025				Total
		Rx Cash Line	Business Loans and MFC Factors	Motor Vehicles Financing	Others	
Loans and other receivables - net	5, 8	P117,358,414	P395,958,983	P196,191,568	P24,683,823	P734,192,788
Repossessed assets - net		-	-	98,058,649	-	98,058,649
Results of operation						
Revenue						
Interest income	8	31,093,044	78,712,633	61,483,014	6,190,113	177,478,804
Other income (loss)	17, 18	3,110,163	17,921,808	(6,443,834)	7,322,094	21,910,231
Total		34,203,207	96,634,441	55,039,180	13,512,207	199,389,035
Expenses						
Interest expense		6,471,500	16,382,725	12,796,667	1,288,369	36,939,261
Provision for (Reversal of) ECL	8	395,934	15,533,638	3,742,708	(1,074,336)	18,597,944
Operating expenses	8	22,147,566	62,573,595	35,639,461	8,749,545	129,110,167
Total		29,015,000	94,489,958	52,178,836	8,963,578	184,647,372
Net operating income		5,188,207	2,144,483	2,860,344	4,548,629	14,741,663
Income tax expense	19	1,423,887	894,468	919,187	1,187,264	4,424,806
Net Income		3,764,320	1,250,015	1,941,157	3,361,365	10,316,857
Total assets		134,952,844	560,129,078	323,663,351	28,384,433	1,047,129,706
Total liabilities		71,918,904	242,649,291	120,228,981	15,126,597	449,923,773
Other segment information						
Capital expenditures		1,105,010	3,728,224	1,847,278	232,415	6,912,927
Depreciation and amortization	9, 11, 22	P2,321,369	P7,832,135	P3,880,702	P488,251	P14,522,457

	Note	2024				Total
		Rx Cash Line	Business Loans and MFC Factors	Motor Vehicles Financing	Others	
Loans and other receivables - net	5, 8	P100,634,833	P409,168,801	P313,764,781	P34,434,825	P858,003,240
Repossessed assets - net		-	-	107,790,036	-	107,790,036
Results of operation						
Revenue						
Interest income	8	20,212,532	69,843,615	92,034,495	1,567,151	183,657,793
Other income	17, 18	2,313,486	34,821,726	5,859,360	11,187,774	54,182,346
Total		22,526,018	104,665,341	97,893,855	12,754,925	237,840,139
Expenses						
Interest expense		4,195,363	14,496,914	19,102,909	325,282	38,120,468
(Reversal of) Provision for ECL	8	(2,358,405)	15,421,928	2,477,934	3,808,483	19,349,940
Operating expenses	8	14,384,267	57,756,584	79,106,730	4,803,006	156,050,587
Total		16,221,225	87,675,426	100,687,573	8,936,771	213,520,995
Net operating income (loss)		6,304,793	16,989,915	(2,793,718)	3,818,154	24,319,144
Income tax expense	19	1,785,182	5,377,034	598,767	2,095,740	9,856,723
Net income (loss)		4,519,611	11,612,881	(3,392,485)	1,722,414	14,462,421
Total assets		107,751,649	538,951,973	454,424,638	42,446,311	1,143,574,571
Total liabilities		42,258,234	229,298,391	261,954,353	23,258,537	556,769,515
Other segment information						
Capital expenditures		325,075	1,757,026	2,017,790	179,094	4,278,985
Depreciation and amortization	9, 11, 22	P1,261,385	P6,817,763	P7,829,606	P694,936	P16,603,690

### 13. Accounts Payable

This account represents accounts payable to suppliers, both consisting of third parties and related parties, for the motorcycles being refinanced by the Company through loans. These are unsecured and are generally settled within one (1) year. As at December 31, 2025 and 2024, accounts payable amounted to P2.25 million and P11.89 million, respectively.

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#### 14. Accrued Expenses

This account consists of:

	<i>Note</i>	<b>2025</b>	2024
Accrued administrative expenses	5	<b>P3,338,754</b>	P1,265,532
Accrued taxes		<b>3,905,789</b>	6,000,395
Accrued management and professional fees	5	<b>1,281,589</b>	821,168
Accrued interest	5	<b>1,170,085</b>	2,028,930
Accrued rent	5	<b>971,700</b>	2,140,941
Insurance payable	5	<b>743,214</b>	1,744,848
Commissions and outside services	5	<b>583,429</b>	455,033
Others	5	<b>2,367,646</b>	1,499,408
		<b>P14,362,206</b>	P15,956,255

Accrued administrative expenses pertain to salaries and other administrative expenses.

Accrued taxes pertain to expanded withholding tax, withholding tax, documentary stamp tax (DST) and gross receipt tax (GRT).

Accrued management and professional fees pertain to legal fees, audit fees and other external professional services availed by the Company.

Accrued interest pertains to interest expenses on notes payable.

The movements in the accrued interest are as follows:

	<b>2025</b>	2024
At January 1	<b>P2,028,930</b>	P1,524,719
Interest expense	<b>36,699,024</b>	37,215,159
Interest payment	<b>(37,557,869)</b>	(36,710,948)
At December 31	<b>P1,170,085</b>	P2,028,930

Others mainly include accrual on utilities and travel and transportation.

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#### 15. Notes Payable

This account consists of:

	<i>Note</i>	<b>2025</b>	2024
At beginning of year		<b>P510,316,500</b>	P510,874,263
Availments		<b>144,716,375</b>	126,793,767
Payments		<b>(259,953,043)</b>	(127,351,530)
At end of year	5	<b>P395,079,832</b>	P510,316,500

The table below shows the carrying amount of loans payable.

	<b>December 31, 2025</b>		
	<b>Interest Rate</b>	<b>Term (Days)</b>	<b>Carrying Amount</b>
Loans payable to:			
Related parties	7%	211 - 367	P331,192,608
Banks	6.95% - 8.75%	180 - 365	24,137,224
Individuals/corporate	7%	365	39,750,000
			<b>P395,079,832</b>
	<b>December 31, 2024</b>		
	<b>Interest Rate</b>	<b>Term (Days)</b>	<b>Carrying Amount</b>
Loans payable to:			
Related parties	7%	30 - 367	P347,468,886
Banks	8.50% - 9.00%	180 - 1,089	100,898,355
Individuals/corporate	7%	90 - 366	61,949,259
			<b>P510,316,500</b>

Interest rates on notes payable range from 6.95% to 8.75% and 7% to 9% in 2025 and 2024, respectively.

As at December 31, 2025 and 2024, the notes payable to banks are secured by certain motorcycle financing receivables and other various types of receivables (see Note 9). Under the agreements with the bank creditors, the notes payables are subject to Deed of Assignment on summary list of loans receivables, with 50% to 85% loanable value, on a per availment basis.

## **16. Equity**

On July 24, 2025, the BOD and two-thirds (2/3) of stockholders approved the declaration of 0.79% stock dividends in the amount of P2.17 million to stockholders of record as at August 22, 2025 with distribution date not later than September 17, 2025. On the same date, the BOD also approved the declaration and payment of cash dividends amounting to P2.17 million.

On July 25, 2024, the BOD and two-thirds (2/3) of 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 two-thirds (2/3) of 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.

As at December 31, 2025 and 2024, the Company has 276.07 million and 273.90 million common shares issued and outstanding which are owned by 113 shareholders.

The movements in the number of issued shares and capital stock are as follows:

	2025		2024		2023	
	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	<b>273,900,122</b>	<b>P273,900,122</b>	271,961,630	P271,961,630	269,283,709	P269,283,709
Stock dividends	<b>2,169,319</b>	<b>2,169,319</b>	1,938,492	1,938,492	2,677,921	2,677,921
At December 31	<b>276,069,441</b>	<b>P276,069,441</b>	273,900,122	P273,900,122	271,961,630	P271,961,630

### 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:

	2025	2024	2023
Net income for the year	<b>P10,316,857</b>	P14,462,421	P12,923,549
Weighted average number of outstanding common shares (after impact of stock dividend)	<b>276,069,441</b>	273,900,122	271,961,630
Basic and diluted earnings per share	<b>P0.04</b>	P0.05	P0.05

### Retained Earnings

On April 2, 2025, the BOD and stockholders approved the appropriation of retained earnings amounting to P80 million for expansion of corporate office by purchasing office space within three (3) years.

## **17. Service Charges**

This account consists of the following:

	Note	2025	2024
Processing fees		<b>P10,927,369</b>	P7,818,023
Pre-termination fees		<b>2,302,090</b>	1,204,660
Others		<b>8,641</b>	8,945
	12	<b>P13,238,100</b>	P9,031,628

Processing fees refer to fees processing the loan application, including evaluating the borrower's creditworthiness, verifying employment and income, and other related administrative expenses that are charged regardless of whether the loan is approved.

Pre-termination fees refer to penalties charged to borrowers who repay loans before maturity.

Others pertain to the convenience fee charged by the Company.

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## 18. Miscellaneous Income and Expenses

### Miscellaneous Income

This account consists of the following:

	<i>Note</i>	<b>2025</b>	2024
Penalties		<b>P6,268,558</b>	P6,977,880
Unrealized gain on investment properties	10	<b>5,955,225</b>	4,447,700
Gain on investment properties	10	-	21,568,169
Others		<b>(3,551,652)</b>	12,156,969
	12	<b>P8,672,131</b>	P45,150,718

Penalties refer to 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 mainly consist of (loss) gain on sale of property and equipment and repossessed assets (see Notes 9 and 11).

### Miscellaneous Expenses

This account consists of the following:

	<b>2025</b>	2024
Repairs and maintenance	<b>P5,250,852</b>	P13,598,277
Communication	<b>3,068,807</b>	2,539,117
Stationaries and supplies	<b>2,178,374</b>	2,504,148
Others	<b>8,484,500</b>	11,418,173
	<b>P18,982,533</b>	P30,059,715

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

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

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## 19. Income Taxes

The components of income tax expense are as follows:

	<i>Note</i>	<b>2025</b>	2024
<b>Recognized in Profit or Loss</b>			
Current		<b>P9,735,548</b>	P14,438,929
Deferred		<b>(5,310,742)</b>	(4,582,206)
	12	<b>P4,424,806</b>	P9,856,723
<b>Recognized in Other Comprehensive Income (OCI)</b>			
Deferred		<b>P751,142</b>	P460,514

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

	<b>2025</b>	2024
Income before income tax expense	<b>P14,741,663</b>	P24,319,144
Income tax expense at statutory income tax rate (25%)	<b>P3,685,416</b>	P6,079,786
Adjustments for:		
Interest income subjected to final tax	<b>(2,327)</b>	(4,748)
Impact of PFRS 16	<b>740,808</b>	3,780,385
Non-deductible interest expense	<b>909</b>	1,300
Effective income tax expense	<b>P4,424,806</b>	P9,856,723

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

	<b>2025</b>	2024
Deferred tax assets		
Allowance for credit losses	<b>P39,983,067</b>	P35,333,581
Allowance of repossessed assets write-down	<b>9,838,742</b>	9,268,326
Accrued expenses	<b>3,590,551</b>	3,989,064
Retirement expense	<b>3,360,518</b>	2,528,288
Impairment loss on investment properties	<b>484,283</b>	484,283
PFRS 16	<b>2,394,443</b>	1,248,513
	<b>59,651,604</b>	52,852,055
Deferred tax liabilities:		
Remeasurement gain on defined benefit obligation	<b>3,548,176</b>	2,797,033
Fair value increase in investment properties	<b>14,106,207</b>	12,617,401
	<b>17,654,383</b>	15,414,434
Deferred tax assets - net	<b>P41,997,221</b>	P37,437,621

Movements in deferred tax assets are as follows:

	<b>2025</b>	2024
Beginning of the year	<b>P37,437,621</b>	P41,559,313
Amounts charged to profit or loss	<b>5,310,742</b>	(4,582,206)
Amounts charged to OCI	<b>(751,142)</b>	460,514
End of the year	<b>P41,997,221</b>	P37,437,621

## 20. 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.

The following table shows reconciliation from the opening balances to the closing balances for net pension liability and its components.

	Retirement Liability		Fair Value of Plan Assets		Net Retirement Liability	
	2025	2024	2025	2024	2025	2024
Balance at January 1	<b>P17,326,085</b>	P17,524,485	<b>(P7,212,933)</b>	(P7,299,197)	<b>P10,113,152</b>	P10,225,288
<b>Included in Profit or Loss</b>						
Current service cost	<b>2,674,287</b>	2,454,463	-	-	<b>2,674,287</b>	2,454,463
Interest cost (income)	<b>1,053,426</b>	1,079,508	<b>(398,794)</b>	(440,934)	<b>654,632</b>	638,574
	<b>3,727,713</b>	3,533,971	<b>(398,794)</b>	(440,934)	<b>3,328,919</b>	3,093,037
<b>Included in OCI</b>						
Remeasurements losses (gains):						
Actuarial loss arising from:						
Return on plan assets, excluding interest income	-	-	<b>103,591</b>	244,844	<b>103,591</b>	244,844
Experience adjustment	<b>(2,348,849)</b>	(3,639,985)	-	-	<b>(2,348,849)</b>	(3,639,985)
Financial assumption	<b>(759,311)</b>	189,968	-	-	<b>(759,311)</b>	189,968
	<b>(3,108,160)</b>	(3,450,017)	<b>103,591</b>	244,844	<b>(3,004,569)</b>	(3,205,173)
<b>Others</b>						
Benefit paid	<b>(1,307,629)</b>	(282,354)	<b>1,307,629</b>	282,354	-	-
<b>Balance at December 31</b>	<b>P16,638,009</b>	P17,326,085	<b>(P6,200,507)</b>	(P7,212,933)	<b>P10,437,502</b>	P10,113,152

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

	2025	2024
Cash and cash equivalents	<b>P1,373,445</b>	P677,481
Financial assets at fair value through profit or loss - fixed income	<b>4,850,682</b>	6,507,591
Accrued other receivables	-	31,392
Withholding Tax Payable	<b>(6,602)</b>	(3,531)
Trust fee payable	<b>(17,018)</b>	-
	<b>P6,200,507</b>	P7,212,933

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

	2025	2024
Discount rate	<b>6.41%</b>	6.08%
Future salary increases	<b>5.00%</b>	5.00%
Average remaining working life (in years)	<b>23</b>	23

#### 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:

	<b>Impact on Retirement Benefit Obligation</b>		
	<b>Change in Basis Points</b>	<b>Increase in Assumption</b>	<b>Decrease in Assumption</b>
<b>December 31, 2025</b>			
Discount rate	<b>100 basis points</b>	<b>(P2,033,625)</b>	<b>P2,456,970</b>
Salary growth rate	<b>100 basis points</b>	<b>2,467,425</b>	<b>(2,076,439)</b>
<b>December 31, 2024</b>			
Discount rate	100 basis points	(2,179,753)	2,641,030
Salary Growth Rate	100 basis points	P2,643,215	(P2,219,319)

There are no expected contributions to the plan for the year ending December 31, 2026.

#### Maturity profile

<b>Year</b>	<b>Benefits</b>
1 - 5 years	P4,896,945
6 - 10 years	11,127,570
	<b>P16,024,515</b>

#### Asset-Liability Matching (ALM)

The Company has no specific matching strategy for retirement. The Company is not required to pre-fund the future defined benefits payable under retirement plan before they become due. For this reason, the amount and timing of contributions depends on the Company's discretion. However, in the event a benefit claim arises, the Company will pay the obligation.

## **21. Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. The Company's related parties include:

- key management personnel (KMP), close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family member;
- entities under common control.

The summary of significant transactions with the related parties is as follows:

		2025			
		Outstanding Balances			
Category/Transaction	Ref	Amount of Transaction	Due from Related Parties	Due to Related Parties (Note 13, 15)	Terms and Conditions
<i>Amalgamated Investment Bancorporation</i>					
Miscellaneous receivables	A	P181,521	P181,521	P -	Unsecured; interest-bearing; 1-year or less term
Notes payable	15, B	-	-	283,258,461	Unsecured; interest-bearing; 1-year or less term
Availments		89,000,000	-	-	
Settlements		97,841,714	-	-	
Accrued Interest Payable	B	1,078,676	-	1,078,676	
Interest expense	B	24,571,444	-	-	
<i>Entities under Common Control</i>					
<i>Motor Ace Philippines, Inc.</i>					
Loans Receivable	F	-	1,641,360	-	Unsecured; interest-bearing; 5-year term
Availments		-	-	-	
Settlements		1,603,934	-	-	
Miscellaneous receivables	A	-	328,078	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Accounts payable - supplier	C	-	-	-	
Availments		-	-	-	
Settlements		8,661,616	-	-	
Accounts payable	13, E	-	-	2,249,181	Unsecured, noninterest-bearing, within 30 days
Availments		2,291,361	-	-	
Settlements		288,005	-	-	
<i>MAPI Lending Investors, Inc.</i>					
Miscellaneous receivables	A	-	1,477,772	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Accounts payable	E	-	-	-	
Availments		1,230,180	-	-	
Settlements		1,316,723	-	-	
<i>HMW Lending Investors, Inc.</i>					
Loans Receivable	F	-	344,424	-	Unsecured; interest-bearing; 5-year term
Availments		-	-	-	
Settlements		688,848	-	-	
<i>Honda Motor World, Inc.</i>					
Loans receivable		-	-	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Miscellaneous receivables	A	-	177,714	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Accounts payable - supplier	C	-	-	-	
Availments		858,723	-	-	
Settlements		1,702,013	-	-	
Accounts payable	E	-	-	-	
Availments		-	-	-	
Settlements		320,109	-	-	
<i>Pikeville Bancshares</i>					
Accrued expense	D	-	-	78,064	Unsecured; noninterest bearing
Professional fees	D	1,102,080	-	-	
<i>Cebu Maxi Management Corp.</i>					
Professional fees	D	500,000	-	-	
<i>MERG Realty Development Corp.</i>					
Miscellaneous receivables	A	-	18,057	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Notes payable	15, B	-	-	38,363,467	Unsecured; interest-bearing; 1-year or less term
Availments		1,909,251	-	-	
Settlements		-	-	-	
Interest expense	B	2,587,237	-	-	
<i>Dream Honda Inc.</i>					
Accounts payable - Supplier	C	-	-	-	
Availments		3,356	-	-	
Settlements		1,736,511	-	-	
<i>Directors and Other Stockholders</i>					
Notes payable	15, B	-	-	9,570,679	Unsecured; interest-bearing; 1-year or less term
Availments		2,753,231	-	-	
Settlements		12,097,047	-	-	
Interest expense	B	858,302	-	-	
<i>KMP</i>					
Short-term employee benefits	G	30,784,332	-	-	
<b>TOTAL</b>			<b>P4,168,926</b>	<b>P334,598,528</b>	

2024					
Outstanding Balances					
Category/Transaction	Note	Amount of Transaction	Due from Related Parties	Due to Related Parties (Notes 13, 15)	Terms and Conditions
<i>Amalgamated Investment Bancorporation</i>					
Miscellaneous receivables	A	P -	P181,521	P -	Unsecured; interest-bearing; 1-year or less term
Notes payable	15, B	-	-	292,100,175	Unsecured; interest-bearing; 1-year or less term
Availments		-	-	-	
Settlements		11,499,825	-	-	
Accrued Interest Payable	B	-	-	1,363,864	
Interest expense	B	20,915,252	-	-	
<i>Entities under Common Control</i>					
<i>Motor Ace Philippines, Inc.</i>					
Loans Receivable	F	-	3,245,294	-	Unsecured; interest-bearing; 5-year term
Availments		-	-	-	
Settlements		6,528,646	-	-	
Miscellaneous receivables	A	-	328,078	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Accounts payable -Supplier	13, C	-	-	8,661,616	Unsecured, noninterest-bearing, within 30 days
Availments		96,667,399	-	-	
Settlements		102,857,593	-	-	
Accounts payable	13, E	-	-	245,825	Unsecured, noninterest-bearing, within 30 days
Availments		926,781	-	-	
Settlements		960,414	-	-	
<i>MAPI Lending Investors, Inc.</i>					
Miscellaneous receivables	A	-	1,477,772	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Accounts payable	13, E	-	-	86,543	Unsecured, noninterest-bearing, within 30 days
Availments		11,284,043	-	-	
Settlements		11,275,979	-	-	
<i>HMW Lending Investors, Inc.</i>					
Loans Receivable	F	-	1,033,272	-	Unsecured; interest-bearing; 5-year term
Availments		-	-	-	
Settlements		688,848	-	-	
<i>Honda Motor World, Inc.</i>					
Loans receivable	A	-	-	-	
Availments		-	-	-	
Settlements		-	-	-	
Miscellaneous receivables	A	-	177,714	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Accounts payable - supplier	13, C	-	-	843,290	Unsecured, noninterest-bearing; within 30 days
Availments		30,895,718	-	-	
Settlements		37,639,220	-	-	
Accounts payable	13, E	-	-	320,109	Unsecured, noninterest-bearing, within 30 days
Availments		1,479,031	-	-	
Settlements		1,327,123	-	-	
<i>Pikeville Bancshares</i>					
Accrued expense	D	-	-	156,128	Unsecured; noninterest bearing; less than 1 year term
Professional fees	D	1,102,080	-	-	
<i>Cebu Maxi Management Corp.</i>					
Professional fees	D	500,000	-	-	
<i>MERG Realty Development Corp.</i>					
Miscellaneous receivables	A	-	18,057	-	Unsecured, interest-bearing; less than 1 year term
Availments		-	-	-	
Settlements		-	-	-	
Notes payable	15, B	-	-	36,454,216	Unsecured; interest-bearing; 1-year or less term
Availments		2,079,391	-	-	
Settlements		-	-	-	
Interest expense	B	2,446,342	-	-	
<i>Dream Honda Inc.</i>					
Accounts payable - Supplier	13, C	-	-	1,733,155	Unsecured; interest-bearing; 1-year or less term
Availments		6,825,432	-	-	
Settlements		5,092,277	-	-	
<i>Directors and Other Stockholders</i>					
Notes payable	15, B	-	-	18,914,495	Unsecured; interest-bearing; 1-year or less term
Availments		4,122,461	-	-	
Settlements		7,016,728	-	-	
Interest expense	B	1,246,559	-	-	
<i>KMP</i>					
Short-term employee benefits	G	13,790,643	-	-	
<b>TOTAL</b>			<b>P6,461,708</b>	<b>P360,879,416</b>	

A. This includes various receivables from Amalgamated Investment Bancorporation and other related parties under common control pertaining to availment of comprehensive insurance and other claims for reimbursement.

- B. As at December 31, 2025 and 2024, notes payable and accrued interest payable arising from borrowings from directors/stockholders amounted to P332.27 million and P348.83 million, respectively. Interest expense from these borrowings amounted to P28.01 million and P24.61 million in 2025 and 2024, respectively.
- C. Accounts payable represents billings for motorcycle units sold by the related parties that are financed by the Company.
- D. This represents the management consultancy availed by the Company.
- E. Various accounts payable from the trading partner represent the purchase of repossessed motorcycle spare parts and the switching of collections. These are generally payable within thirty (30) days.
- F. These represent car loan financing and business loans availed by the Company's trading partners.
- G. The compensation of KMP consists of short-term employee benefits such as salaries or management fees, bonuses and other non-monetary benefits.

All outstanding related party balances and transactions are generally settled in cash.

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## 22. 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 profit or loss and other comprehensive income (loss) incurred in 2025 and 2024 amounted to P0.03 million and P0.94 million, respectively.

Security deposits arising from these lease agreements amount to P4.65 million and P4.73 million as at December 31, 2025 and 2024, respectively (Note 11).

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

	<b>Note</b>	<b>2025</b>	<b>2024</b>
Less than one year	5	<b>P9,047,064</b>	P4,059,435
Between one and five years	5	<b>18,000,318</b>	1,042,105
		<b>P27,047,382</b>	P5,101,540

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

	<b>Note</b>	<b>2025</b>	2024
As at January 1		<b>P4,994,052</b>	P19,415,429
Additions		<b>30,302,964</b>	-
Interest expense	12	<b>240,237</b>	905,309
Payments		<b>(10,475,279)</b>	(15,326,686)
As at December 31		<b>P25,061,974</b>	P4,994,052

#### Right-of-use Assets

	<b>Note</b>	<b>2025</b>	2024
<b>Cost</b>			
Balance at beginning of year		<b>P25,654,065</b>	P44,518,105
Additions		<b>30,302,964</b>	-
Pre-terminated		-	(18,864,040)
<b>Balance at end of year</b>		<b>55,957,029</b>	25,654,065
<b>Accumulated Depreciation</b>			
Balance at beginning of year		<b>21,107,448</b>	27,986,296
Depreciation for the year	12	<b>9,847,681</b>	13,450,197
Pre-terminated		-	(20,329,045)
<b>Balance at end of year</b>		<b>30,955,129</b>	21,107,448
<b>Carrying Amount</b>		<b>P25,001,900</b>	P4,546,617

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 under 'Miscellaneous income' account in the statement of profit or loss and other comprehensive income (loss).

The following are the amounts recognized in the statement of profit of loss and other comprehensive income (loss):

	<b>2025</b>	2024
Depreciation expense of right-of-use assets	<b>P9,847,681</b>	P13,450,197
Interest expense on lease liability	<b>240,237</b>	905,309
Expenses relating to short-term lease included in occupancy costs	<b>25,492</b>	941,841
Gain on lease termination	-	(1,880,589)
	<b>P10,113,410</b>	P13,416,758

Amounts recognized in statement of cash flows:

	<b>2025</b>	2024
Payment of principal portion of lease liabilities	<b>P10,475,279</b>	P15,326,686
Payment of interest portion of lease liabilities	<b>240,237</b>	905,309
Payment for short-term lease	<b>25,492</b>	941,841
	<b>P10,741,008</b>	P17,173,836

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## 23. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

### Adoption of Amendments to a Standard

The Company has adopted the following amendments to a standard starting January 1, 2025 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Company's financial statements.

- Lack of Exchangeability (Amendments to Philippine Accounting Standard (PAS) 21, *The Effects of Changes in Foreign Exchange Rates*)

The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

### 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.

### Financial Assets

The Company classifies its financial assets in the following measurement categories: (a) at fair value through profit or loss (FVTPL), (b) at fair value through other comprehensive income (FVOCI) and (c) 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 classified all its financial assets at amortized costs.

#### 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 (EIR) method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income. Impairment losses are presented as provision for credit losses in the statement of profit or loss and other comprehensive income (loss).

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

#### *Initial Recognition and Subsequent Measurement*

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

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

#### *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 judgments 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 noncredit impaired financial assets:

- Stage 1 is comprised of all nonimpaired 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 nonimpaired 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 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 EIR. 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, either over the next 12 months or over the remaining life 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 or over the remaining life.
- 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 EIR 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 2025 and 2024.

#### Write-off

Financial assets are written off either partially or in their entirety when the Company no longer expects collections or recoveries within a foreseeable future.

If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the carrying amount. Any subsequent recoveries are accounted for as part of 'Miscellaneous income' account under the statement of profit or loss and other comprehensive income (loss).

### *Derecognition*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

### Financial Liabilities

#### *Initial Recognition and Subsequent Measurement*

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 EIR method.

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). They are included in current liabilities, except for maturities greater than twelve (12) months after the reporting date, which are classified as noncurrent liabilities.

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

### *Derecognition*

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

### Offsetting of Financial Instruments

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

### 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 Instruments*

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.

#### *Nonfinancial Instruments*

The fair value of a nonfinancial 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).

#### Property and Equipment

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 a cost less accumulated depreciation 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.

#### Repossessed Assets

Repossessed assets primarily consist of foreclosed motor vehicles and considered as assets 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 remeasurement of the repossessed asset, the Company recognizes an impairment loss within other expense in the statement of profit or loss and other comprehensive income (loss) for any initial or subsequent write-down to fair value less cost to sell. Repossessed assets are not depreciated while it is classified as held for sale.

Repossessed assets 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 the statement of profit or loss and other comprehensive income (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.

#### 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 they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. 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 of ending of construction or development.

#### Impairment of Nonfinancial Assets

The Company assesses at each end of the reporting period whether there is an indication that its nonfinancial 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. Nonfinancial assets that are impaired are reviewed for possible reversal of impairment at each reporting date.

#### Equity

The Company's equity consists of its capital stock, additional paid-in capital, retained earnings and remeasurement gain on retirement benefit obligation.

#### *Capital Stock and Additional Paid-in Capital*

Capital stock is measured at par value for all shares issued and outstanding. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to 'Additional paid-in capital' account in the statement of financial position. Direct costs incurred related to equity issuance such as underwriting, accounting and legal fees, printing costs and taxes are charged to 'Additional paid-in capital' account. If the additional paid-in capital is not sufficient, the excess is charged against retained earnings.

### *Retained Earnings*

Retained earnings represent accumulated earnings of the Company less dividends declared, if any.

Appropriated retained earnings represent the Company's accumulated earnings which are not available for distribution to shareholders as dividends since it is appropriated for expansion of corporate office by purchasing office space.

### *Remeasurement Gains on Retirement Benefit Obligation*

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period which they arise. Remeasurements are not reclassified to profit or loss in subsequent years.

### *Earnings per Share (EPS)*

Basic EPS is calculated by dividing net income for the year attributable to the common shareholders 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.

### Revenue Recognition

Revenue is measured based on the consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (transaction price). The Company recognized revenue when it transfers control over a good or service to a customer.

### *Determining Whether the Company is Acting as Principal or an Agent*

The Company assesses its revenue arrangements against the following criteria to determine whether it is acting as a principal or an agent:

- whether the Company has primary responsibility for providing the services; and
- whether the Company has discretion in establishing prices.

The Company has determined it is acting as principal relative to 'Interest income' and 'Service charges' under 'Other income' in the statement of profit or loss and other comprehensive income (loss).

The following specific recognition criteria must also be met before revenue is recognized:

### *Interest Income*

Interest income is recognized in the statement of profit or loss and other comprehensive income (loss) for all interest-bearing financial instrument using the EIR method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The EIR 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 EIR, 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 EIR, transaction costs and all other premiums or discounts.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

#### *Amortized Cost and Gross Carrying Amount*

The “amortized cost” of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method or any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss or impairment allowance.

The “gross carrying amount of a financial asset” is the amortized cost of a financial asset before adjustment for any expected credit loss allowance.

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 EIR is applied to the gross carrying amount less the allowance for ECL.

#### *Calculation of Interest Income and Expense*

The EIR of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The EIR is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the EIR to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted EIR to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

#### *Service Charges*

Service charges that are integral to the EIR of a financial asset are included in the measurement of the EIR.

A contract with a customer that results in a recognized financial instrument in the Company’s financial statements may be partially in the scope of PFRS 9, *Financial Instruments* and partially in the scope of PFRS 15. If this is the case, then the Company first applies PFRS 9 to separate and measure the part of the contract that is in the scope of PFRS 9 and then applies PFRS 15 to the residual.

Service charge is recognized in profit or loss at point in time when the Company provides the services to the customers.

### Expense Recognition

Expense is recognized when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase in liability has occurred and the decrease in economic benefits can be measured reliably. Revenues and expenses that relate to the same transaction or other event are recognized simultaneously.

### *Interest Expense*

Interest expense for all interest-bearing financial liabilities is recognized under 'Interest expense' account in the statement of profit or loss and other comprehensive income (loss) using the EIR of the financial liabilities to which they relate to.

### *Taxes and Licenses*

Taxes and licenses represent the Company's statutory expenses due to the regulatory authorities. These are charged to profit or loss when incurred.

### Employee Benefits

#### *Short term Benefits*

The Company recognizes a liability net of amounts already paid and an expense for service rendered by employees during the accounting period that are expected to be settled wholly before twelve (12) months after the end of the reporting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the relative service is provided.

#### *Retirement Benefits*

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

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

Benefit costs comprise the following:

- service cost
- net interest on the benefit liability or asset
- remeasurements of net benefit liability or asset

Service costs, which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in the statement of profit or loss and other comprehensive income (loss). Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not classified to profit or loss in subsequent periods.

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

## Leases

### *The Company as a Lessee*

The Company considers whether a contract is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's IBR. Generally, the Company uses its IBR discount rate.

The Company determines its IBR by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Extension and Termination Options and Pre-Termination*

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.

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.

#### *Short-term Leases*

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Income Taxes

Income taxes comprise current and deferred taxes. Income taxes are determined in accordance with Philippine laws. Income taxes are recognized in the statement of profit or loss and other comprehensive income (loss) except to the extent that they relate to items recognized directly in equity, in which case they are recognized respectively therein.

#### *Current Income Tax*

Current income tax is the expected tax payable on the taxable income for the year using the tax rates enacted at the reporting date, which reflects uncertainty related to income taxes, if any.

### *Deferred Income Tax*

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

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

The carrying amount of deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

### Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

### Contingencies

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

### Events After the Reporting Date

Post yearend events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements when material. Post yearend events that are not adjusting events are disclosed in the notes to the financial statements when material.

#### New Standard and Amendments to Standards Issued but Not Yet Adopted

A new standard and amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Company has not early adopted the following new or amended standards in preparing these financial statements. Except as otherwise indicated, none of these are expected to have a significant impact on the Company's financial statements.

#### *Effective January 1, 2026*

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7, Financial Instruments: Disclosures).*

The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

*Date of Recognition and Derecognition.* The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis.

*Classification of Financial Assets.* The amendments related to classification of financial assets introduced an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

*Contractually Linked Instruments and Non-recourse Features.* The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of PFRS 9.

*Disclosures on Investments in Equity Instruments.* The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in OCI. The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

The Company is still in the process of assessing the impact of the amendments, particularly with respect to the clarification on date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features and disclosures on investments in equity instruments.

Effective January 1, 2027

- *PFRS 18, Presentation and Disclosure in Financial Statements*

This standard will replace PAS 1, *Presentation of Financial Statements* and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

- *A more Structured Income Statement.* PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories - operating, investing, and financing - based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.
- *Management-defined Performance Measures.* PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.
- *Greater Disaggregation of Information.* PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

PFRS 18 also now requires goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to PAS 7, *Statement of Cash Flows* requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of income, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labeled as 'other'.

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#### **24. Prior Period Reclassifications**

In 2025, the Company identified certain presentation misclassifications in the statements of cash flows for the years ended December 31, 2024 and 2023. Accordingly, the comparative information has been reclassified to conform with the current year presentation.

Specifically:

- Cash flows from the sale of investment properties amounting to P80,776,021 were previously presented under operating activities but should have been classified under investing activities.
- Gains on the sale of investment properties amounting to P21,568,169 were not presented as adjustments to income before income tax within operating activities.
- Interest payments on notes payable were not separately presented within operating activities, as required by PAS 7.

The effects of these reclassifications on the statements of cash flows for the years ended December 31, 2024 and 2023 are summarized below.

Summary of Quantitative Impact

December 31, 2024	As Previously Reported	Effect of Reclassifications	As Reclassified
Statement of Cash Flows			
Adjustments for Income Before Income Tax Expense			
Gain from sale of investment properties	P -	(P21,568,169)	(P21,568,169)
Changes in:			
Accrued expenses	(5,567,567)	36,710,948	31,143,381
Interest paid	-	(36,710,948)	(36,710,948)
Net cash flows used in operating activities	(40,341,995)	(21,568,169)	(61,910,164)
Acquisitions of:			
Investment properties	59,096,277	(59,207,852)	(111,575)
Proceeds from disposal of:			
Investment properties	-	80,776,021	80,776,021
Net cash provided by investing activities	54,141,050	21,568,169	75,709,219
December 31, 2023	As Previously Reported	Effect of Reclassifications	As Reclassified
Statement of Cash Flows			
Cash generated from operating activities			
Interest paid	(P36,625,146)	P33,241,573	(P3,383,573)
Net cash flows used in operating activities	-	(33,241,573)	(33,241,573)
	(40,103,305)	-	(40,103,305)

These reclassifications have no material effect on the Company's income tax computation nor on the statements of financial position, statements of profit or loss and other comprehensive income (loss), and statements of changes in equity as at and for the years ended December 31, 2024 and 2023.

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**25. Other Matter**

The ongoing conflict and instability in parts of the Middle East, which started in February 2026, have introduced uncertainty and may indirectly affect the Company's financial results through disruptions in global supply chains, volatility in global financial markets (including equity, foreign exchange, and interest rate markets), inflationary pressures across industries, and broader economic uncertainty.

Although these developments have not had a material impact on Company's business to date, their scale and duration remain uncertain. Accordingly, it is not possible to estimate the potential impact in the near or long term. The Company will continue to monitor these developments.

**26. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 of the Bureau of Internal Revenue (BIR)**

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS Accounting Standards.

The following is the information required for the taxable year ended December 31, 2025:

**Based on RR No. 15-2010**

**A. Value Added Tax**

The Company is registered as a percentage taxpayer.

**B. Withholding Taxes**

	<b>Amount</b>
Expanded withholding tax	<b>P6,857,686</b>
Withholding tax on compensation	<b>2,356,719</b>
Final withholding tax	<b>46,491</b>
	<b>P9,260,896</b>

Outstanding amounts of withholding taxes are included in 'Accrued expenses' in the statement of financial position.

**C. Taxes and Licenses**

Taxes and licenses, local and national, including licenses and permits and fees for 2025 are reported in 'Taxes and licenses' in the statement of profit or loss and other comprehensive income (loss). Portion of DST was capitalized under notes payable.

	<b>Amount</b>
GRT	<b>P9,668,953</b>
DST	<b>1,528,313</b>
DST on stock dividends	<b>21,693</b>
License and permit fees	<b>1,072,991</b>
	<b>P12,291,950</b>

**D. Tax Assessments and Cases**

There are no outstanding tax assessment and/or tax cases under preliminary investigation, litigation and/or prosecution as at December 31, 2025.

As of December 31, 2025, the BIR has issued a suspension of all ongoing field audits such as Letter of Authority and Memorandum Order issuance, examination and verification of taxpayer's books of accounts, records and other related transactions under Revenue Memorandum Circular No. 107-2025.

**Based on RR No. 34-2020**

In relation to Section 4 of BIR RR No. 34-2020, the Company is not covered by the prescribed requirements and procedures for the submission of BIR Form No. 1709, *Information Return on Related Party Transactions, Transfer Pricing Documentation* and other supporting documents.

## EXHIBIT I

### RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025

#### MAKATI FINANCE CORPORATION

3rd Floor Mazda Makati Building, 2301 Chino Roces Avenue  
Barangay Magallanes, Makati City

<b>Unappropriated Retained Earnings, beginning of the reporting period</b>		<b>P114,238,331</b>
<b>Add: <u>Category A</u>: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
<b>Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	4,338,726	
Retained Earnings appropriated during the reporting period	80,000,000	
Effects of restatements or prior-period adjustments	-	
Others (describe nature)	-	<b>(84,338,726)</b>
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>29,899,605</b>
<b>Add/Less: Net Income (loss) for the current year</b>		<b>10,316,857</b>
<b>Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	(4,466,419)	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
<b>Sub-total</b>		<b>(4,466,419)</b>

Forward

<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	P -
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of Investment Property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	P -
<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)</b>	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
Sub-total	-
<b>Adjusted Net Income/Loss</b>	<b>5,850,438</b>
<b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>	
Depreciation on revaluation increment (after tax)	-
Sub-total	-

Forward

<b>Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP</b>	
Amortization of the effect of reporting relief	P -
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	<b>P -</b>
<b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution</b>	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(6,048,406)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature)	-
Sub-total	<b>(6,048,406)</b>
<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<b>P29,701,637</b>

## EXHIBIT II

### SCHEDULE SHOWING FINANCIAL SOUNDNESS PURSUANT TO SRC RULE 68, AS AMENDED DECEMBER 31, 2025

	2025	2024
<b>SOLVENCY AND LIQUIDITY RATIOS</b>		
Current ratio	151.05%	122.28%
Debt to equity ratio	75.34%	94.88%
Quick ratio	126.43%	101.60%
<b>PROFITABILITY RATIOS</b>		
Return on assets	0.94%	1.26%
Return on equity	1.74%	2.50%
Net profit margin	6.35%	7.24%
<b>ASSET TO EQUITY RATIO</b>	175.34%	194.88%
<b>INTEREST RATE COVERAGE RATIO</b>	1.40	1.64

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/Average Total Assets
- Return on Equity = Net Income After Tax/Average Total Equity
- Net Profit Margin = Net Income After Tax/Total Income
- Asset to Equity Ratio = Total Assets/Total Equity
- Interest Rate Coverage Ratio = Earnings Before Interest and Taxes/Interest Expense

**EXHIBIT III**

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**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-F  
PURSUANT TO SRC RULE 68, AS AMENDED  
DECEMBER 31, 2025**

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	<b>2025</b>	<b>2024</b>
<b>Ratio or percentage of total real estate investments to total assets</b>	<b>10.01%</b>	8.63%
<b>Total receivables to total assets</b>	<b>70.11%</b>	75.03%
<b>Total DOSRI receivables to net worth</b>	<b>0.42%</b>	0.58%
Amount of receivables from a single corporation to total receivables:		
Amalgamated Investment Bancorporation (AIB)	<b>0.03%</b>	0.02%
Motor Ace Philippines, Inc. (MAPI)	<b>0.04%</b>	0.04%
Honda Motor World, Inc. (HMWI)	<b>0.02%</b>	0.02%
MAPI Lending Investors, Inc. (MAPILI)	<b>0.20%</b>	0.17%
HMW Lending Investors, Inc. (HMWLI)	<b>0.05%</b>	0.14%

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**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
Web hosting upgrade	23,187	-	23,187	-	-	-
Central Device Encryption - 10Users @ 2780.00	1,881	-	1,881	-	-	-
Sophos Central Intercept X Advanced with EDR	65,450	-	65,450	-	-	-
Sophos Central Intercept X Advanced for Server	1,572	-	1,572	-	-	-
20PCS GV 25 Tracking Device	24,200	-	17,600	-	-	6,600
71 units for dual network sim for GPS trucking	2	-	1	-	-	1
Hostgator, webhosting, web backup/security - makatifinance.ph	1	-	1	-	-	-
QNE Maintenance	12,667	-	12,667	-	-	-
Supply and Delivery of SOPHOS Antivirus Renewal	217,750	-	134,000	-	-	83,750
GPS Installation warehouse truck	1	-	-	-	-	1
Renewal of Makatifinance.ph domain	2,853	-	2,851	-	-	2
16 pcs. Microsoft Office Software 2021	100,800	-	33,600	-	-	67,200
Sophos XGS 2100 Xstream + Email and Web Server - 3 years	690,667	-	198,963	-	-	491,704
SYNC Renewal	9,800	-	7,840	-	-	1,960
Renewal of Sitelock Essentials and Codeguard Basic	6,395	-	5,116	-	-	1,279
Google Workspace Monthly Renewal	20,429	-	13,006	-	-	7,423
Canva PRO Team Subscription	6,747	7,041	4,987	-	-	8,801

Forward

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other charges additions (deduction)	Ending balance
Hostgator.Com, LLC -Google Workspace	22,325	-	11,163	-	-	11,162
Sophos Antivirus Endpoint and Encryption Renewal	-	799,563	266,521	-	-	533,042
Zoom Workplace Pro	-	9,649	4,824	-	-	4,825
Web Hosting	-	53,724	26,862	-	-	26,862
9EM-00513 Win Server Standard Core	-	128,000	14,222	-	-	113,778
5pcs R18-01848 Win Server CAL	-	314,925	34,992	-	-	279,933
Sync.Com (Pro Teams Advances)	-	32,130	2,677	-	-	29,453
<b>TOTAL</b>	<b>1,206,727</b>	<b>1,345,032</b>	<b>883,983</b>	<b>-</b>	<b>-</b>	<b>1,667,776</b>

**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	78,458,331	78,458,331	-	78,458,331	-	-
COMMON	72,971,032	72,971,032	-	72,971,032	-	-
COMMON	58,057,835	58,057,835	-	58,057,835	-	-
COMMON	10,268,795	10,268,795	-	-	-	10,268,795
COMMON	9,762,345	9,762,345	-	9,762,345	-	-
COMMON	9,134,648	9,134,648	-	-	9,134,648	-
COMMON	7,699,205	7,699,205	-	-	-	7,699,205
COMMON	6,910,055	6,910,055	-	-	-	6,910,055
COMMON	6,579,102	6,579,102	-	-	-	6,579,102
COMMON	6,316,234	6,316,234	-	-	-	6,316,234
COMMON	2,781,027	2,781,027	-	-	2,781,027	-
COMMON	1,051,214	1,051,214	-	-	-	1,051,214
COMMON	819,743	819,743	-	-	-	819,743
COMMON	558,140	558,140	-	-	-	558,140
COMMON	536,933	536,933	-	-	-	536,933
COMMON	477,024	477,024	-	477,024	-	-
COMMON	328,915	328,915	-	-	-	328,915
COMMON	328,915	328,915	-	-	-	328,915

Forward

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	328,915	328,915	-	-	-	328,915
COMMON	328,915	328,915	-	-	-	328,915
COMMON	328,915	328,915	-	-	-	328,915
COMMON	328,915	328,915	-	-	-	328,915
COMMON	328,915	328,915	-	-	-	328,915
COMMON	315,778	315,778	-	-	-	315,778
COMMON	198,603	198,603	-	-	-	198,603
COMMON	115,412	115,412	-	-	38,469	76,943
COMMON	63,709	63,709	-	-	-	63,709
COMMON	39,997	39,997	-	-	-	39,997
COMMON	37,315	37,315	-	-	-	37,315
COMMON	36,026	36,026	-	-	-	36,026
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399

Forward

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	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,399	27,399	-	-	-	27,399
COMMON	27,398	27,398	-	-	-	27,398
COMMON	25,946	25,946	-	-	8,645	17,301
COMMON	25,514	25,514	-	-	-	25,514
COMMON	22,188	22,188	-	-	-	22,188
COMMON	20,967	20,967	-	-	-	20,967
COMMON	19,587	19,587	-	-	-	19,587
COMMON	19,013	19,013	-	-	-	19,013
COMMON	17,821	17,821	-	-	-	17,821
COMMON	10,884	10,884	-	-	-	10,884
COMMON	9,304	9,304	-	-	-	9,304
COMMON	7,933	7,933	-	-	-	7,933
COMMON	7,895	7,895	-	-	-	7,895
COMMON	7,807	7,807	-	-	-	7,807
COMMON	6,091	6,091	-	-	-	6,091
COMMON	3,013	3,013	-	-	-	3,013
COMMON	2,588	2,588	-	-	-	2,588

Forward

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	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	2588	-
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,588	2,588	-	-	-	2,588
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587

Forward

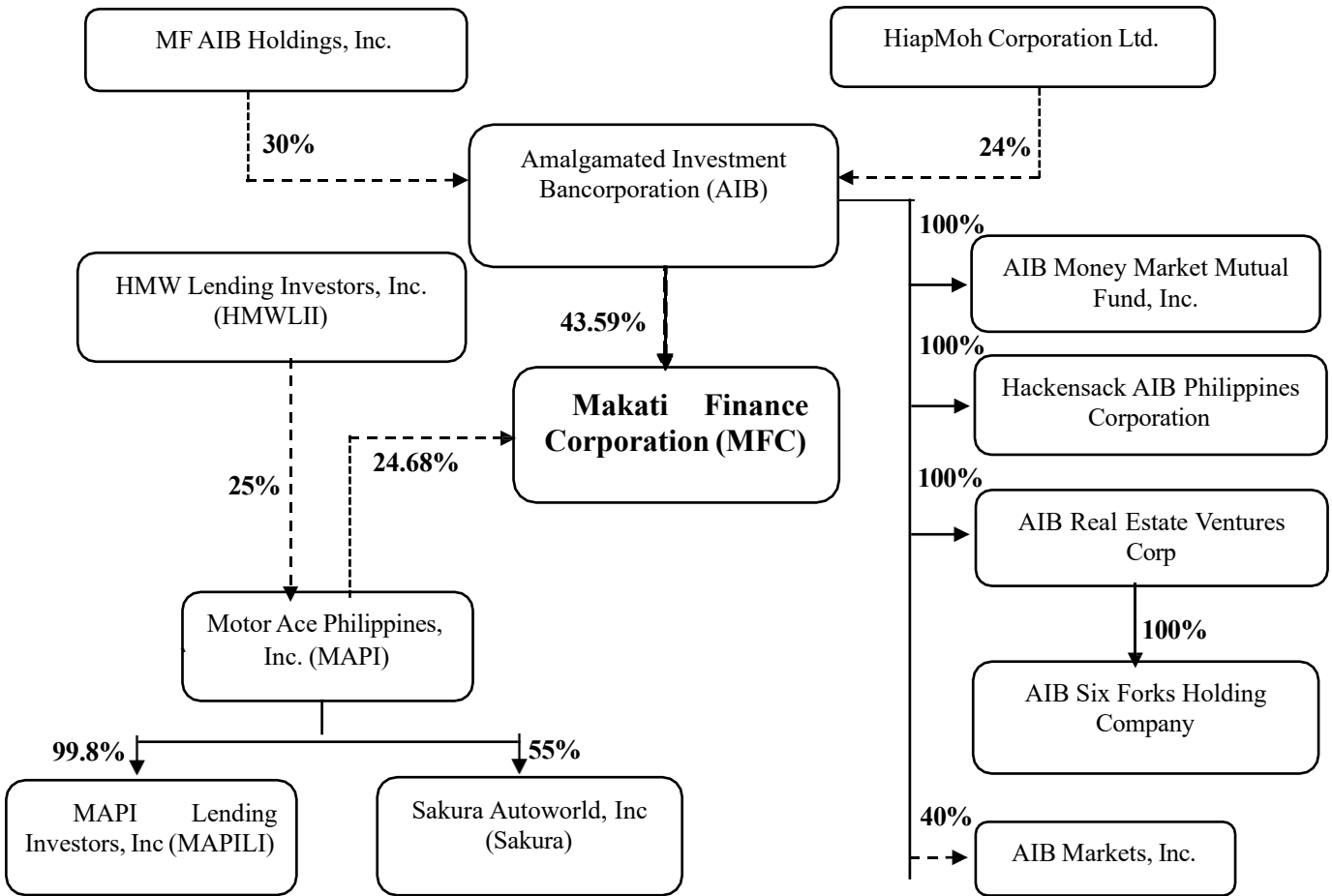
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers(Direct & Indirect)	Others
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,587	2,587	-	-	2587	-
COMMON	2,587	2,587	-	-	-	2,587
COMMON	2,586	2,586	-	-	2586	-
COMMON	1,652	1,652	-	-	-	1,652
COMMON	1,434	1,434	-	-	-	1,434
COMMON	1,231	1,231	-	-	-	1,231
COMMON	1,072	1,072	-	-	-	1,072
COMMON	816	816	-	-	-	816
COMMON	554	554	-	-	-	554
COMMON	425	425	-	-	-	425
COMMON	292	292	-	-	-	292
COMMON	226	226	-	-	-	226
COMMON	115	115	-	-	-	115
COMMON	115	115	-	-	-	115
COMMON	115	115	-	-	-	115
COMMON	115	115	-	-	-	115
COMMON	73	73	-	-	-	73

Forward

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	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	-
COMMON	1	1	-	-	1	-
COMMON	1	1	-	-	1	-
COMMON	1	1	-	-	1	-
COMMON	1	1	-	-	1	-
COMMON	1	1	-	-	1	-
<b>TOTAL</b>	<b>276,069,441</b>	<b>276,069,441</b>	<b>100%</b>	<b>219,726,567</b>	<b>11,970,557</b>	<b>44,372,317</b>

**EXHIBIT V  
MAKATI FINANCE CORPORATION**

**MAP OF THE GROUP OF COMPANIES WITHIN WHICH MAKATI FINANCE CORPORATION  
BELONGS AT DECEMBER 31, 2025**



**Legend:**

- - - - Associate
- Subsidiary
- - - With stock ownership

**EXHIBIT VI**  
**MAKATI FINANCE CORPORATION**

**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**  
**December 31, 2025**

	2025	2024
<b>Total Audit Fees (Section 2.1a)<sup>1</sup></b>	<b>P675,000</b>	<b>P450,000</b>
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees (Section 2.1b)<sup>2</sup></b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-audit Fees</b>	<b>P675,000</b>	<b>P450,000</b>

**Audit and Non-audit Fees of Other Related Entities (Section 2.1c)<sup>3</sup>**

	2025	2024
<b>Audit Fees</b>	<b>P -</b>	<b>P -</b>
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Audit and Non-audit Fees of Other Related Entities</b>	<b>P -</b>	<b>P -</b>

The Company's fees for the audit of the annual financial statements and the other services rendered are based on a fixed fee arrangement and recorded under 'Management and professional fees' in the statement of profit or loss and other comprehensive income (loss).

The Company's policy allows R.G. Manabat & Co. to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of an external auditor. These include regulatory and prudential reviews requested by regulators. Any other services that are not audit or audit-related services are non-audit services.

<sup>1</sup> Disclosure of the agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

<sup>2</sup> Disclosure of charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.

<sup>3</sup> Disclosure of fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippines Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

The Company's policy allows certain non-audit services to be provided where the service would not contravene auditor independence requirements. R.G. Manabat & Co. may not provide services that are perceived to be in conflict with the role of an external auditor or breach auditor independence. These include consulting advice and subcontracting of operational activities normally undertaken by management and engagements where the external auditor may ultimately be required to express an opinion on its own work.

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**REPORTS ON SEC FORM 17-C**

**ANNEX B**



January 21, 2025

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

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, January 21, 2025 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:

**CHARITO S. ESPIRITU**  
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 21, 2025**  
(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	<b>273,900,122</b>

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 21, 2025, 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 2025 Budget.

The next Board meeting was later set on 22 April, 2025 (Tuesday) at 9:00 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, appearing to read 'C. Espiritu', is written over a solid black rectangular redaction box.

**CHARITO S. ESPIRITU**  
CFO / Compliance Officer

Date: 21 January 2025

# Certification

I, **Charito S. Espiritu**, (Compliance Officer/CFO) of **Makati Finance Corporation** with SEC registration No. 28788 with principal office at 3F Mazda Makati Building 2301 Chino Roces Ave., Brgy. Magallanes, Makati City, in oath state:

- 1) That on behalf of **Makati Finance Corporation**, I have caused this **SEC Form 17-C Regular Board Meeting held on January 21, 2025** to be prepared;
- 2) That I read and understood its content which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the Makati Finance Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents file online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.


**IN WITNESS WHEREOF**, I have hereunto set my hand this 21th day of January 2025.

  
**CHARITO S. ESPYRITU**  
Affiant

**SUBSCRIBED AND SWORN** to before me this 21 JAN 2025 day of January 2025

NOTARY PUBLIC

DOC. NO. 469  
PAGE NO. 95  
BOOK NO. 12  
SERIES OF 2025

  
**ATTY. ROMEO M. MONFORT**  
Notary Public City of Makati  
Until December 31, 2025  
Appointment No. M-032 (2024-2025)  
PTR No. 10463008 Jan. 2, 2025/Makati City  
IBP No. 458534 Dec. 27, 2024  
MCLE NO. VII-0027570 Roll No. 27932  
101 Urban Ave. Canpos Kueda Bldg.  
Brgy. Pio Del Pilar, Makati City



**MAKATI FINANCE**  
CORPORATION  
MORE THAN JUST FINANCING

April 22, 2025

*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  
5<sup>th</sup> Avenue cor. 28<sup>th</sup> Street  
BGC, Taguig City

Attention: **Atty. Johanne Daniel M. Negre**  
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 22, 2025 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:

**CHARITO S. ESPIRITU**  
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. **April 22, 2025**

(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 Industry Classification Code:  
incorporation

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	<b>273,900,122</b>

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 22 2025, Tuesday, 9am at MFIN Board Room Mazda 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 2024 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 2025 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 of Directors approved the appropriation of Php 80,000,000.00 million from unappropriated retained earnings. The appropriation is intended to fund the purchase of office space.
4. The Board scheduled the next regular Board meeting on **July 24, 2025 at 9am**.
5. The Board scheduled the Annual Stockholders' meeting on the last Thursday of July (as stated in the by-laws), **July 24, 2025, at 11 am** through remote communication.
6. Record date for the Annual Stockholders' Meeting was set on **June 26, 2025**.

### **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:

By:



**CHARITO S. ESPIRITU**  
CFO / Compliance Officer

Date: 22 April 2025

# Certification

I, **Charito S. Espiritu**, (Compliance Officer/CFO) of **Makati Finance Corporation** with SEC registration No. 28788 with principal office at 3F Mazda Makati Building 2301 Chino Roces Ave., Brgy. Magallanes, Makati City, in oath state:

- 1) That on behalf of **Makati Finance Corporation**, I have caused this **SEC Form 17-C Regular Board Meeting held on April 22, 2025** to be prepared;
- 2) That I read and understood its content which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the Makati Finance Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents file online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 22th day of April 2025.

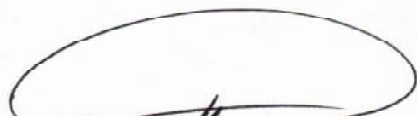
  
**CHARITO S. ESPIRITU**  
Affiant

**SUBSCRIBED AND SWORN** to before me this APR 22 2025 day of April 2025

**NOTARY PUBLIC**

DOC. NO. 44  
PAGE NO. 10  
BOOK NO. 2411  
SERIES OF 7022



  
**ATTY. RENE MA. M. VILLA**  
Notary Public of Makati City  
Appointment No. M-110  
(Ren) (2025-2026)  
Until December 31, 2026  
PTR No 19467671, 01-03 2025; Makati City  
IBF Lifer No No 013595, 12-27-2013; I.C.  
Pub No. 37226  
MCY No. VIII-0012754; 08-27 2024  
Gro. Makati Terraces Condominium  
3000 Davila St., Tejeros, Makati City



**MAKATI FINANCE**  
CORPORATION  
MORE THAN JUST FINANCING

July 24, 2025

**The Markets and Securities Regulation Department**  
**SECURITIES AND EXCHANGE COMMISSION**  
7907 Makati Avenue, Bel-Air, Makati City, 1209

Attention: **Mr. Oliver O. Leonardo**  
Director, Markets and Securities Regulation Dept.

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

Attention: **Atty. Johanne Daniel M. Negre**  
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 24, 2025 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:

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





- d. The Next Board meeting was scheduled on **October 22, 2025 (Wednesday)** at **4:00 p.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 25 July 2024.
- b. The 2024 Annual Report and 2024 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 25 July 2024.
- 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. BORROME  
MAXCY FRANCISCO JOSE R. BORROME  
CRISTINO L. PANLILIO  
JOEL S. FERRER  
JOSE DANIEL R. BORROME  
\*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 2025.
- f. Stock Dividends amounting to **0.7920270842%** of the outstanding capital stock equivalent to a maximum of **2,169,363.15** shares of stock, to be issued out of the un-issued capital stock to stockholders of record as of **22 August 2025** with a payment date not later than **17 September 2025**. Fractional shares of **45.15** 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 2025**.
- g. Cash Dividends in the amount of **Php 2,169,363.15** or an equivalent of **Php 0.007920270842** per share (**0.7920270842%**) to stockholders of record as of **22 August 2025** with a payment date of **17 September 2025**. Both dividends shall be paid out of the audited net profits of the Corporation as of December 31, 2024.

**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. Borromeo – Vice Chairman  
 Mr. Maxcy Francisco Jose R. Borromeo - President  
 Mr. Joel S. Ferrer - Treasurer  
 Atty. Danilo Enrique O. Co - Corporate Secretary  
 Ms. Charito S. Espiritu – Chief Finance Officer / Chief Information Officer/ Compliance Officer  
 Mr. Roberto C. Benares – Board Adviser

**b. COMMITTEES:**

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

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

By:

**CHARITO S. ESPIRITU**  
CFO / Compliance Officer

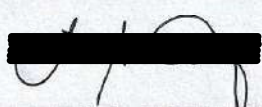
Date: 24 July 2025

# Certification

I, **Charito S. Espiritu** (Compliance Officer/CFO) of **Makati Finance Corporation** with SEC registration No. 28788 with principal office at 3F Mazda Makati Building 2301 Chino Roces Ave., Brgy. Magallanes, Makati City, in oath state:

- 1) That on behalf of **Makati Finance Corporation**, I have caused this **SEC Form 17-C Regular Board Meeting and Annual Stockholders' Meeting held on July 24, 2025** to be prepared;
- 2) That I read and understood its content which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the Makati Finance Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents file online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of July 2025.

  
**CHARITO S. ESPIRITU**  
Affiant

SUBSCRIBED AND SWORN to before me this JUL 24 2025 day of July 2025.

DOC. NO. 472  
PAGE NO. 96  
BOOK NO. XXXIV  
SERIES OF 2025

NOTARY PUBLIC

ATTY. RENE MA. M. VILLA  
Notary Public of Makati City  
Appointment No. M-110  
(Ren) (2025-2026)  
Until December 31, 2026  
PTR No. 10467471, 01-03-2025, Makati City  
IBP Lifetime No. 013595, 12-27-2013; I.C.  
Roll No. 37226  
MCLE Compliance No. VIII 0012754; 08-27-2024  
Ground Floor, Makati Terraces Condominium  
3650 Davila St., Tejeros, Makati City



**MAKATI FINANCE**  
CORPORATION  
MORE THAN JUST FINANCING

October 22, 2025

*via electronic mail*

[ictsubmission@sec.gov.ph](mailto:ictsubmission@sec.gov.ph)

**SECURITIES AND EXCHANGE COMMISSION**

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

Attention: **Mr. Mr. Oliver O. Leonardo**

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. Johanne Daniel M. Negre**

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, 2025 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:

**CHARITO S. ESPIRITU**  
CFO / Compliance Officer

# COVER SHEET

2 8 7 8 8

S.E.C. Registration Number

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

(Company's Full Name)

3 R D F L O O R M A Z D A M A K A T I

B U I L D I N G 2 3 0 1 C H I N O R O C E S

B A R A N G A Y M A G A L L A N E S

A V E N U E M A K A T I C I T Y 1 2 3 1

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

CHARITO S. ESPIRITU

Contact Person

(02) 7751-8132

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

2025

SEC Form 17-C

FORM TYPE

0 7

Month

Day

Annual Meeting

Every last  
Thursday of July

Financing

Secondary License Type, If Applicable

M S R D

Dept. Requiring this Doc.

Amended Articles Number/Section

113

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **October 22, 2025**  
(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	<b>276,069,441</b>

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, 2025, at which at least a majority of the members of the Board of Directors was present and acting throughout.

The Board of Directors, upon the recommendation of the Audit Committee, approved the change in the external auditor from Isla Lipana & Co. - PricewaterhouseCoopers to R.G. Manabat & Co. - KPMG. The appointment of the new External Auditor will be submitted for confirmation and ratification by the stockholders in the 2026 Annual Stockholders' Meeting.

The next Board meeting was later set on January 20, 2026, Tuesday at 10 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:


**CHARITO S. ESPIRITU**  
CFO/Compliance Officer / CIO

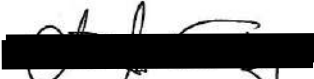
Date: 22 October 2025

# Certification

I, **Charito S. Espiritu**, (Compliance Officer/CFO) of **Makati Finance Corporation** with SEC registration No. 28788 with principal office at 3F Mazda Makati Building 2301 Chino Roces Ave., Brgy. Magallanes, Makati City, in oath state:

- 1) That on behalf of **Makati Finance Corporation**, I have caused this **SEC Form 17-C Regular Board Meeting held on October 22, 2025** to be prepared;
- 2) That I read and understood its content which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the Makati Finance Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents file online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.


**IN WITNESS WHEREOF**, I have hereunto set my hand this 22th day of October 2025.

  
**CHARITO S. ESPIRITU**  
Affiant

SUBSCRIBED AND SWORN to before me this 22 OCT 2025 day of October 2025.

DOC. NO. 71  
PAGE NO. 16  
BOOK NO. LIV  
SERIES OF 2025

NOTARY PUBLIC

  
**ATTY. RENE M. M. VILLA**  
NOTARY PUBLIC OF MAKATI CITY  
APPOINTMENT NO. M-110  
(REID) (2025 2026)  
UNTIL DECEMBER 31, 2026  
PTR NO. 10447471, 01-03-2025, MAKATI CITY  
IBP LIFETIME NO. 013595; 12-27-2013; I.C  
ROLL NO. 37226  
MCLE COMPLIANCE NO. VIII-0012754; 08-27-2024  
ROUND FLOOR, MAKATI TERRACES CONDOMINIUM  
3450 DAVILA ST., TEJEROS, MAKATI CITY

**INTEGRATED ANNUAL CORPORATE GOVERNANCE  
REPORT**

**(I-ACGR) – 2024**

**Date Filed to SEC : May 29, 2025**

**ANNEX C**





**MAKATI FINANCE**  
CORPORATION  
MORE THAN JUST FINANCING

May 29, 2025

**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 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/Compliance Officer/CIO



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

1. For the fiscal year ended **December 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. **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
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> 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.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the following: <ul style="list-style-type: none"> <li>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors</li> <li>Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.</li> <li> <ul style="list-style-type: none"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020  <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li><b>SEC FORM 17A - Annual Report 2024</b>  <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul> </li> </ul>	
2. Board has an appropriate mix of competence and expertise.	<b>COMPLIANT</b>		
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.	<b>COMPLIANT</b>		

		<ul style="list-style-type: none"> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> <li>• <b>SEC FORM 17A</b> -Annual Report 2024 <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 17C</b> –Current Report 2024 (Date of Disclosure: July 27, 2024) Disclosure on the Results of Organizational Meeting, 27 July 2024 <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0</a></li> </ul>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b></li> </ul>	

of directors.		Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a>	
2. Company has an orientation program for first time directors.	<b>COMPLIANT</b>	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.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 17-C</b> Current Report 2024 (Date of Disclosure: 31, December 2024) Disclosure on the Certificates of Attendance for having attended Corporate Governance Webinar <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_Certificate-of-Attendance-for-Seminars-on-Corporate-Governance_08.30.2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_Certificate-of-Attendance-for-Seminars-on-Corporate-Governance_08.30.2024.pdf</a></li> </ul>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	<b>COMPLIANT</b>	Provide information on or link/reference to a document containing information on the company's board diversity policy.  Indicate gender composition of the board  <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par.1, p.1</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a></li> </ul>	

		<a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a>		
<b>Optional: Recommendation 1.4</b>				
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	<b>COMPLIANT</b>	Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1, p.1</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> </ul>		
<b>Recommendation 1.5</b>				
1. Board is assisted by a Corporate Secretary.	<b>COMPLIANT</b>	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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> <li>• <b>SEC FORM 17A - Annual Report 2024</b> <a href="#">MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="#">MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> <li>• <b>SEC FORM 17-C Current Report 2024</b> (Date of Disclosure July 27, 2024) Disclosure on the appointment</li> </ul>		
2. Corporate Secretary is a separate individual from the Compliance Officer.	<b>COMPLIANT</b>			
3. Corporate Secretary is not a member of the Board of Directors.	<b>COMPLIANT</b>			

		<a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0</a>	
4. Corporate Secretary attends training/s on corporate governance.	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	<b>COMPLIANT</b>	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• All materials to be discussed on the monthly board meetings have been emailed 5 days before the scheduled meeting.</li> </ul>	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	<b>COMPLIANT</b>	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020</li> </ul>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>COMPLIANT</b>		

<p>3. Compliance Officer is not a member of the board.</p>	<p><b>COMPLIANT</b></p>	<p><a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17C</b> – Current Report 2024 (Date of Disclosure: July 27, 2024) Disclosure on the appointment of Compliance Officer, 27 July 2024.</li> <li>• The former Compliance Officer, Mr. Marcos E. Larosa, was appointed during the Annual Stockholders' Meeting held on July 25, 2024 <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=377de14200fa99e8abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=377de14200fa99e8abca0fa0c5b4e4d0</a></li> <li>• Ms. Charito S. Espiritu was appointed as the new Compliance Officer and concurrently assumed the role of Investor Relations Officer (IRO) of the Corporation effective October 22, 2024. <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=377de14200fa99e8abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=377de14200fa99e8abca0fa0c5b4e4d0</a></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p><b>COMPLIANT</b></p>	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17-C</b> Current Report 2024 (Date of Disclosure December 31, 2024) Disclosure on the Certificates of Attendance for having attended Corporate Governance <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_Certificate-of-Attendance-for-Seminar-on-CG_11.12.2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_Certificate-of-Attendance-for-Seminar-on-CG_11.12.2024.pdf</a></li> </ul>	

<b>Principle 2:</b> 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.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	<b>COMPLIANT</b>	<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"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>Minutes of the Meetings of the Corporation.</li> </ul>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	<b>COMPLIANT</b>	<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>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>Minutes of the Meetings of the Corporation</li> </ul> <p>Indicate frequency of review of business objectives and strategy</p>	

		<ul style="list-style-type: none"> <li>The Board of Directors reviews the business objectives and strategy during its quarterly and special Board meetings, based on the reports provided by management.</li> </ul>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	<b>COMPLIANT</b>	<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"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://www.makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li><b>MFIN WEBSITE</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> <li><b>SEC FORM 17A -Annual Report 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	<b>COMPLIANT</b>	<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"> <li><b>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</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://www.makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<b>Recommendation 2.3</b>			

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p><b>COMPLIANT</b></p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> <li>• <b>SEC FORM 17A - Annual Report 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
<p><b>Recommendation 2.4</b></p>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p><b>COMPLIANT</b></p>	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 1.1, p.1</b> Adopted by the Board of Directors on 09 July 2020 <b>Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</b></li> <li>• Succession Planning</li> </ul>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p><b>COMPLIANT</b></p>	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 1.1, p.1</b> Adopted by the Board of Directors on 09 July 2020 <b>Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</b></li> <li>• Succession Planning</li> </ul>	

<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>COMPLIANT</b>	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>COMPLIANT</b>		
<b>Optional: Recommendation 2.5</b>			
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.	<b>COMPLIANT</b>	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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<b>Recommendation 2.6</b>			
1. Board has a formal and	<b>COMPLIANT</b>	Provide information or reference to a document containing	

transparent board nomination and election policy.		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 nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>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</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	<b>COMPLIANT</b>		
4. Board nomination and election policy includes how the board shortlists candidates.	<b>COMPLIANT</b>	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.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 10.1.1 (a)(b), p.19</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>COMPLIANT</b>	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
		<ul style="list-style-type: none"> <li>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</li> </ul>	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search	<b>NON-</b>	Identify the professional search firm used or other external sources of	Not

firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	<b>COMPLIANT</b>	candidates	applicable. The Corporation does not use professional search firms or other external sources of candidates.
<b>Recommendation 2.7</b>			
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.	<b>COMPLIANT</b>	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 <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par 1.1, p.2</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
3. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>COMPLIANT</b>		
4. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>COMPLIANT</b>		Identify transactions that were approved pursuant to the policy.
<b>Supplement to Recommendations 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are	<b>COMPLIANT</b>	Provide information on a materiality threshold for RPT disclosure and approval, if any.  Provide information on RPT categories	

<p>considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those 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>		<ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> (<a href="https://makatifinance.ph">makatifinance.ph</a>)</li> <li>• <b>SEC FORM 17A</b> -Annual Report 2024 <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<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>	<b>COMPLIANT</b>	<p>Provide information on voting system, if any.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	
<b>Recommendation 2.8</b>			
<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>	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a></li> </ul>	

		<p><a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></p> <p>Identify the Management team appointed</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17-C Current Report 2024</b> (Date of Disclosure July 27, 2024) <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0</a></li> </ul>	
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).	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> </ul> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	
<b>Recommendation 2.9</b>			
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.	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> <li>• Succession Planning</li> </ul>	
2. Board establishes an effective performance management framework that ensures that	<b>COMPLIANT</b>		

personnel's performance is at par with the standards set by the Board and Senior Management.			
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	<b>COMPLIANT</b>	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	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 1.1, p.2 and par 4, p.13</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
3. Board approves the Internal Audit Charter.	<b>COMPLIANT</b>	Provide reference or link to the company's Internal Audit Charter	
<b>Recommendation 2.11</b>			
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.	<b>COMPLIANT</b>	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	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a></li> </ul>	

strategies.		<a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	<b>COMPLIANT</b>	Provide link to the company's website where the Board Charter is disclosed.  <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended,</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> </ul>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	<b>COMPLIANT</b>		
3. Board Charter is publicly available and posted on the company's website.	<b>COMPLIANT</b>		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	<b>COMPLIANT</b>	Provide information on or link/reference to a document showing company's insider trading policy.	The Corporation currently does not have an express insider trading policy.  However, under the Corporation's New Manual on Corporate Governance, every director

			<p>shall ensure that it conducts fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.</p>
<p><b>Principle 3:</b> 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><b>Recommendation 3.1</b></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><b>COMPLIANT</b></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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a></li> </ul>	

		<p><a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></p> <p><b>SEC FORM 17C</b> –Current Report 2024 (Date of Disclosure: July 27, 2024)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0</a></p>	
<b>Recommendation 3.2</b>			
<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 compliance with applicable laws and regulations.</p>	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par. 2.1, p.2 and par 2.1.1, p.3</b>  Adopted by the Board of Directors on 09 July 2020  <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a>  (<a href="http://makatifinance.ph">makatifinance.ph</a>)</li> </ul> <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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par. 2.1.1, p.5</b>  Adopted by the Board of Directors on 09 July 2020  <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a>  (<a href="http://makatifinance.ph">makatifinance.ph</a>)</li> <li>• It is the Audit Committee's responsibility to recommend appointment and removal of an External Auditor.</li> </ul>	
<p>2. Audit Committee is composed of</p>	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document containing</p>	

<p>at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>		<p>information on the members of the Audit Committee, including their qualifications and type of directorship</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par.21, p.3</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 17-C Current Report 2024</b> (Date of Disclosure July 27, 2024) <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0</a></li> </ul>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p><b>COMPLIANT</b></p>	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A - Annual Report 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other</p>	<p><b>COMPLIANT</b></p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p>	

committee.		<ul style="list-style-type: none"> <li>• <b>SEC FORM 17-C Current Report 2024</b>(Date of Disclosure July 27, 2024) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2024. <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0</a> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0</a></li> </ul>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	<b>COMPLIANT</b>	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020</b> <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 17A - Annual Report 2024 Annex A</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended Adopted by the Board of Directors on 09 July 2020</b> <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a></li> </ul>	

		<p><a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A</b> - Annual Report 2024 Annex A <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	<b>COMPLIANT</b>	Indicate the number of Audit Committee meetings during the year and provide proof	
2. Audit Committee approves the appointment and removal of the internal auditor.	<b>COMPLIANT</b>	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/wp-content/uploads/2020/07/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> <li>• <b>SEC FORM 17-C Current Report 2024</b> (Date of Disclosure July 27, 2024) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2024. <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0</a> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0</a></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	

<b>Recommendation 3.3</b>			
<p>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.</p>	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.2.4, p.9</b> Adopted by the Board of Directors on 09 July 2020</li> </ul>	

		<a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a>	
<b>Recommendation 3.4</b>			
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.	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5 (r)</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 17-C Current Report 2024</b> (Date of Disclosure July 27, 2024) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2024. <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0</a> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0</a></li> </ul>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5 (r)</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <b>SEC FORM 17-C Current Report 2024</b> (Date of Disclosure July 27, 2024) Disclosed on the Result of the Annual Stockholders' Meeting and Organizational Meeting, 27 July 2024. <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0</a> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=638d8614a3268a94abca0fa0c5b4e4d0</a></li> </ul>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5 (r)</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="https://makatifinance.ph">(makatifinance.ph)</a></li> <li>• <b>SEC FORM 17A - Annual Report 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5 (r)</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a></li> </ul>	

		<p><a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></p> <ul style="list-style-type: none"> <li><b>SEC FORM 17A</b> - Annual Report 2024 <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	<b>COMPLIANT</b>	<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"> <li>The Audit Committee, as authorized under the Manual (Par. 2.1.1(r)), performs the functions of the Related Party Transactions Committee.</li> </ul>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	<b>COMPLIANT</b>	<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"> <li>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.</li> </ul>	
<b>Recommendation 3.6</b>			
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.	<b>COMPLIANT</b>	<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"> <li>P.3, 2 of the Manual enumerates the Board Committees and their respective charters.</li> </ul>	
2. Committee Charters provide	<b>NON-</b>		Committee

<p>standards for evaluating the performance of the Committees.</p>	<p><b>COMPLIANT</b></p>		<p>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><b>COMPLIANT</b></p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <ul style="list-style-type: none"> <li>• <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul>	

<b>Principle 4:</b> 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.			
<b>Recommendation 4.1</b>			
<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><b>COMPLIANT</b></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"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul> <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"> <li>Advisement Letter on the Attendance of Directors in Board Meetings, filed annually with the SEC</li> </ul>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p><b>COMPLIANT</b></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 (<b>SEC FORM Manual on Corporate Governance (MCG) Amended, par. 1.1, p.2</b>) <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></p>	

<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p><b>COMPLIANT</b></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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<p><b>Recommendation 4.2</b></p>			
<p>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.</p>	<p><b>COMPLIANT</b></p>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul> <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>	
<p><b>Recommendation 4.3</b></p>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p><b>COMPLIANT</b></p>	<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"> <li>• 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."</li> </ul>	

		<ul style="list-style-type: none"> <li>• 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</li> <li>•</li> </ul>	
<b>Principle 5:</b> The board should endeavour to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the number of independent directors in the board <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5.2, p.15</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the qualifications of the independent directors. <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5.2, p.15</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain	<b>COMPLIANT</b>	Provide link/reference to a document containing information that directors are not constrained to vote independently.	

<p>the directors' ability to vote independently.</p>		<ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• The discussion in the minutes of the meetings show that there are no such constraints.</li> </ul>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 17C –Current Report 2024</b> (Date of Disclosure: June 13, 2024) Disclosure of Certification of Independent Director <a href="https://makatifinance.ph/wp-content/uploads/2024/07/MFIN_Certification-of-Independent-Directors_2024-2.pdf">https://makatifinance.ph/wp-content/uploads/2024/07/MFIN_Certification-of-Independent-Directors_2024-2.pdf</a></li> </ul>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5.5, p.16</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a></li> </ul>	

		<a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a>	
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 shareholders' approval during the annual shareholders' meeting.	<b>COMPLIANT</b>	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> <li>• None of the Independent Directors has reached its ninth year in the Board seat.</li> </ul>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	<b>COMPLIANT</b>	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> <a href="http://makatifinance.ph">(<a href="http://makatifinance.ph">makatifinance.ph</a>)</a></li> <li>• <b>SEC FORM 17C</b> –Current Report 2024 (Date of Disclosure: July 27, 2024) Disclosure on the Results of the Annual Stockholders' Meeting and Organization Meeting, 27 July 2024 <ul style="list-style-type: none"> <li>• <i>Robert Charles M. Lehmann nominated and elected as Chairman of the Board</i></li> <li>• <i>Maxcy Francisco Jose R. Borromeo nominated and elected as President</i></li> </ul> </li> </ul>	
2. The Chairman of the Board and Chief Executive Officer have	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the	

clearly defined responsibilities.		<p>Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• Chairman of the Board and President are not related</li> </ul>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.5.3, p.15</b>  Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul> <p>Indicate if Chairman is independent.</p> <ul style="list-style-type: none"> <li>• The Chairman is not an independent Director. The lead independent director is the most senior independent director.</li> </ul>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	<b>COMPLIANT</b>	<p>Provide proof of abstention, if this was the case</p> <ul style="list-style-type: none"> <li>• There are no readily available documents on this point.</li> </ul>	

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.	<b>COMPLIANT</b>	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.	
2. The meetings are chaired by the lead independent director.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>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 discussing audit, compliance and risk matters.</li> <li>The Chairman, Vice Chairman and Treasurer are likewise NED's who meet with the foregoing at least once per quarter.</li> </ul>	
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 <ul style="list-style-type: none"> <li><b>Maxcy Francisco Jose R. Borromeo</b></li> </ul>	
<b>Principle 6:</b> 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.	<b>COMPLIANT</b>	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.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>There are no readily available documents on this point.</li> </ul>	
3. The individual members conduct a self-assessment of their performance.	<b>COMPLIANT</b>		
4. Each committee conducts a self-	<b>COMPLIANT</b>		

assessment of its performance.			
5. Every three years, the assessments are supported by an external facilitator.	<b>NON-COMPLIANT</b>	Identify the external facilitator and provide proof of use of an external facilitator.	Within 3 years from the adoption of its current Manual on Corporate Governance, the company plans to engaged the services of an external service provider.
<b>Recommendation 6.2</b>			
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.	<b>NON-COMPLIANT</b>	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.	<b>NON-COMPLIANT</b>		
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which	<b>NON-COMPLIANT</b>	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	The Manual provides that



<p>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.</p>			<p>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 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>
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2. The Code is properly disseminated to the Board, senior management and employees.	<b>NON-COMPLIANT</b>	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.	<b>NON-COMPLIANT</b>	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.
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	<b>COMPLIANT</b>	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery  • <b>Makati Finance Corporation Code of Conduct</b>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>NON-COMPLIANT</b>	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.	<b>NON-COMPLIANT</b>	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.
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			

<b>Recommendation 8.1</b>			
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.7.1, p.17</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> (<a href="https://makatifinance.ph">makatifinance.ph</a>)</li> </ul>	
<b>Supplement to Recommendations 8.1</b>			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow 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>	<p><b>COMPLIANT</b></p>	<p>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> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A - Annual Report 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 17Q – Quarterly Report 2024</b> <b>Quarterly Report 1<sup>st</sup> Quarter</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/05/MFIN_SEC-FORM-17-Q_MARCH-31-2024.pdf">https://makatifinance.ph/wp-content/uploads/2024/05/MFIN_SEC-FORM-17-Q_MARCH-31-2024.pdf</a> <b>Quarterly Report 2<sup>nd</sup> Quarter</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/01/MFIN_SEC-FORM-17-Q_JUNE-30-2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2025/01/MFIN_SEC-FORM-17-Q_JUNE-30-2024_r.pdf</a> <b>Quarterly Report 3<sup>rd</sup> Quarter</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/09/MFIN_SEC-FORM-17-Q_SEPT-30-2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/09/MFIN_SEC-FORM-17-Q_SEPT-30-2024_r.pdf</a></li> </ul>	

		<a href="https://www.makatifinance.ph/content/uploads/2025/01/MFIN_SEC-FORM-17-Q_SEPTEMBER-30-2024.pdf">content/uploads/2025/01/MFIN_SEC-FORM-17-Q_SEPTEMBER-30-2024.pdf</a>  <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a>	
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.	<b>COMPLIANT</b>	Provide link or reference to the company's annual report where the following are disclosed: <ul style="list-style-type: none"> <li>• principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> <li>• cross-holdings among company affiliates; and</li> <li>• any imbalances between the controlling shareholders' voting power and overall equity position in the company.</li> </ul> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A - Annual Report 2024</b>  <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a> </li> </ul>	
<b>Recommendation 8.2</b>			
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.	<b>COMPLIANT</b>	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share. <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b>            Adopted by the Board of Directors on 09 July 2020  <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a>  <a href="https://makatifinance.ph"> (makatifinance.ph)</a> </li> </ul>	
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.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>SEC FORM 23-A</b>            Disclosure on Initial Statement of Beneficial Ownership  <a href="https://makatifinance.ph/wp-content/uploads/2025/01/MFIN_SEC-FORM-23-A_2024.pdf">https://makatifinance.ph/wp-</a> </li> </ul>	

		<p><a href="#">content/uploads/2024/07/MFIN_SEC-Form-23-A_CARMEN-THERESE-L.-BENITEZ_Aprl-26-2024_r.pdf</a></p> <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"> <li> <b>SEC FORM 23-B</b>            Disclosure on Statement of Beneficial Ownership  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5e2205c637454f00abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5e2205c637454f00abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5da47aace76e8d47abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5da47aace76e8d47abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=e3ff87a7cff24db2abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=e3ff87a7cff24db2abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=938ce4cd7ebdd8b1abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=938ce4cd7ebdd8b1abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=429ffa5a3f0c6a51abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=429ffa5a3f0c6a51abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5bed566471aced37abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5bed566471aced37abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=83d39360d775b0a5abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=83d39360d775b0a5abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3b3c9a26f445bfe3abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3b3c9a26f445bfe3abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ede03e0b3bf9beeabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ede03e0b3bf9beeabca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2508da042511fd37abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2508da042511fd37abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2cdcc618270b615dabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2cdcc618270b615dabca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=1d4cbc0ddc1bebbfabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=1d4cbc0ddc1bebbfabca0fa0c5b4e4d0</a> </li> </ul>	
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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>	<b>COMPLIANT</b>	<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"> <li>• <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> <li>• <b>SEC FORM 17A - Annual Report 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> <li>• <b>PSE Form 17-12 List of Top 100 Stockholders 2024</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=1a3b5e766efcb2abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=1a3b5e766efcb2abca0fa0c5b4e4d0</a></li> </ul>	
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>	<b>COMPLIANT</b>	<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"> <li>• <b>Company Website</b></li> </ul>	

		<p><a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A</b> - Annual Report 2024 <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
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.	<b>COMPLIANT</b>	<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"> <li>• <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> <li>• <b>SEC FORM 17A</b> - Annual Report 2024 <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<b>Recommendation 8.4</b>			
1. Company provides a clear	<b>COMPLIANT</b>	Disclose or provide link/reference to the company policy and practice	

disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.		for setting board remuneration <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> (<a href="https://makatifinance.ph">makatifinance.ph</a>)</li> </ul>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	<b>COMPLIANT</b>	Disclose or provide link/reference to the company policy and practice for determining executive remuneration <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="https://makatifinance.ph/Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> (<a href="https://makatifinance.ph">makatifinance.ph</a>)</li> </ul>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<b>COMPLIANT</b>	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO. <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A - Annual Report 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other	<b>COMPLIANT</b>	Disclose or provide reference/link to company's RPT policies <ul style="list-style-type: none"> <li>• <b>SEC FORM Revised Material Related Party Transactions Policy ( 09 July 2020)</b></li> </ul>	

<p>unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>		<p><a href="#">Other SEC Forms, Reports and Requirements (pse.com.ph)</a></p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par.1.1, p.2</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul> <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"> <li>• Any director with a conflict of interest abstained from discussion on that particular matter, except in certain cases, to simply describe the transaction.</li> </ul>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p><b>COMPLIANT</b></p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> <li>6. terms of the transaction;</li> <li>7. rationale for entering into the transaction;</li> <li>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</li> <li>9. other terms and conditions</li> </ol> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A</b> - Annual Report 2024 Full Disclosure in Notes to Financial Statements <a href="https://makatifinance.ph/wp-">https://makatifinance.ph/wp-</a></li> </ul>	

		<p><a href="content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	<b>COMPLIANT</b>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> (<a href="makatifinance.ph">makatifinance.ph</a>)</li> </ul>	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	<b>COMPLIANT</b>	<p>Provide link or reference where this is disclosed</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="Amended-Manual-on-Corporate-Governance-July-2020.pdf">Amended-Manual-on-Corporate-Governance-July-2020.pdf</a> (<a href="makatifinance.ph">makatifinance.ph</a>)</li> </ul>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	<b>NON-COMPLIANT</b>	<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>	These transactions are subject to approval by the Board

			which has enough numbers of Independent Directors, and with the recommendation of Executive Committee.
<b>Supplement to Recommendation 8.6</b>			
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 company.	<b>COMPLIANT</b>	Provide link or reference where these are disclosed. <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	<b>COMPLIANT</b>	Provide link to the company's website where the Manual on Corporate Governance is posted. <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
2. Company's MCG is submitted to the SEC and PSE.	<b>COMPLIANT</b>		

3. Company's MCG is posted on its company website.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	<b>COMPLIANT</b>	<p>Provide proof of submission.</p> <ul style="list-style-type: none"> <li>• Company Website, under Corporate Governance <a href="https://www.makatifinance.ph/governance">https://www.makatifinance.ph/governance</a></li> </ul>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:	<b>COMPLIANT</b>	<p>Provide link or reference to the company's Annual Report containing the said information.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM 17A</b> - Annual Report 2024 <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
a. Corporate Objectives	<b>COMPLIANT</b>		
b. Financial performance indicators	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul>	
c. Non-financial performance indicators	<b>COMPLIANT</b>	<p>Advisement Letter on the Attendance of Directors in Board meetings held in 2024 <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5399ed8345155e7cec6e1601ccee8f59">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5399ed8345155e7cec6e1601ccee8f59</a></p>	
d. Dividend Policy	<b>COMPLIANT</b>		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-</a></li> </ul>	



directorships in listed companies) of all directors		<a href="#">INFORMATION-STATEMENT_2024_r.pdf</a>	
f. Attendance details of each director in all directors meetings held during the year	<b>COMPLIANT</b>		
g. Total remuneration of each member of the board of directors	<b>COMPLIANT</b>		
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.	<b>COMPLIANT</b>		
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.	<b>COMPLIANT</b>		
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	<b>COMPLIANT</b>		

systems.			
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).	<b>COMPLIANT</b>		
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	<b>COMPLIANT</b>	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. <ul style="list-style-type: none"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended, pars. (f), p.5</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
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	<b>COMPLIANT</b>	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. <ul style="list-style-type: none"> <li>100% of all shareholders present approved the appointment of</li> </ul>	

shareholders.		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.	<b>COMPLIANT</b>	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	<b>COMPLIANT</b>	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>a. assessing the integrity and independence of external auditors;</li> <li>b. exercising effective oversight to review and monitor the external auditor's independence and objectivity;</li> </ul>	<b>COMPLIANT</b>	Provide link/reference to the company's Audit Committee Charter <ul style="list-style-type: none"> <li>• p. 3, (a)(c), Manual</li> <li>• The section in the Manual is effectively the Audit Committee Charter.</li> </ul>	

<p>and</p> <p>c. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<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>	<p><b>COMPLIANT</b></p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1</b></li> </ul> <p>Adopted by the Board of Directors on 09 July 2020  <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></p>	
<p><b>Supplement to Recommendations 9.2</b></p>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p><b>COMPLIANT</b></p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1</b></li> </ul> <p>Adopted by the Board of Directors on 09 July 2020  <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p><b>COMPLIANT</b></p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended par. 2.1</b></li> </ul>	

		Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a>	
<b>Recommendation 9.3</b>			
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.	<b>COMPLIANT</b>	Disclose the nature of non-audit services performed by the external auditor, if any. <ul style="list-style-type: none"> <li><b>SEC FORM 17A</b> - Annual Report 2024 <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> </ul>	
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.	<b>COMPLIANT</b>	Provide link or reference to guidelines or policies on non-audit services <ul style="list-style-type: none"> <li>The Company has not engaged any non-audit services with the external auditor</li> </ul>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	<b>NON-COMPLIANT</b>	Provide information on audit and non-audit fees paid.	The Company has not engaged any non-audit services with the external auditor.
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	<b>COMPLIANT</b>	Provide information on company's external auditor, such as: <ol style="list-style-type: none"> <li>Name of the audit engagement partner;</li> </ol>	

		<ol style="list-style-type: none"> <li>2. Accreditation number;</li> <li>3. Date Accredited;</li> <li>4. Expiry date of accreditation; and</li> <li>5. Name, address, contact number of the audit firm.</li> </ol> <ul style="list-style-type: none"> <li>• <b>ISLA LIPANA &amp; CO.</b> <b>SEC Accreditation No. 0142-SEC</b> <b>(Category A) , valid to audit 2020 to 2024</b></li> <li>• <b>Ms. Zaldy D. Aguirre</b> <b>Signing Partner</b> <b>CPA Cert No. 0105660</b> <b>P.T.R. No. 0024447, issued on January 03, 2025, Makati City</b> <b>TIN 221-755-698</b> <b>BIR A.N. 08-000745-077- 2023, issued on December 22, 2023;</b> <b>effective until December 21, 2026</b> <b>BOA/PRC Reg. No. 0142, effective until November 14, 2025</b></li> <li>• <b>ISLA LIPANA &amp; CO.</b> <b>29<sup>TH</sup> Floor, Philamlife Tower</b> <b>8767 Paseo de Roxas,</b> <b>Makati City 1226</b> <b>Telephone No. +63 (2) 8845 2728</b></li> </ul>	
<p>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).</p>	<p><b>NON- COMPLIANT</b></p>	<p>Provide information on the following:</p> <ol style="list-style-type: none"> <li>1. Date it was subjected to SOAR inspection, if subjected;</li> <li>2. Name of the Audit firm; and</li> <li>3. Members of the engagement team inspected by the SEC.</li> </ol>	<p>To the best of its knowledge, the Corporation is not aware that its external</p>

			auditor agreed to be subject to the SOAR inspection program conducted by the SEC.
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
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 sustainability.	<b>NON-COMPLIANT</b>	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 information, including EESG issues.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	<b>NON-COMPLIANT</b>	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

			EESG issues.
<b>Principle 11:</b> 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.			
<b>Recommendation 11.1</b>			
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.	<b>COMPLIANT</b>	<p>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.</p> <ul style="list-style-type: none"> <li><b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:	<b>COMPLIANT</b>	<p>Provide link to company website</p> <ul style="list-style-type: none"> <li><b>SEC Form 17Q – 3<sup>rd</sup> Quarter 2024 under Company Disclosures – SEC Filings</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/01/MFIN_SEC-FORM-17-Q_SEPTEMBER-30-2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/01/MFIN_SEC-FORM-17-Q_SEPTEMBER-30-2024.pdf</a></li> <li><b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> <li><b>SEC Form 17A Annual Report 2024 under Company Disclosures – SEC Filings</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li><b>Notice of ASM</b></li> </ul>	
a. Financial statements/reports (latest quarterly)	<b>COMPLIANT</b>		
b. Materials provided in briefings to analysts and media	<b>COMPLIANT</b>		
c. Downloadable annual report	<b>COMPLIANT</b>		
d. Notice of ASM and/or SSM	<b>COMPLIANT</b>		
e. Minutes of ASM and/or SSM	<b>COMPLIANT</b>		



f. Company's Articles of Incorporation and By-Laws	<b>COMPLIANT</b>	<p>under Company Disclosures – SEC/PSE Filings  <a href="https://makatifinance.ph/wp-content/uploads/2024/07/MFIN_NOTICE-OF-2024-ASM_2024.pdf">https://makatifinance.ph/wp-content/uploads/2024/07/MFIN_NOTICE-OF-2024-ASM_2024.pdf</a></p> <ul style="list-style-type: none"> <li>Minutes of ASM  <a href="https://makatifinance.ph/wp-content/uploads/2024/07/MFC-M-ASM-2024-DRAFT-v3.pdf">https://makatifinance.ph/wp-content/uploads/2024/07/MFC-M-ASM-2024-DRAFT-v3.pdf</a></li> </ul>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>Company Website</b>  <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	<b>COMPLIANT</b>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	<b>COMPLIANT</b>	<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"> <li>Company's risk management procedures and processes</li> <li>Key risks the company is currently facing</li> <li>How the company manages the key risks</li> </ol>	

		<p>Indicate frequency of review of the enterprise risk management framework.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 17A - Annual Report 2024 Notes to Financial Statements</b> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p><b>COMPLIANT</b></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> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <b>SEC FORM 17A</b> - Annual Report 2024 <i>Notes to Financial Statements</i> <a href="https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf">https://makatifinance.ph/wp-content/uploads/2025/05/MFIN_SEC-17-A_2024.pdf</a></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<b>Recommendation 12.2</b>			
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.	<b>COMPLIANT</b>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <ul style="list-style-type: none"> <li>• <b>In-house Internal Audit Group</b></li> </ul>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<b>COMPLIANT</b>	<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"> <li>• <b>Mr. Asterio L. Favis, Jr.</b></li> <li>• <b>SEC FORM 20-IS</b> - Definitive Information Statement 2024 <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	

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.	<b>COMPLIANT</b>		
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.	<b>COMPLIANT</b>	Identify qualified independent executive or senior management personnel, if applicable. <ul style="list-style-type: none"> <li>• <b>In-house Internal Audit Group</b></li> </ul>	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>NON-COMPLIANT</b>	Provide information on company's risk management function.	The Corporation currently does not require assistance of external technical support in risk management .
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	<b>NON-COMPLIANT</b>	Identify source of external technical support, if any.	The Corporation currently does not require assistance of

			external technical support in risk management
<b>Recommendation 12.5</b>			
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).	<b>NON-COMPLIANT</b>	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.	<b>NON-COMPLIANT</b>		The Corporation does not have a Chief Risk Officer.
<b>Additional Recommendation to Principle 12</b>			
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.	<b>COMPLIANT</b>	Provide link to CEO and CAE's attestation	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate	<b>COMPLIANT</b>	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	

Governance.		<ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, pars. 10.1, p.18</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>COMPLIANT</b>	<p>Provide link to company's website</p> <ul style="list-style-type: none"> <li>• <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG)</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	<b>COMPLIANT</b>	<p>Provide information on all classes of shares, including their voting rights if any.</p> <ul style="list-style-type: none"> <li>• Common Shares, with each share having the equivalent of one vote</li> <li>• <b>SEC FORM Manual on Corporate Governance (MCG)</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
3. Board has an effective, secure, and efficient voting system.	<b>COMPLIANT</b>	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <ul style="list-style-type: none"> <li>• Definitive Information Statement (under Voting Procedures).</li> </ul>	

		<ul style="list-style-type: none"> <li>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.</li> </ul>	
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.	<b>COMPLIANT</b>	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <ul style="list-style-type: none"> <li>The company adopts the voting mechanism on cumulative voting on the election of Directors, as required under the law.</li> </ul>	
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.	<b>COMPLIANT</b>	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <ul style="list-style-type: none"> <li><b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	<b>COMPLIANT</b>	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <ul style="list-style-type: none"> <li>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)</li> </ul>	
7. Company has a transparent and	<b>COMPLIANT</b>	Provide information on or link/reference to the company's dividend	

<p>specific dividend policy.</p>		<p>Policy.</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul> <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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> <li>• <b>The Company declared dividends and were paid dividends within 60 days after declaration.</b></li> </ul>	
<b>Recommendation 13.2</b>			
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information</p>	<b>COMPLIANT</b>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any</p>	

<p>at least 28 days before the meeting.</p>		<p>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"> <li>All materials for the Annual Stockholders' Meeting were sent out at least 28 days before the meeting.</li> <li><b>Notice of Agenda of Annual Stockholders' Meeting</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/07/MFIN_NOTICE-OF-2024-ASM_2024.pdf">https://makatifinance.ph/wp-content/uploads/2024/07/MFIN_NOTICE-OF-2024-ASM_2024.pdf</a></li> </ul> <p>Company Website <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a> <i>Under Company Disclosure</i></p> <ul style="list-style-type: none"> <li><b>SEC FORM 20-IS - Definitive Information Statement 2024</b> <a href="https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf">https://makatifinance.ph/wp-content/uploads/2024/06/MFIN_SEC-FORM-20-IS-DEFINITIVE-INFORMATION-STATEMENT_2024_r.pdf</a></li> </ul>	
<b>Supplemental to Recommendation 13.2</b>			
<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"> <li><b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul> <p>Under Company Disclosures/Notice of Annual Stockholders' Meeting 2024</p>	
<p>2. The profiles of directors (i.e., age,</p>	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>Company Website</b></li> </ul>	



academic qualifications, date of first appointment, experience, and directorships in other listed companies)		<a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a> Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2024	
3. Auditors seeking appointment/re-appointment	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul> Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2024	
4. Proxy documents	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li><b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul> Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2024	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	<b>COMPLIANT</b>	Provide link or reference to the rationale for the agenda items  <ul style="list-style-type: none"> <li><b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul> Under Company Disclosures/SEC Filings/Information Statement-SEC Form 20-IS/Definitive Information Statement 2024	
<b>Recommendation 13.3</b>			
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.	<b>COMPLIANT</b>	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.  <ul style="list-style-type: none"> <li>The foregoing are reflected in the minutes.</li> </ul>	

2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	<b>COMPLIANT</b>	<p>Provide link to minutes of meeting in the company website.</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"> <li>The foregoing are reflected in the minutes.</li> </ul>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	<b>COMPLIANT</b>	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	
<b>Recommendation 13.4</b>			
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.	<b>COMPLIANT</b>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>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><b>COMPLIANT</b></p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <ul style="list-style-type: none"> <li>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</li> </ul>	
<p><b>Recommendation 13.5</b></p>			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p><b>COMPLIANT</b></p>	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> <li>Name of the person</li> <li>Telephone number</li> <li>Fax number</li> <li>E-mail address</li> </ol> <ul style="list-style-type: none"> <li><b>CHARITO S. ESPIRITU</b> <b>+63 (2) 7751 7132</b> <a href="mailto:csespiritu@makatifinance.com.ph">csespiritu@makatifinance.com.ph</a></li> </ul>	
<p>2. IRO is present at every</p>	<p><b>COMPLIANT</b></p>	<p>Indicate if the IRO was present during the ASM.</p>	

shareholder's meeting.		<ul style="list-style-type: none"> <li>• <b>Yes, the former Compliance Officer, Mr. Marcos E. Larosa, attended the Annual Stockholders' Meeting held on July 25, 2024.</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=df579be10f147064abca0fa0c5b4e4d0</a></li> <li>• <b>Ms. Charito S. Espiritu was appointed as the new Compliance Officer and concurrently assumed the role of Investor Relations Officer (IRO) of the Corporation effective October 22, 2024.</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=377de14200fa99e8abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=377de14200fa99e8abca0fa0c5b4e4d0</a></li> </ul>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	<b>COMPLIANT</b>	<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"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> </ul>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	<b>COMPLIANT</b>	<p>Indicate the company's public float.</p> <ul style="list-style-type: none"> <li>• <b>27.15%</b></li> </ul>	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual	<b>COMPLIANT</b>	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.</p>	

Stockholders' Meeting		<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 even if the same is communicated outside of the formal shareholders' meetings.</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	<b>NON-COMPLIANT</b>	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.
<b>Duties to Stakeholders</b>			
<p><b>Principle 14:</b> 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.</p>			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	<b>COMPLIANT</b>	<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"> <li>The company has identified its stakeholders, including customers, employees, suppliers, shareholders, investors, creditors, the community the company operates in, society, the</li> </ul>	

		<p>government, regulators, competitors, external auditors, and those similarly situated</p> <ul style="list-style-type: none"> <li>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)</li> </ul>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>COMPLIANT</b>	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	
<b>Recommendation 14.3</b>			
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.	<b>COMPLIANT</b>	<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"> <li>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</li> </ul>	

		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	
<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	<b>COMPLIANT</b>	Provide information on the alternative dispute resolution system established by the company. <ul style="list-style-type: none"> <li>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.</li> </ul>	
<b>Additional Recommendations to Principle 14</b>			
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.	<b>COMPLIANT</b>	Disclose any requests for exemption by the company and the reason for the request. <ul style="list-style-type: none"> <li><b>No such exemption is sought.</b></li> </ul>	
2. Company respects intellectual property rights.	<b>COMPLIANT</b>	Provide specific instances, if any <ul style="list-style-type: none"> <li><b>The Company respects the law and rights of all stakeholders</b></li> </ul>	

**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, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	<b>COMPLIANT</b>	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.  <ul style="list-style-type: none"> <li>• <b>Company Website</b> <a href="https://www.makatifinance.ph">https://www.makatifinance.ph</a></li> </ul>	
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**Supplement to Recommendation 15.1**

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	<b>NON-COMPLIANT</b>	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.	
2. Company has policies and practices on health, safety and welfare of its employees.	<b>COMPLIANT</b>	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any. <ul style="list-style-type: none"> <li>• <b>EMPLOYEE'S HANDBOOK</b></li> </ul>	
3. Company has policies and practices on training and development of its employees.	<b>COMPLIANT</b>	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.  <ul style="list-style-type: none"> <li>• <b>CREDIT AND COLLECTION TRAINING</b></li> <li>• <b>CUSTOMER'S SERVICE TRAINING</b></li> <li>• <b>GENERAL ORIENTATION TRAINING</b></li> <li>• <b>LEADERSHIP TRAINING</b></li> </ul>	

**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>	<p><b>COMPLIANT</b></p>	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <ul style="list-style-type: none"> <li>• <b>SEC FORM Manual on Corporate Governance (MCG) Amended, par. 12.2, p.23</b> Adopted by the Board of Directors on 09 July 2020 <a href="#">Amended-Manual-on-Corporate-Governance-July-2020.pdf (makatifinance.ph)</a></li> <li>• <b>MAKATI FINANCE CORPORATION CODE OF CONDUCT</b></li> </ul>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p><b>COMPLIANT</b></p>	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <ul style="list-style-type: none"> <li>• <b>Through issuance of business memorandum</b></li> </ul>	
<p><b>Supplement to Recommendation 15.2</b></p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p><b>COMPLIANT</b></p>	<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"> <li>• <b>MAKATI FINANCE CORPORATION CODE OF CONDUCT</b></li> </ul> <p>Include any finding of violations of the company policy.</p>	
<p><b>Recommendation 15.3</b></p>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of</p>	<p><b>COMPLIANT</b></p>	<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>	

retaliation		Provide contact details to report any illegal or unethical behavior.	
		<ul style="list-style-type: none"> <li>• <b>Whistle Blowing Policy</b></li> </ul>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <b>Whistle Blowing Policy</b></li> </ul>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	<b>COMPLIANT</b>	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"> <li>• <b>Whistle Blowing Policy</b></li> </ul>	
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
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.	<b>COMPLIANT</b>	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	
<b>Optional: Principle 16</b>			




1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	<b>COMPLIANT</b>	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	<b>COMPLIANT</b>	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 2025..

By:

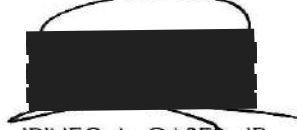
  
ROBERT CHARLES M. LEHMANN  
Chairman of the Board

  
MAX O. BORROMELO  
Vice-Chairman


  
ASTERIO L. FAVIS JR.  
Independent Director

  
MAXCY FRANCISCO JOSE R. BORROMELO  
President









  
ALAN MICHAEL R. CRUZ  
Independent Director

  
IRINEO A. CASES, JR.  
Independent Director

  
CHARITO S. ESPIRITU  
CFO/Compliance Officer

  
DANILO ENRIQUE O. CO  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 29 MAY 2025 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. BORROMELO		
ASTERIO L. FAVIS JR.		
ALAN MICHAEL R. CRUZ		
IRINEO A. CASES, JR.		
MAXCY FRANCISCO JOSE R. BORROMELO		
CHARITO S. ESPIRITU		
DANILO ENRIQUE O. CO		

Doc No. 101  
Page No. 22  
Book No. XXVI  
Series of 2025

**NOTARY PUBLIC**

  
**ATTY. RENE M. M. VILLA**  
NOTARY PUBLIC OF MAKATI CITY  
APPOINTMENT NO. M-110  
(REID) (2025-2026)  
UNTIL DECEMBER 31, 2026  
PTR NO. 10467474, 01-03-2025, MAKATI CITY  
IBP LIFETIME NO. 013595; 12-27-2013; I.C.  
ROLL NO. 37226  
MCLE COMPLIANCE NO. VIII-0012754; 08-27-2024  
GROUND FLOOR, MAKATI TERRACES CONDOMINIUM  
3650 DAVILA ST., TEJEROS, MAKATI CITY

