MAKATI FINANCE CORPORATION

MORE THAN JUST FINANCING

2025

ANNUAL REPORT

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LETTER TO STAKEHOLDERS

As we close 2025, we are pleased to share Makati Finance Corporation's performance highlights and our outlook for 2026. The Philippine economy remained resilient during the year, supported by easing inflation, improving consumer demand, and continued public and private sector investments. While global uncertainties and geopolitical developments continued to be closely monitored, domestic business conditions generally remained supportive of economic activity and credit demand.

Against this backdrop, MFIN continued to demonstrate resilience and financial discipline. While profitability moderated compared to the previous year due to the absence of the one-time gain on sale of investment property recognized in 2024, our core lending operations remained stable and continued to generate strong recurring income. Through prudent risk management and disciplined execution, the Company maintained healthy asset quality, improved liquidity, and further strengthened its capital position.

Throughout the year, we remained focused on improving operational efficiency, enhancing portfolio quality, and optimizing the deployment of capital. These initiatives contributed to lower leverage and improved financial flexibility, positioning the Company to capitalize on future growth opportunities while maintaining a sound balance sheet.

As part of our long-term growth strategy, we are pleased to announce the opening of our Tarlac Branch in 2026, which will strengthen our presence in Central Luzon and support our efforts to expand our market reach. In addition, the successful disposal of repossessed motorcycle inventory during the first quarter of 2026 will allow the redeployment of capital into higher-yielding earning assets and core lending activities.

Looking ahead, we remain optimistic about the opportunities for growth in the Philippine economy and the financing sector. Improving business confidence, resilient domestic demand, and continued investments across key industries are expected to support credit demand and business expansion.

In 2026, MFIN will continue to strengthen its lending operations, expand its market presence, and pursue sustainable growth opportunities while maintaining its commitment to prudent risk management and sound corporate governance. These initiatives position the Company to better serve clients in Central Luzon and neighboring growth areas while supporting our long-term growth objectives.

As we move forward, we remain committed to enhancing operational efficiency, improving customer experience, and deploying capital toward higher-yielding earning assets that will create long-term value for our shareholders.

On behalf of the Board of Directors and Management, we thank our shareholders, clients, funding partners, employees, regulators, and business partners for their continued trust and support. Your confidence inspires us to continue building a stronger and more resilient Makati Finance Corporation for the years ahead.

[redacted]

MAXCY FRANCISCO JOSE R. BORROMEO
President

[redacted]

ROBERT CHARLES M. LEHMANN
Chairman

FINANCIAL SERVICES

MOTORCYCLE and BIG BIKES FINANCING

Fast and easy installment plans used for the purchase of brand new or repossessed motorcycle and big bikes units.

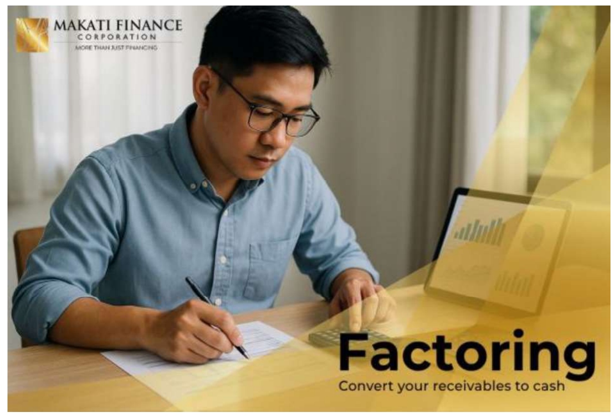
RX CASH LINE™

A personal, multi-purpose, hassle-free, collateral-free loan that is designed for the credit needs of practicing doctors (MD, DMD and DVM).

FACTORING

(Factoring of Receivables)

A financing scheme that enables businesses to get an advance on trade receivables. It eases cash flow pinches and promotes increased business productivity.



BUSINESS LOANS

A loan designed to help your business get quick cash for covering expenses, purchasing equipment, or funding expansion.

FINANCIAL HIGHLIGHTS

(In thousand Pesos)

INCOME STATEMENT

	FOR THE YEARS 2025	2024	2023
NET INTEREST INCOME	₱ 140,540	₱ 145,537	₱ 140,521
OTHER INCOME	21,910	54,182	39,651
OPERATING INCOME	₱ 162,450	₱ 199,720	₱ 180,172
OPERATING EXPENSES	(147,708)	(175,401)	(162,910)
NET INCOME BEFORE TAX	₱ 14,742	₱ 24,319	₱ 17,262
INCOME TAX EXPENSE	(4,425)	(9,857)	(4,338)
NET INCOME AFTER TAX	₱ 10,317	₱ 14,462	₱12,924

BALANCE SHEET

	2025	2024	2023
TOTAL ASSETS	₱ 1,047,130	1,143,574	1,155,883
RECEIVABLES	₱ 734,193	858,003	810,852
BORROWINGS	₱ 395,080	510,317	510,874
TOTAL LIABILITIES	₱ 449,924	556,770	584,807
SHAREHOLDERS' EQUITY	₱ 597,206	586,805	571,076

STATEMENT OF CASH FLOWS

(In thousand Pesos)

	FOR THE YEARS		
		As Reclassified	As Reclassified
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
INCOME BEFORE INCOME TAX	₱ 14,742	₱ 24,319	₱ 17,262
ADD(DEDUCT)ADJUSTMENTS FOR NON OPERATING ITEM	43,563		40,155
OPERATING INCOME BEFORE CHANGES IN WORKING CAPITAL	₱ 58,305	₱ 37,059	₱ 57,417
DECREASE(INCREASE) IN WORKING CAPITAL	79,655	(98,970)	(97,520)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	₱ 137,960	₱ (61,910)	₱ (40,103)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(8,444)	75,709	(2,455)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(127,881)	(17,823)	31,609
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	₱ 1,635	(₱ 4,024)	(₱ 10,949)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,078	23,102	34,052
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱ 20,713	₱ 19,078	₱ 23,102

FINANCIAL REVIEW AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS – YEAR 2025

For the year ended December 31, 2025, Makati Finance Corporation recorded total operating income of Php162.45 million, lower by 18.7% from Php199.72 million in 2024, primarily due to lower non-interest income and the absence of the gain on sale of investment property recognized in the prior year.

Core lending operations remained stable, with net interest income amounting to Php140.54 million, slightly lower than the previous year. Meanwhile, operating expenses decreased by 15.8% to Php147.71 million as a result of continued cost rationalization initiatives.

Consequently, net income for the year amounted to Php10.32 million compared to Php14.46 million in 2024, while earnings per share declined to Php0.04 from Php0.05 in the prior year.

Financial Condition and Capital Resources

As of December 31, 2025, total assets stood at Php1.05 billion, a decrease of 8.4% from Php1.14 billion in 2024, mainly due to lower loans and receivables and investment properties.

Total liabilities decreased by 19.2% to Php449.92 million, primarily due to lower borrowings, while total equity increased by 1.8% to Php597.21 million, supported by current year earnings and other comprehensive income.

The Company continued to maintain a healthy liquidity position and prudent capital structure, supported by lower leverage and effective working capital management.

Income Before Income Tax

Income before income tax amounted to Php14.74 million in 2025, compared to Php24.32 million in 2024. The decline was primarily attributable to lower non-recurring income, particularly the absence of the gain on sale of investment property recognized in the previous year.

Despite lower revenues, the impact was partially mitigated by stable core lending operations and continued expense management initiatives.

RESULTS OF OPERATIONS – YEAR 2024

For the year ended December 31, 2024, Makati Finance Corporation recorded total operating income of Php199.72 million, an increase of 10.8% from Php180.17 million in 2023, driven by higher interest income and stronger non-interest income.

Net interest income improved to Php145.54 million, reflecting continued growth in the Company's core lending business. Other income also increased significantly, supported by the gain on sale of investment property during the year.

Operating expenses increased mainly due to higher personnel and professional costs associated with business operations. However, this was offset by a substantial reduction in provision for credit losses, reflecting improved asset quality and prudent credit risk management.

As a result, income before income tax increased by 40.9% to Php24.32 million, while net income grew by 11.9% to Php14.46 million. Total comprehensive income reached Php17.67 million for the year.

Financial Condition and Capital Resources

As of December 31, 2024, total assets stood at Php1.14 billion, reflecting a stable asset base supported by continued growth in loans and receivables. The increase in current assets was partially offset by lower investment properties following the sale of non-core assets during the year.

Total liabilities decreased to Php556.77 million, primarily due to the repayment of long-term obligations and lower lease liabilities, resulting in improved financial flexibility and lower leverage.

Total equity increased to Php586.81 million, supported by improved profitability and other comprehensive income. Overall, the Company maintained a strong financial position through prudent capital management and continued focus on income-generating assets.

Income Before Income Tax

Income before income tax increased by 40.9% to Php24.32 million in 2024, driven by higher operating income, the gain on sale of investment property, and lower provision for credit losses.

The improvement reflects the Company's strong operating performance, effective asset management, and continued emphasis on credit quality and risk management.

RESULTS OF OPERATIONS – YEAR 2023

As of December 31, 2023, Makati Finance Corporation (MFIN) has achieved 10% increase in its topline as the Interest Income grew by ₱16 million from ₱159 million in 2022 to ₱175 million in 2023. The growth in topline resulted in increase in Net Interest Income to ₱141 million, reflecting a 12% increase from the previous year's ₱126 million. On the other hand, the Company's Total Operating Income experienced a growth of 9%, from ₱165 million in 2022 to ₱180 million in 2023. Despite these positive results, the Net Income declined by 27.6%, settling at ₱13 million compared to ₱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 ₱21 million, from ₱142 million in 2022 to ₱163 million in 2023.

Financial Condition and Capital Resources

The Company's total assets as of December 31, 2023, were ₱1.155 million, and total liabilities increased by 6% or ₱34 million, from ₱551 million in 2022 to ₱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 ₱17 million, lower versus ₱23 million in 2022.

RESULTS OF OPERATIONS – YEAR 2022

The Company 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 ₱22.06 million, a 33% increase compared to ₱12.85 million in 2021. Total Operating Expenses remained almost the same at ₱141.9 million in 2022, versus ₱141.3 million in 2021.

MFIN's Interest Income in 2022 amounted to ₱158.98 million, with breakdowns of ₱22.9 million from Rx Cashline, ₱57.4 million from MFIN Factors and Business Loans, and ₱65.4 million from Motor Vehicle (MC/Car/Leisure Bikes) Financing. Earnings per Share increased to ₱0.07 from ₱0.04 in 2021.

Financial Condition and Capital Resources

The Company's total assets as of December 31, 2022, were ₱1,114.14 million, and total liabilities declined by 18% or ₱118.76 million, from ₱669.81 million in 2021 to ₱551.05 million in 2022. This decline was mainly due to net loan payments from excess cash of the Company.

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.

RESULTS OF OPERATIONS – YEAR 2021

The Company released a total loans of ₱732 million in 2021, 23% lower or about ₱224 million versus ₱956 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 ₱981 million, a decrease of 11% or about ₱118 million versus ₱1.1 billion in 2020. The Company's income before tax amounted to ₱25 million, or about 42% higher versus ₱17.5 million in 2020, driven by increase in miscellaneous income. However, the net income of the Company amounted to ₱9.7 million only, or about 8% lower versus ₱10.8 million in 2020, mainly due to the impact of CREATE law, correcting prior years deferred tax assets in the amount of ₱9.54 million. Without the income tax correction, the Company's Net income for FY2021 should have been ₱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 MFIN 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.

MANAGEMENT'S DISCUSSION ON PLAN OF OPERATIONS

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.

The Company's strategic direction remains anchored on enhancing its portfolio through continuous improvements in credit evaluation, product offerings, and operational processes, while expanding its market presence in selected growth areas.

As part of its expansion initiatives, the Company is set to commence operations of its Tarlac Branch in 2026, which is expected to support business growth and strengthen the Company's presence in Central Luzon.

During the first quarter of 2026, the Company substantially completed the disposal of its repossessed motorcycle inventory. Management believes that this initiative will reduce carrying and storage costs while allowing the redeployment of capital into higher-yielding earning assets and core lending activities.

While global geopolitical and economic developments continue to be closely monitored, management believes that domestic economic conditions remain generally supportive of business activity and credit demand. Accordingly, the Company will continue to adopt a prudent and disciplined approach with emphasis on asset quality, operational efficiency, and effective capital management.

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

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.

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 MFIN'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 ₱ 2.36 per share as of June 30, 2026.

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

	Market Prices	
Quarter Ending	**High**	**Low**
June 2026	2.40	2.36
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

HOLDERS OF COMMON STOCK
TOP 20 Stockholders as of May 31, 2026

There are a total of 113 stockholders as of May 31, 2026

.	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%
ERIC B. BENITEZ	FIL	A	7,699,205	2.79%
MELLISSA B. LIMCAOCO	FIL	A	6,910,055	2.50%
GLENN B. BENITEZ	FIL	A	6,579,102	2.38%
RENE B. BENITEZ	FIL	A	6,316,234	2.29%
JOEL FERRER	FIL	A	2,781,027	1.01%
MICHAEL WEE	FOR	A	1,051,214	0.38%
MARY GRACE V. REYES	FIL	A	819,743	0.30%
SALUD BORROMEO FOUNDATION	FIL	A	558,140	0.20%
TERESITA B. BENITEZ	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%

*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 20% minimum public float. MFIN has 27.30% public float.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

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, for the years ended December 31, 2025 and 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, the 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

Signed under oath by the following:

[redacted]

CHARITO S. ESPIRITU
Chief Finance Officer

[redacted]

MAXCY FRANCISCO JOSE R. BORROMEO
President

[redacted]

ROBERT CHARLES M. LEHMANN
Chairman of the Board

R.G. Manabat & Co.

KPMG

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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.

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.

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.

[redacted]

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[redacted]
Issued January 5, 2026 at Makati City

April 15, 2026
Makati City, Metro Manila

BOARD OF DIRECTORS

The following are the incumbent members of the Board of Directors of the Company.

ROBERT CHARLES M. LEHMANN
Director/Chairman

MAX O. BORROMEO
Director/Vice Chairman

MAXCY FRANCISCO JOSE R. BORROMEO
Director/President

JOEL S. FERRER
Director/Treasurer

JOSE DANIEL R. BORROMEO
Director

IRINEO A. CASES, JR.
Director (Independent)

ASTERIO L. FAVIS, JR.
Director (Independent)

ALAN MICHAEL R. CRUZ
Director (Independent)

CRISTINO L. PANLILIO
Director

VINCENT KHOON ANN EE
Director

CARMEN THERESE L. BENITEZ
Director

Senior Management & Officers

The following comprise the Company's officers and management team.

MAXCY FRANCISCO JOSE R. BORROMEO
President

JOEL S. FERRER
Treasurer

ATTY. DANILO ENRIQUE O. CO
Corporate Secretary

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

JONATHAN B. PEÑA
Executive Vice President & Chief Operating Officer

JOSEPH VINCENT N. GUEVARRA
Manager, Operations

KAMILLE ILENE MAE O. CUTCHON
Manager, HR & Admin

NAPOLEON B. MALONG, JR.
Manager, Audit & Documentation

JIADY F. FALCUNAYA
Manager, IT

MAKATI FINANCE CORPORATION
MORE THAN JUST FINANCING

LEGAL COUNSEL

Co Ferrer Ang-Co & Gonzales Law Offices
MC Santos Law Office

EXTERNAL AUDITOR

R.G. MANABAT & CO. - KPMG

BANKS

Metrobank
BDO
BPI
SECURITY BANK
eastwest
UnionBank
LANDBANK

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