

February 13, 2025

Securities and Exchange Commission
7907 Makati Avenue, Barangay Bel-Air
Makati City, Metro Manila

Attention: **Atty. Oliver O. Leonardo**
Director - Markets and Securities Regulation Department

Atty. Rachel Esther J. Gumtang-Remalante
Director - Corporate Governance and Finance Department

Philippine Dealing & Exchange Corp.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas
Makati City

Attention: **Atty. Suzy Claire R. Selleza**
Head – Market Regulatory Services

Subject: Submission of SEC Form 17-Q as of December 31, 2025

Gentlemen/Mesdames:

We hereby submit a copy of the Quarterly Report (SEC Form 17-Q) for the period ended December 31, 2025.

This submission is made solely for purposes of regulatory engagement and should not be interpreted as an admission or acknowledgment that TFSPH is subject to the periodic reporting obligations under the Securities Regulation Code, pending formal regulatory clarification.

Should you have any questions or require further clarification, please feel free to contact us.

Thank you.

Very truly yours,


Marlon M. Pernez
EVP/Comptroller

COVER SHEET

C S 2 0 0 2 5 1 6 9 1

S.E.C. Registration Number

TOYOTA FINANCIAL SERVICES

PHILIPPINES CORPORATION

(Company's Full Name)

3 2 F G T T O W E R I N T E R N A T I O N A L

A Y A L A A V E N U E C O R . H V D E L A

C O S T A S T R E E T M A K A T I C I T Y

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

Marlon M. Pernez

Contact Person

7756 -7423

Company Telephone Number

0 3

Month

3 1

Day

Fiscal Year

1 7 - Q

FORM TYPE

Any day in July of every year

Annual Meeting

N/A

Secondary License Type, If Applicable

M S R D

Dept. Requiring this Doc.

N / A

Amended Articles Number/Section

1 0

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

SEC Number CS200251691

File Number _____

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION

(Company's Full Name)

32F GT TOWER INTERNATIONAL, AYALA AVENUE, COR. HV DELA COSTA ST.,
SALCEDO VILLAGE, MAKATI CITY

(Company's Address)

7756-7423

(Telephone Number)

March 31

(Fiscal Year Ending)

17-Q

(Form Type)

N/A

December 31, 2025

(Period Ended Date)

None

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended : December 31, 2025

2. Commission identification number : CS200251691

3. BIR Tax Identification No : 219-715-396-00000

4. Exact name of issuer as specified in its charte : TOYOTA FINANCIAL SERVICES
PHILIPPINES CORPORATION

5. Province, country or other jurisdiction of
incorporation or organization : Makati City, NCR, Philippines

6. Industry Classification Code: : (SEC Use Only)

7. Address of issuer's principal office : 32F GT TOWER INTERNATIONAL, AYALA
AVENUE, COR.HV DELA COSTA ST.,
SALCEDO VILLAGE, MAKATI CITY

8. Issuer's telephone number, including area co : (632) 7756-7423

9. Former name, former address and former
fiscal year, if changed since last report : N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

| <u>Title of Each Class</u> | <u>No. of Shares Common Stock Outstanding</u> | <u>Amount of Debt Outstanding (Unsubscribed)</u> |
|----------------------------|---|--|
| Common Share | 87,000,000 shares | N/A |

11. Are any or all of the securities listed on a Stock Exchange?
Yes [] No [X]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
_____ :

12. Indicate by check mark whether the registrant:
(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports)
Yes [] No [X]
(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [] No [X]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached Interim Condensed Financial Statements and General Notes to Interim Condensed Financial Statements (Refer to Annex A) and Financial Soundness Indicators (Refer to Annex B).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

- Annex A

Please see attached Interim Condensed Financial Statements and General Notes to Interim Condensed Financial Statements (Refer to Annex A)

PART II - OTHER INFORMATION

This is to inform the Commission that the Company successfully issued on October 21, 2025, its maiden Fixed Rate Bonds for Php5B under its approved Php 20B bond programme. The issuance was in two tranches with 2-and 3-year tenors maturing in October 2027 and October 2028, respectively. The company shall use the proceeds to diversify its funding sources and to align with the projected growth in assets.

SIGNATURES

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

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION

By:


MARLON M. PERNEZ
EVP - Comptroller


MARVIN EUGENE N. ANTONIO
FVP for Treasury

February 13, 2026

FEB 13 2026

SUBSCRIBED AND SWORN to before me this _____, affiants exhibiting to me their respective Identification Nos. with the following details:

| Name | Identification No. | Date/Place of Issue | Valid Until |
|--------------------------|--------------------|--------------------------------|-------------------|
| Marlon M. Pernez | SSS 0398776127 | N/A | N/A |
| Marvin Eugene N. Antonio | P9722230A | November 27, 2028/DFA NCR East | November 26, 2028 |

Notary Public
Until _____

PTR No. _____
Place _____

Doc. No. 520 :
Page No. 105 :
Book No. 52 :
Series of 2026


ATTY. AIRA JANILLE A. TIMOTEO
Notary Public for Makati City
Appointment No. M-199 until 31 December 2026
Roll of Attorneys No. 87645
PTR No. 10767653/05 January 2026/Makati City
IBP O.R. No. 590549/06 January 2026
MCLE Compliance No. VIII-0020334 valid until April 2025
42/F G.T. Tower International, Ayala Ave., cor.
H.V. Dela Costa St., Salcedo Village, Makati City

ANNEX A

Toyota Financial Services Philippines Corporation and Subsidiary

Interim Condensed Consolidated Financial Statements

As of December 31, 2025 (Unaudited) and March 31, 2025 (Audited) and for the nine months ended December 31, 2025 and 2024 (Unaudited)

**TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND
SUBSIDIARY**

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|---|-------------------------------------|--------------------------------|
| ASSETS | | |
| Cash on hand and in banks | ₱3,131,375,492 | ₱2,537,042,253 |
| Due from Bangko Sentral ng Pilipinas | 2,602,021,533 | 2,689,111,050 |
| Securities purchased under resale agreement | 740,388,111 | 715,000,000 |
| Loans and receivables | 166,352,954,143 | 154,437,967,433 |
| Assets held for sale | 1,061,033,779 | 1,429,767,387 |
| Property and equipment | 922,143,085 | 1,133,504,079 |
| Software costs | 582,972,738 | 669,537,349 |
| Deferred tax assets | 375,929,576 | 407,196,435 |
| Derivative asset | 824,475,979 | 1,255,109,073 |
| Other assets | 251,800,190 | 201,008,481 |
| | ₱176,845,094,626 | ₱165,475,243,540 |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Loans payable | ₱148,113,758,559 | ₱140,646,779,711 |
| Derivative liability | 59,250,371 | 119,912,975 |
| Income tax payable | 76,969,116 | 150,885,066 |
| Lease liabilities | 68,537,850 | 104,614,070 |
| Deposits on lease contracts | 78,037,824 | 78,902,506 |
| Accounts payable and other liabilities | 7,162,287,996 | 3,967,261,428 |
| | 155,558,841,716 | 145,068,355,756 |
| EQUITY | | |
| Capital stock - ₱100 par value | | |
| Authorized - 90,000,000 shares, | | |
| issued and outstanding - 87,000,000 shares | 8,700,000,000 | 8,700,000,000 |
| Retained earnings | 12,612,417,526 | 11,620,079,533 |
| Cash flow hedge reserve | 11,831,706 | 124,804,573 |
| Actuarial loss on retirement plan | (37,996,322) | (37,996,322) |
| | 21,286,252,910 | 20,406,887,784 |
| | ₱176,845,094,626 | ₱165,475,243,540 |

See accompanying Notes to Financial Statements.

**TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND
SUBSIDIARY**

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | For the Nine Months Ended December 31 | |
|---|--|-----------------|
| | 2025 | 2024 |
| INTEREST INCOME | | |
| Loans and receivables | ₱12,304,725,783 | ₱11,266,676,288 |
| Due from Bangko Sentral ng Pilipinas | 51,861,481 | 47,651,000 |
| Securities purchased under resale agreement | 38,809,073 | 59,429,182 |
| Cash in banks | 694,807 | 1,226,227 |
| TOTAL INTEREST INCOME | 12,396,091,144 | 11,374,982,697 |
| INTEREST EXPENSE | | |
| Loans payable and derivatives | 7,115,074,851 | 6,367,847,204 |
| Lease liabilities | 2,107,572 | 4,799,639 |
| TOTAL INTEREST EXPENSE | 7,117,182,423 | 6,372,646,843 |
| NET INTEREST INCOME | 5,278,908,721 | 5,002,335,854 |
| SERVICE FEES AND OTHER INCOME | 224,456,754 | 675,467,561 |
| OPERATING EXPENSES | | |
| Provision for credit and impairment losses | 1,236,669,668 | 1,264,990,972 |
| Taxes and licenses | 755,478,347 | 674,126,641 |
| Compensation and fringe benefits | 503,360,784 | 428,279,808 |
| Litigation and collection | 372,071,042 | 295,255,682 |
| Depreciation and amortization | 360,200,973 | 326,091,135 |
| Occupancy | 278,723,488 | 183,879,375 |
| Sales and marketing | 182,268,160 | 275,958,084 |
| Computer hardware and software expenses | 180,636,663 | 142,611,225 |
| Credit investigation | 105,711,217 | 69,756,622 |
| Supervision fees | 43,745,851 | 41,855,173 |
| Contractual services | 33,838,927 | 34,262,750 |
| Postage, cable and telegram | 21,447,156 | 10,932,376 |
| Management and professional fees | 14,651,075 | 14,049,471 |
| Transportation and travel | 15,945,807 | 15,908,315 |
| Entertainment, amusement and recreation | 3,403,386 | 3,138,375 |
| Others | 50,847,613 | 44,781,571 |
| | 4,159,001,157 | 3,825,877,575 |
| INCOME BEFORE INCOME TAX | 1,344,364,318 | 1,851,925,840 |
| PROVISION FOR INCOME TAX | 352,026,325 | 529,605,085 |
| NET INCOME | 992,337,993 | 1,322,320,755 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | |
| Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods: | | |
| Net movement in cash flow hedge reserve | (112,972,867) | 715,172,427 |
| TOTAL COMPREHENSIVE INCOME | 1,105,310,861 | 607,148,328 |

See accompanying Notes to Financial Statements.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF DECEMBER 31, 2025 AND 2024 (UNAUDITED)

| | Capital Stock (Note 21) | Retained Earnings (Note 21) | Cash Flow Hedge Reserve (Note 14) | Actuarial Loss on Retirement Plan | Total |
|---|----------------------------|-----------------------------------|---|---|------------------------|
| Balances at April 1, 2025 | ₱8,700,000,000 | ₱11,620,079,533 | ₱124,804,573 | (₱37,996,322) | ₱20,406,887,784 |
| Total comprehensive income (loss) for the period | – | 992,337,993 | (112,972,867) | – | 879,290,126 |
| Balances at December 31, 2025 (Unaudited) | ₱8,700,000,000 | ₱12,612,417,526 | ₱11,831,706 | ₱37,996,322 | ₱21,286,252,910 |
| Balances at April 1, 2024 | ₱8,700,000,000 | ₱9,920,007,468 | (₱591,549,268) | (₱28,942,922) | ₱17,999,515,278 |
| Total comprehensive income for the period | – | 1,322,320,754 | 715,172,427 | – | 2,037,493,181 |
| Balances at December 31, 2024 (Unaudited) | ₱8,700,000,000 | ₱11,242,328,222 | ₱123,623,159 | (₱28,942,922) | ₱20,037,008,459 |

See accompanying Notes to Financial Statements.

**TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND
SUBSIDIARY**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | For the Nine Months Ended | |
|---|----------------------------------|-----------------------|
| | December | |
| | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | ₱1,344,364,318 | ₱1,851,925,840 |
| Adjustments for: | | |
| Depreciation and amortization | 360,200,973 | 326,091,135 |
| Amortization of debt issue cost on loans payable | 212,570,977 | 112,187,619 |
| Interest expense on lease liabilities | 2,107,572 | 4,799,639 |
| Provision for impairment losses on property and equipment | 2,480,635 | 4,928,459 |
| Loss (gain) on sale of property and equipment | (296,166) | (791,321) |
| Changes in operating assets and liabilities: | | |
| Increase in: | | |
| Loans and receivables | (11,914,986,710) | (12,793,145,256) |
| Assets held for sale | 365,034,914 | (728,327,145) |
| Other assets | (8,411,494) | (27,180,421) |
| Increase (decrease) in: | | |
| Deposits on lease contracts | (864,682) | 5,737,262 |
| Accounts payable and other liabilities | 3,243,228,027 | 1,791,079,080 |
| Net cash used in operations | (6,394,571,636) | (9,452,695,109) |
| Income taxes paid | (357,017,793) | (424,044,900) |
| Contribution to retirement fund | (48,201,459) | (56,398,750) |
| Net cash used in operating activities | (6,799,790,888) | (9,933,138,759) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of: | | |
| Property and equipment | (130,030,854) | (183,756,039) |
| Software | (6,738,715) | (79,672,892) |
| Proceeds from sale of: | | |
| Property and equipment | 76,008,426 | 35,474,062 |
| Net cash used in investing activities | (60,761,143) | (227,954,869) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from availment of loans payable | 104,007,073,476 | 50,219,021,470 |
| Settlement of loans payable and derivatives | (96,533,325,605) | (39,810,819,638) |
| Payment of lease liabilities | (80,564,008) | (66,159,485) |
| Net cash provided by financing activities | 7,393,183,863 | 10,342,042,347 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 532,631,832 | 180,948,719 |

**CASH AND CASH EQUIVALENTS AT
BEGINNING OF PERIOD**

| | | |
|---|----------------------|---------------|
| Cash on hand and in banks | 2,537,042,253 | 2,304,294,847 |
| Due from Bangko Sentral ng Pilipinas | 2,689,111,050 | 5,777,954,719 |
| Securities purchased under resale agreement | 715,000,000 | |
| | 5,941,153,303 | 8,082,249,566 |

**CASH AND CASH EQUIVALENTS AT
END OF PERIOD**

| | | |
|---|----------------------|---------------|
| Cash on hand and in banks | 3,131,375,492 | 2,409,561,956 |
| Due from Bangko Sentral ng Pilipinas | 2,602,021,533 | 5,853,636,328 |
| Securities purchased under resale agreement | 740,388,111 | |
| | 6,473,785,136 | 8,263,198,284 |

OPERATIONAL CASH FLOWS FROM INTEREST

| | | |
|-------------------|-----------------------|----------------|
| Interest received | 15,733,588,985 | 14,755,950,743 |
| Interest paid | 6,641,679,391 | 5,318,437,377 |

See accompanying Notes to Financial Statements.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Incorporation and operations

Toyota Financial Services Philippines Corporation (TFSPH or the Parent Company) is a domestic corporation registered with the Philippine Securities and Exchange Commission (SEC) on August 16, 2002. The Company's registered address is 32F GT Tower, Ayala Ave. cor. HV Dela Costa St. Makati City. The Company has a corporate life of 50 years.

The Company serves customers of Toyota vehicles through financing and leasing services, as well as Toyota dealers, through inventory stock financing. On May 8, 2008, the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) granted the Company its quasi-banking license, which enables the Company to diversify its sources of funds, as well as offer a wider range of financing products to its growing customers and perform other quasi-banking functions effective April 1, 2009.

The following table sets forth the ownership structure of the Company:

| | Percentage of ownership |
|--|-------------------------|
| Toyota Financial Services Corporation (TFSC) | 60.00% |
| GT Capital Holdings, Inc. (GT Capital) | 40.00% |

The Company's ultimate parent company is TFSC, a financial services company based in Japan.

Establishment of a wholly owned subsidiary

The Parent Company established an insurance agency, Toyota Insurance Services Philippines Corporation (TISPH or Subsidiary Company), a wholly owned subsidiary. TISPH was registered with the Philippine Securities and Exchange Commission (SEC) on September 10, 2025, with capitalization of ₱ 10.00 million. The subsidiary company commenced its operation in December 2025.

2. Material Accounting Policy Information

Basis of Preparation of Interim Condensed Financial Statements

The interim condensed financial statements of the Company as of December 31, 2025 and for the nine months ended December 31, 2025 and 2024 have been prepared using the historical cost basis except for derivative financial instruments, which have been measured at fair value.

The accompanying interim condensed financial statements are presented in Philippine peso (₱), which is also the Company's functional currency.

All values are rounded to the nearest peso unless otherwise stated.

The accompanying interim condensed consolidated financial statements have been prepared by the Parent Company for its debt offering transaction.

Statement of Compliance

The interim condensed consolidated financial statements of the Company have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the interim condensed financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended March 31, 2025 prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Presentation of Financial Statements

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (noncurrent) is presented in Note 15.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those of the Company's annual financial statements as of and for the year ended March 31, 2025, except for the adoption of the amendments to Amendments to PAS 21, *Lack of exchangeability*, which became effective April 1, 2025. The adoption of these amendments to PFRS Accounting Standards did not have an impact on the Company's interim condensed financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Seasonality or Cyclicity of Interim Operations

Seasonality or cyclicity of interim operations is not applicable to the Company's type of business.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying interim condensed financial statements in accordance with PAS 34 requires management to make judgments and estimates that affect the amounts reported in the interim condensed financial statements and related notes. Judgments and

estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

The significant judgments and assumptions made in the unaudited interim condensed financial statements of the Company are consistent with the most recent annual financial statements issued, unless otherwise indicated.

Estimates

a. Impairment of Loans and Receivables

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

The significant factors affecting the estimates on the ECL model include:

- The criteria for assessing if there has been a significant increase in credit risk.
- The definition of default, which is consistent with the regulatory requirements.
- Segmentation of the portfolio into individual and corporate.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and economic inputs and the effect on PDs, EADs and LGDs. For the nine months ended December 31, 2025 and 2024, the Company revisited the historical default and recovery experiences and updated its forecast of macroeconomic variables affecting the default of its individual and corporate loan segments and reflected them in the overlay.
- Incorporation of expert judgment in the selection of the forward looking macroeconomic scenarios to derive the economic inputs. For the nine months ended December 31, 2025 and 2024, the Company evaluated its expectations of economic recovery based on available market and published data and reflected such in the scenario weights.

The carrying amounts of the loans and receivables and related allowance are disclosed in Notes 7 and 11.

b. Valuation of Assets Held for Sale

The Company's assets held for sale are carried at the lower of their carrying amount and fair value less costs to sell. Fair value is based on the valuation performed by the internal appraiser. As of December 31, 2025 and 2024, the Company reassessed the valuation of these assets in view of their current market price, together with its historical sales experience, and made the adjustments, as necessary, to their valuation to reflect the expectations of recoverability of these assets.

As of March 31, 2025 and 2024, assets held for sale is disclosed in Note 8.

Basis of Consolidation

The interim condensed consolidated financial statements include the accounts of the Parent Company and its sole wholly owned domestic subsidiary, Toyota Insurance Services Philippines Corporation.

The subsidiary is fully consolidated from the date of registration, being the date on which the Parent Company obtains control, and continue to be consolidated until the date when such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of the subsidiary ceases when control is transferred out of the Parent Company.

Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Parent has less than a majority of the voting or similar rights of an investee, the Parent considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i. the contractual arrangement with the other vote holders of the investee
- ii. rights arising from other contractual arrangements
- iii. the Parent's voting rights and potential voting rights

The Parent reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The financial statement of the subsidiary is prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intragroup transactions, balances, income and expenses resulting from intragroup transactions and dividends are eliminated in full on consolidation.

If the Parent loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary and the cumulative translation differences, recorded in equity;
- recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Parent had directly disposed of the related assets or liabilities.

4. Operating Segments

The Company operates as a financing company engaged in finance activities and has only one operating segment. The results of operations are reviewed by the President to make strategic decisions and assess the Company's financial performance.

Performance is evaluated based on key financial metrics such as Net Income Margin, Net Income, and Total Operating Profit. These indicators reflect the Company's ability to generate returns from its core financing operations.

Total Financing Revenue represents total interest income generated by the Company from its normal business activities, which includes the interest income from loans and receivables, due from Bangko Sentral ng Pilipinas, and cash in banks. The amount is equal to the "Total Interest Income" presented in the statement of comprehensive income. Total Operating Profit is calculated as the total operating income (i.e., total financing revenue plus service fees and other income) less interest and operating expenses, excluding provision for income tax. Net Income Margin is calculated as Net Income divided by Total Financing Revenues.

Presented below are the Company's Net income, Net Income Margin and Total Operating Profit for the nine-month periods ended December 31, 2025 and 2024:

| | For the nine months ended | |
|--------------------------------|----------------------------------|-----------------|
| | December 31 | |
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Total Financing Revenues (a) | ₱12,396,091,144 | ₱11,374,982,697 |
| Service Fees and Other Income | 224,456,754 | 675,467,561 |
| Total Operating Income | 12,620,547,898 | 12,050,450,258 |
| Interest Expense | 7,117,182,423 | 6,372,646,843 |
| Operating Expenses | 4,159,001,157 | 3,825,877,575 |
| Total Operating Profit | 1,344,364,318 | 1,851,925,840 |
| Provision for Income Tax | 352,026,325 | 529,605,085 |
| Net Income (b) | ₱922,337,993 | ₱1,322,320,755 |
| Net Income Margin (b/a) | 8.01% | 11.62% |

5. Cash on hand and in banks and Due from Bangko Sentral ng Pilipinas

Cash on hand and in banks

This account consists of:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|-----------------------------|--|--------------------------------|
| Cash on hand | ₱3,248,625 | ₱2,769,720 |
| Cash in banks | 3,128,361,969 | 2,534,507,635 |
| | 3,131,610,595 | 2,537,277,355 |
| Allowance for credit losses | (235,102) | (235,102) |
| | ₱3,131,375,492 | 2,537,042,253 |

For the nine months ended December 31, 2025 and 2024, cash in banks earn annual interest ranging from 0.06% to 0.25%.

Interest earned on cash in banks amounted to ₱0.69 million and ₱0.61 million for the nine-month periods ended December 31, 2025 and 2024, respectively.

Due from BSP

This account consists of:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|--------------------|--|--------------------------------|
| Demand deposits | ₱1,582,021,533 | ₱1,193,111,050 |
| Overnight deposits | 1,020,000,000 | 696,000,000 |
| Term deposits | - | 800,000,000 |
| | ₱2,602,021,533 | ₱2,689,111,050 |

Due from BSP includes non-interest-bearing demand deposit account. It also includes overnight deposit facility that earns annual interest ranging from 4.75% to 5.25% and from 4.00% to 5.25% for the nine months December 31, 2025 and 2024, respectively, and term deposit facility that earns annual interest ranging from 4.44% to 5.80% and from 5.91% to 6.55% for the nine months ended December 31, 2025 and 2024, respectively. Total interest earned on Due from BSP amounted to ₱51.86 million and ₱47.65 million for the nine months ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and March 31, 2025, the Company is in compliance with the BSP's reserve requirement. The total available reserves booked under 'Due from BSP' amounted to ₱1.58 billion and ₱1.19 billion as of December 31, 2025 and March 31, 2025, respectively.

6. Securities Purchased Under Resale Agreement (SPURA)

This account consists of government securities purchased under reverse repurchase agreement with the BSP as counterparty. These government securities, with face value

amounting to 740.39 million and ₱715.00 million as of December 31, 2025 and March 31, 2025, respectively, were pledged in favor of the Company as collateral for SPURA, which is equivalent to the face value of the government securities.

The annual interest is ranging from 4.25%.% to 5.75% and from 5.81%.% to 6.58% for the nine months ended December 31, 2025 and 2024, respectively.

Total interest earned on SPURA amounted to ₱38.81 million and ₱59.43 million for the nine months ended December 31, 2025 and 2024, respectively.

7. Loans and Receivables

This account consists of:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|---------------------------------|--|--------------------------------|
| Receivables from customers | | |
| Receivables financed | ₱20,098,575,947 | ₱19,037,912,344 |
| Unearned finance income | (3,020,979,317) | (2,781,945,398) |
| | 17,077,596,630 | 16,255,966,946 |
| Finance lease receivables | | |
| Finance lease receivables | 182,577,182,456 | 168,614,838,097 |
| Residual value of leased assets | 318,000 | 318,000 |
| | 182,577,500,456 | 168,615,156,097 |
| Unearned lease income | (31,638,598,288) | (28,541,418,962) |
| | 150,938,902,168 | 140,073,737,135 |
| | 168,016,498,798 | 156,329,704,081 |
| Other receivables | | |
| Receivables from clients | 117,051,858 | 118,734,022 |
| Receivables from employees | 44,062,830 | 33,779,413 |
| Accrued interest receivable | 496,587 | 788,012 |
| Others | 6,989,067 | 758,349 |
| | 168,600,342 | 154,059,796 |
| Allowance for credit losses | (1,832,144,997) | (2,045,796,444) |
| | ₱166,352,954,143 | ₱154,437,967,433 |

For the nine months ended December 31, 2025 and 2024, receivables financed earn fixed interest ranging from 6.37% to 18.44% and from 7.09% to 18.44%, respectively, while finance lease receivables earn fixed interest ranging from 6.02% to 18.87% in both periods.

As of December 31, 2025 and March 31, 2025, the Company's allowance for credit losses for loans and receivables is in compliance with the requirements of RA No. 8556.

8. Assets Held for Sale

As of December 31, 2025 and March 31, 2025, the Company's assets held for sale amounting to ₱1.06 billion and ₱1.43 billion, respectively. For the nine months ended December 31, 2025 and 2024, the Company repossessed collaterals from customers amounting to ₱5.63 billion and ₱4.33 billion, respectively. For the same periods, the Company sold assets held for sale with net book value of ₱6.09 billion and ₱3.43 billion, recognizing loss on disposal amounting to ₱628.95 million and ₱71.29 million, respectively (see Note 16). For the nine months ended December 31, 2025 and 2024, the Company recorded provision for impairment losses amounting to ₱1.09 billion and ₱757.68 million, respectively.

9. Property and Equipment

For the nine months ended December 31, 2025 and 2024, the Company acquired property and equipment amounting to ₱130.03 million and ₱184.29 million, respectively. For the same periods, the Company disposed property and equipment with net book value of ₱186.59 million and ₱60.89 million, respectively.

The Company recognized a depreciation expense amounting to ₱266.90 and ₱260.91 million for the nine months ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and March 31, 2025, the Company has no property and equipment pledged as collateral nor commitments to purchase any property or equipment.

10. Software Costs and Other Assets

Software Costs

For the nine months ended December 31, 2025 and 2024, the Company acquired software with cost of ₱42.44 million and ₱79.67 million, respectively. Amortization of software costs, included in the 'Depreciation and amortization' in the statements of comprehensive income, amounted to ₱93.03 million and ₱65.18 million for the nine months ended December 31, 2025 and 2024, respectively.

Other Assets

This account consists of:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|------------------------------|--|--------------------------------|
| Financial assets | | |
| Security deposits | ₱59,629,024 | ₱41,979,336 |
| Non-financial assets | | |
| Prepaid expenses | 189,601,845 | 155,403,847 |
| Creditable withholding taxes | 2,569,321 | 3,625,298 |
| | ₱251,800,190 | ₱201,008,481 |

11. Allowance for Credit and Impairment Losses

This account consists of:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|---------------------------|--|--------------------------------|
| Cash in banks* | ₱235,102 | ₱235,102 |
| Loans and receivables: | | |
| Finance lease receivables | ₱1,712,161,804 | ₱1,890,208,830 |
| Receivables financed | 119,764,969 | 155,369,116 |
| Other receivables | 218,498 | 218,498 |
| | 1,832,144,997 | 2,045,796,444 |
| Assets held for sale | 248,020,711 | 336,020,646 |
| Property and equipment | 2,480,635 | 11,744,658 |
| Balance at end of period | ₱2,082,881,444 | ₱2,393,796,850 |

*Allowance under stage 1

With the foregoing level of allowance for credit and impairment losses, management believes that the Company has sufficient allowance to absorb any losses that may be incurred from the non-collection or nonrealization of its receivables and assets held for sale.

The rollforward analysis of this account for the nine months ended December 31, 2025 and 2024 follows:

| December 31, 2025 (Unaudited) | | | | | |
|--|--------------------------|----------------------------------|---------------------------------|---------------------------------------|------------------------|
| | Cash in banks | Loans and receivables | Assets held for sale | Property and equipment | Total |
| Beginning balance | ₱235,102 | ₱2,045,796,444 | ₱336,020,646 | ₱11,744,658 | ₱2,393,796,850 |
| Provision for credit and impairment losses | - | 148,046,214 | 1,086,643,575 | 2,480,635 | 1,237,170,424 |
| Write-off | - | (361,697,662) | - | - | (361,697,662) |
| Reversal through disposal | - | - | (1,174,643,510) | (11,744,658) | (1,186,388,168) |
| | ₱235,102 | ₱1,832,144,996 | ₱247,519,711 | ₱2,480,635 | ₱2,082,881,444 |

| December 31, 2024 (Unaudited) | | | | | |
|---|----------------------|----------------------------------|---------------------------------|-----------------------------------|----------------|
| | Cash in banks | Loans and receivables | Assets held for sale | Property and equipment | Total |
| Beginning balance | ₱235,102 | ₱1,921,575,848 | ₱116,400,269 | ₱6,128,584 | ₱2,044,339,803 |
| Provision for credit and impairment losses | - | 502,347,870 | 758,500,398 | 4,961,147 | 1,265,809,415 |
| Write-off | - | (329,711,751) | - | - | (329,711,751) |
| Reversal through disposal | - | - | (582,443,726) | (32,688) | (582,476,414) |
| | ₱235,102 | ₱2,094,211,967 | ₱292,456,941 | ₱11,057,043 | ₱2,397,961,053 |

Below is the breakdown of the provision for credit and impairment losses:

| | For the Nine Months Ended December 31 | |
|--------------------------------|--|-----------------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Loans and receivables (Note 7) | | |
| Finance lease receivables | ₱170,674,336 | ₱453,488,631 |
| Receivables financed | (22,628,122) | 48,859,240 |
| | 148,046,214 | 502,347,870 |
| Assets held for sale (Note 8) | 1,086,142,819 | 757,681,954 |
| Vehicle under operating lease | 2,480,635 | 4,961,147 |
| | ₱1,236,669,668 | ₱1,264,990,972 |

12. Loans Payable

This account consists of the Company's borrowings, net of unamortized debt transaction costs:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|------------------------------|--|--------------------------------|
| Domestic bank loans | ₱94,899,200,458 | ₱96,251,157,302 |
| Fixed rate notes | 17,484,071,162 | 13,787,949,983 |
| Notes payable | 11,037,998,362 | 9,958,699,491 |
| Foreign bank loans and bonds | 19,744,877,383 | 20,648,972,935 |
| Domestic Bonds | 4,947,611,194 | - |
| | ₱148,113,758,559 | ₱140,646,779,711 |

The movements in loans payable follow:

| | For the Nine Months Ended December 31 | |
|--|--|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Balance at beginning of the period (gross of unamortized transaction costs) | ₱141,365,609,491 | ₱130,625,539,496 |
| Availments | 51,901,699,911 | 49,773,345,786 |
| Settlements | (44,921,051,038) | (41,020,753,113) |
| Changes in foreign exchange | 461,360,000 | 998,290,000 |
| Balance at end of the period (gross of unamortized transaction costs) | 148,807,618,364 | 140,376,422,169 |
| Unamortized debt transaction cost | (693,859,805) | (735,179,558) |
| | ₱148,113,758,559 | ₱139,641,242,611 |

For the nine months ended December 31, 2025 and 2024, the movements in the unamortized debt transaction costs on loans payable are as follows:

| | For the Nine Months Ended December 31 | |
|------------------------------------|--|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Balance at beginning of the period | ₱718,829,780 | ₱674,501,338 |
| Additions | 187,601,002 | 172,865,839 |
| Amortization | (212,570,977) | (112,187,619) |
| Balance at end of the period | ₱693,859,805 | ₱735,179,558 |

Maturities of loans payable are presented below:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|------------------------------|--|-----------------------------|
| Less than one year | 55,562,876,552 | ₱46,689,811,804 |
| One year up to 2years | 52,961,953,320 | 45,192,269,469 |
| More than 2 yrs to 3 years | 34,182,788,490 | 41,183,528,218 |
| More than 3 years to 5 years | 6,100,000,000 | 8,300,000,000 |
| | ₱148,807,618,362 | ₱141,365,609,491 |

As of December 31, 2025 and March 31, 2025, the outstanding loans payable are unsecured.

Bank loans

As of December 31, 2025 and March 31, 2025, the Company's bank loans have maturity periods of 1 month to 5 years and 1 month to 5 years, respectively. For the nine months ended December 31, 2025 and 2024, domestic bank loans bear annual interest rates ranging from 4.00% to 7.33% and 3.75% to 7.33%, respectively.

Fixed rate notes

As of December 31, 2025 and March 31, 2025, the Company's retail fixed rate notes have maturity periods of 1 to 29 months and 3 to 36 months, respectively. For the nine months ended December 31, 2025 and 2024, the fixed rate notes bear annual interest rates ranging from 6.01% to 7.01% and 6.25% to 7.01%, respectively.

On May 8, 2025, the Company issued additional retail fixed rates notes amounting to ₱5.00 billion with annual interest rates ranging from 6.16% to 6.30% and have maturity periods of 30 months to 3 years.

Notes payable

As of December 31, 2025 and March 31, 2025, the Company's notes payable has maturity periods of 1 month to 3 years. For the nine months ended December 31, 2025 and 2024, notes payable bears annual interest rates ranging from 4.73% to 6.50% and 2.63% to 6.63%, respectively.

The interest expense on loans payable, including amortization of debt issue costs, amounted to ₱2.23 billion and ₱1.86 billion for the nine-month periods ended December 31, 2025 and 2024, respectively.

Domestic Bonds

As of December 31, 2025, the Company's domestic bonds has maturity period of 24 months and 36 months. For the nine months ended December 31, 2025, domestic bonds bears annual interest rates ranging from 5.77% to 5.94%.

13. Accounts Payable and Other Liabilities

This account consists of:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|---------------------------|--|-----------------------------|
| Financial liabilities | | |
| Accounts payable | ₱5,063,621,057 | ₱2,009,158,947 |
| Accrued interest payable | 1,124,378,669 | 1,110,887,306 |
| Accrued expenses | 489,025,822 | 436,938,925 |
| | 6,767,025,548 | 3,556,985,178 |
| Non-financial liabilities | | |
| Accrued expenses | 279,459,466 | 277,010,849 |
| Withholding tax payable | 73,167,203 | 71,873,841 |
| Retirement liability | 37,046,068 | 57,177,616 |
| Others | 5,589,712 | 4,213,944 |
| | 395,262,448 | 410,276,250 |
| | ₱7,162,287,996 | ₱3,967,261,428 |

Accrued expenses pertain to accruals of gross receipts tax (GRT) and fringe benefit tax, unbilled utilities, employees' compensated leaves and absences and BSP annual supervision fees.

14. Derivative Instruments Designated As Hedges

The breakdown of derivative assets (liabilities) designated as hedge instruments in cash flow hedges as of December 31, 2025 and March 31, 2025 is as follows:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|----------------------|--|--------------------------------|
| Derivative asset | ₱824,475,979 | ₱1,255,109,073 |
| Derivative liability | (59,250,371) | (119,912,975) |

15. Maturity Analysis of Assets and Liabilities

The following tables present the assets and liabilities as of December 31, 2025 and March 31, 2025 analyzed according to when they are expected to be recovered or settled within one year and beyond one year from the reporting date:

| | December 31, 2025 (Unaudited) | | | March 31, 2025 (Audited) | | |
|--|-------------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
| | Due within one year | Due beyond one year | Total | Due within one year | Due beyond one year | Total |
| Financial Assets | | | | | | |
| Cash on hand and in banks | ₱3,131,610,595 | ₱- | ₱3,131,610,595 | ₱2,537,277,355 | ₱- | ₱2,537,277,355 |
| Due from BSP | 2,602,021,533 | - | 2,602,021,533 | 2,689,111,050 | - | 2,689,111,050 |
| SPURA | 740,388,111 | - | 740,388,111 | 715,000,000 | - | 715,000,000 |
| Loans and receivables | - | - | - | - | - | - |
| Receivables from customers | - | - | - | - | - | - |
| Receivables financed | 8,041,491,863 | 12,057,084,084 | 20,098,575,947 | 7,760,791,135 | 11,277,121,209 | 19,037,912,344 |
| Finance lease receivables | 61,984,927,221 | 120,592,573,235 | 182,577,500,456 | 58,671,662,586 | 109,943,493,511 | 168,615,156,097 |
| Other receivables | - | - | - | - | - | - |
| Receivables from clients | 117,051,858 | - | 117,051,858 | 118,734,022 | - | 118,734,022 |
| Receivables from employees | 7,120,480 | 36,942,350 | 44,062,830 | 10,885,657 | 22,893,756 | 33,779,413 |
| Accrued interest receivable | 496,584 | - | 496,584 | 788,012 | - | 788,012 |
| Others | 6,989,071 | - | 6,989,071 | 758,349 | - | 758,349 |
| Derivative asset | - | 824,475,979 | 824,475,979 | - | 1,255,109,073 | 1,255,109,073 |
| Other assets | - | - | - | - | - | - |
| Security deposits | - | 59,629,024 | 59,629,024 | - | 41,979,336 | 41,979,336 |
| | 76,632,097,316 | 133,570,704,672 | 210,202,801,988 | 72,505,008,166 | 122,540,596,885 | 195,045,605,051 |
| Nonfinancial Assets | | | | | | |
| Assets held for sale | 1,309,054,487 | - | 1,309,054,487 | 1,765,788,033 | - | 1,765,788,033 |
| Property and equipment | - | 1,905,770,578 | 1,905,770,578 | - | 1,962,577,178 | 1,962,577,178 |
| Software costs | - | 1,070,450,516 | 1,070,450,516 | - | 1,063,711,801 | 1,063,711,801 |
| Deferred tax assets | - | 375,929,576 | 375,929,576 | - | 407,196,435 | 407,196,435 |
| Other assets | - | - | - | - | - | - |
| Prepaid expenses | 189,601,846 | - | 189,601,846 | 155,403,847 | - | 155,403,847 |
| Creditable withholding taxes | 2,569,321 | - | 2,569,321 | 3,625,298 | - | 3,625,298 |
| | 1,501,225,653 | 3,352,150,670 | 4,853,376,323 | 1,924,817,178 | 3,433,485,414 | 5,358,302,592 |
| Less: Unearned finance and lease income | 15,799,958,093 | 18,859,619,512 | 34,659,577,605 | 14,366,601,298 | 16,956,763,062 | 31,323,364,360 |
| Allowance for credit and impairment losses | 594,022,759 | 1,486,378,050 | 2,080,400,810 | 354,491,928 | 2,039,304,922 | 2,393,796,850 |
| Accumulated depreciation and amortization | - | 1,471,105,271 | 1,471,105,271 | - | 1,211,502,893 | 1,211,502,893 |
| | ₱61,739,342,117 | ₱115,105,752,509 | ₱176,845,094,626 | ₱59,708,732,118 | ₱105,766,511,422 | ₱165,475,243,540 |

| | December 31, 2025 (Unaudited) | | | March 31, 2025 (Audited) | | |
|--|-------------------------------|-----------------------|------------------------|--------------------------|-----------------------|------------------------|
| | Due within one year | Due beyond one year | Total | Due within one year | Due beyond one year | Total |
| Financial Liabilities | | | | | | |
| Loans payable | | | | | | |
| Domestic bank loans | 29,758,884,085 | ₱65,140,316,373 | ₱94,899,200,458 | ₱24,864,785,586 | ₱71,386,371,716 | ₱96,251,157,302 |
| Fixed rate notes | 6,678,933,756 | 10,805,137,406 | 17,484,071,162 | 4,674,000,000 | 9,113,949,983 | 13,787,949,983 |
| Notes payable | 10,256,376,552 | 781,621,810 | 11,037,998,362 | 9,677,394,610 | 281,304,881 | 9,958,699,491 |
| Foreign banks loans and bonds | 8,782,593,365 | 10,962,284,018 | 19,744,877,383 | 5,431,847,507 | 2,851,424,184 | 8,283,271,691 |
| Domestic Bonds | - | 4,947,611,194 | 4,947,611,194 | - | - | - |
| | 55,467,787,758 | 92,636,970,801 | 148,113,758,559 | 47,493,502,253 | 93,153,277,458 | 140,646,779,711 |
| Derivative liability | - | 59,250,371 | 59,250,371 | - | 119,912,975 | 119,912,975 |
| Accounts payable and other liabilities | | | | | | |
| Accounts payable | 5,063,621,057 | - | 5,063,621,057 | 2,009,158,947 | - | 2,009,158,947 |
| Accrued interest payable | 452,849,065 | 756,767,047 | 1,209,616,112 | 439,724,322 | 671,162,984 | 1,110,887,306 |
| Accrued expenses | 489,025,822 | - | 489,025,822 | 436,938,925 | - | 436,938,925 |
| Deposits on lease contracts | 318,000 | 77,719,824 | 78,037,824 | 318,000 | 78,584,506 | 78,902,506 |
| Lease liability | 68,537,850 | - | 68,537,850 | 63,415,882 | 41,198,188 | 104,614,070 |
| | 61,551,139,552 | 93,530,708,043 | 155,081,847,595 | 50,443,058,329 | 94,064,136,111 | 144,507,194,440 |
| Nonfinancial Liabilities | | | | | | |
| Income tax payable | 79,969,116 | - | 79,969,116 | 150,885,066 | - | 150,885,066 |

| | December 31, 2025 (Unaudited) | | | March 31, 2025 (Audited) | | |
|--|-------------------------------|------------------------|------------------------|--------------------------|---------------------|------------------|
| | Due within one year | Due beyond one year | Total | Due within one year | Due beyond one year | Total |
| Accounts payable and other liabilities | | | | | | |
| Accrued expenses | 279,459,466 | - | 279,459,466 | 277,010,849 | - | 277,010,849 |
| Withholding tax payable | 78,509,788 | - | 78,509,788 | 71,873,841 | - | 71,873,841 |
| Retirement liability | - | 37,046,068 | 37,046,068 | - | 57,177,616 | 57,177,616 |
| Others | 5,009,683 | - | 5,009,685 | 4,213,944 | - | 4,213,944 |
| | 439,948,053 | 37,046,068 | 476,994,121 | 503,983,700 | 57,177,616 | 561,161,316 |
| | | | P | | | |
| | P61,991,087,605 | P93,567,754,111 | 155,558,841,716 | P50,947,042,029 | P94,121,313,727 | P145,068,355,756 |

16. Service Fees and Other Income

This account consists of:

| | For the Nine Months Ended December 31 | |
|--|--|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Service and other fees | P569,999,865 | P419,297,144 |
| Operating lease revenues | 217,170,757 | 243,305,224 |
| Recoveries from accounts written off | 65,935,237 | 83,365,610 |
| Loss on disposal of assets held for sale | (628,945,271) | (71,291,738) |
| Gain (loss) on disposal of property and equipment (Note 9) | 296,166 | 791,321 |
| | P224,456,754 | P675,467,561 |

Service and other fees include income from late payments, service charges and commission income of the subsidiary. Late payment charges are those imposed on customers upon default of their amortization payments. Service charges are collected from processing and registration fees.

17. Income Taxes

Provision for (benefit from) income tax consists of:

| | For the Nine Months Ended December 31 | |
|---------|--|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Current | | |
| Regular | P266,045,553 | P514,567,383 |
| Final | 17,056,290 | 21,661,282 |
| | 283,101,843 | 536,228,664 |

| | | |
|----------|---------------------|--------------|
| Deferred | 68,924,481 | (6,623,580) |
| | ₱352,026,325 | ₱529,605,085 |

As of December 31, 2025 and March 31, 2025, the Company recognized deferred tax assets amounting to ₱375.93 million and ₱407.20 million, respectively, with the increase primarily attributed to the increase in allowance for credit and impairment losses.

The components of net deferred tax assets are as follow:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|--|--|--------------------------------|
| Deferred tax assets: | | |
| Allowance for credit and impairment losses | ₱520,720,361 | ₱598,449,213 |
| Cash flow hedge reserve – losses | – | – |
| Lease liabilities | 17,134,462 | 26,153,518 |
| Unamortized past service cost | 11,622,766 | 11,622,766 |
| Accrued expenses | 15,267,750 | 8,722,457 |
| Retirement liability | 9,261,517 | 14,294,404 |
| Transportation equipment - depreciation | 2,090,399 | 1,358,418 |
| Unrealized foreign exchange loss | 248,751 | 224,940 |
| | 576,346,006 | 660,825,716 |
| Deferred tax liabilities: | | |
| Unamortized debt issue cost | 173,464,951 | 179,707,445 |
| Right-of-use assets | 22,738,669 | 32,085,809 |
| Unrealized foreign exchange gain | 268,908 | 234,502 |
| Cash flow hedge reserve – gains | 3,943,902 | 41,601,525 |
| | 200,416,430 | 253,629,281 |
| | ₱375,929,576 | ₱407,196,435 |

18. Lease Commitments

Company as a Lessee

The following are the amounts recognized in statements of income:

| | For the Nine Months Ended December 31 | |
|---|--|-------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| Rent expense related to short-term leases | ₱105,798,368 | ₱48,392,436 |
| Depreciation expense of right-of-use assets included in property and equipment | 79,768,772 | 77,361,055 |

| | | |
|---------------------------------------|---------------------|--------------|
| Interest expense on lease liabilities | 2,107,572 | 4,799,639 |
| | ₱187,674,712 | ₱130,553,131 |

Company as Lessor

For the nine months ended December 31, 2025 and 2024, rental income of the Company related to these property leases amounting to ₱217.17 million and ₱243.31 million, respectively, is presented under the 'Service fees and other income' in the statements of income.

19. 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 other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence (referred to as affiliates).

In the normal course of business, the Company enters into transactions with its related parties principally consisting of advances and other borrowings. Under RA No. 8556, *Financing Company Act*, the Company's amount of credit accommodation to its directors, officers, stockholders and other related parties should not exceed 15.00% of its net worth. In 2025 and 2024, the Company has complied with this regulatory requirement.

The Company has several business relationships with related parties. The terms of the transactions with such parties are listed below on substantially the same terms, including interest and collaterals as those prevailing at the time for comparable transactions with other parties, and are usually settled in cash. These transactions also did not involve more than the nominal risk of collectability or present other unfavorable conditions.

The summary of significant related party transactions of the Company are as follows:

| Category | December 31, 2025 | | March 31, 2025 | | Nature/Terms and Conditions |
|---|-----------------------|---------------------|-----------------------|---------------------|---|
| | Amount of transaction | Outstanding Balance | Amount of transaction | Outstanding Balance | |
| Stockholder | | | | | |
| TFSC (Ultimate Parent Company) | | | | | |
| Accounts payable | (P368,453) | P403,675 | P101,348 | P772,128 | Amount payable to TFSC relating to billing for the support services being provided to the Company |
| Subsidiaries of the Stockholder | | | | | |
| TMFNL | | | | | |
| Loans payable | (214,950,000) | 2,645,550,000 | (1,357,500,000) | 2,860,500,000 | Loan availment with interest ranging from 5.41% to 6.78% |
| Accrued interest payable | 1,037,049 | 18,714,397 | (2,278,865) | 17,677,348 | Accrued interest payable to TMFNL USD |
| MBTC | | | | | |
| Cash in bank | 63,299,242 | 411,080,088 | (152,869,030) | 347,780,846 | Demand deposit account with annual interest of 0.125 |
| Loans payable | (1,300,000,000) | 15,200,000,000 | 5,750,000,000 | 16,500,000,000 | Loan payments on loans availed with interest rates ranging from 5.30% to 6.90% |
| Accrued interest payable | (19,950,196) | 101,204,103 | 52,023,998 | 121,154,299 | Accrued Interest payable to MBTC |
| Philippine Savings Bank (PS Bank) | | | | | |
| Cash in bank | 109,033 | 3,480,706 | (1,770,412) | 3,371,673 | Demand deposit account with annual interest of 0.25% |
| Federal Land, Inc. | | | | | |
| Accounts payable | 359,386 | 868,656 | (294,768) | 509,270 | Accrual for water, electricity and other maintenance fees. |
| Toyota Motor Philippines Corporation | | | | | |
| Vehicle (Lease rental asset) | (30,551,581) | 17,850,586 | (40,293,863) | 48,402,167 | Lease Rental Asset - Outstanding Balance |

| Category | December 31, 2025 | December 31, 2024 | Nature/Terms and Conditions |
|--|-------------------------------|-------------------------------|---|
| | Transaction during the period | Transaction during the period | |
| Stockholder | | | |
| TFSC (Ultimate Parent Company) | | | |
| Management and other professional fees | P1,239,595 | P1,123,669 | Expense incurred relating to billing for the support services provided by TFSC to the Company |
| Subsidiaries of the Stockholder | | | |
| TMFNL | | | |
| Interest expense | 98,366,226 | 102,628,150 | Interest expense on Foreign Loans |
| MBTC | | | |
| Interest income | (24,208) | (64) | Interest earned from the deposit account |
| Interest expense | 763,042,849 | 525,254,247 | Interest expense on bank loans |
| Philippine Savings Bank (PS Bank) | | | |
| Interest income | (7,694) | (4,497) | Interest earned from the deposit account |
| Federal Land, Inc. | | | |
| Occupancy | 53,436,269 | 18,484,999 | Expenses incurred pertaining to office rent |
| Toyota Motor Philippines Corporation | | | |
| Computer Software Expense | - | 876,960 | Expense incurred pertaining to Computer Software and Maintenance (TAAP Fee) |
| FSL Repairs & Maintenance | - | - | Expenses incurred pertaining to FSL Vehicle Repair and Maintenance |
| Philippine Axa Life Insurance Corporation | | | |
| Car Insurance | - | 879,136 | Expenses incurred pertaining to car insurance policy and group life insurance |
| Toyota Mobility Solutions | | | |
| FSL Repairs and Maintenance | 11,961,636 | - | FSL Vehicle Repaid and Maintenance |
| Key Management Personnel | | | |
| Salaries and wages | | | |
| Salaries and other short-term benefits | 99,639,350 | 91,368,362 | Salaries and other short-term benefits for its key management personnel |
| Post-employment benefits | 63,308,893 | 43,791,250 | The post-employment benefits for its key management personnel |

Transactions with related parties are made on similar terms and conditions as disclosed in the most recent annual audited financial statements.

Transactions with Retirement Plan

Under PFRS Accounting Standards, certain post-employment benefit plans are considered as related parties. The carrying value of the fund which approximates its fair value follows:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|-------------------------------------|--|--------------------------------|
| Cash in banks | ₱208,693 | ₱109,257 |
| Investments in securities and UITFs | 195,157,255 | 149,475,384 |
| Accrued interest receivable | 2,814,311 | – |
| Accrued expenses | (265,935) | (46,317) |
| | ₱198,274,324 | ₱149,538,324 |

As of December 31, 2025 and March 31, 2025, the cash in banks of the Company's retirement plan is with MBTC Trust Banking Group.

20. Fair Value Measurement

The methods and assumptions used by the Company in estimating the fair value of the financial instruments are:

Cash on hand and in banks, Due from BSP and SPURA – Due to the short-term nature of the instruments, the fair values approximate the carrying amounts as of the reporting date.

Loans and receivables – The fair value was determined using discounted cash flow method. The discount rate applied was the Bloomberg Valuation (BVAL), adjusted by an additional 450 basis points.

Derivative financial instruments – The fair values of cross-currency interest rate swap transactions are derived using market observable inputs, primarily foreign exchange rates and interest rate curves prevailing at the reporting date. In estimating the fair value, the Company uses the discounted cash flow model.

Loans payable – Fair value was computed using the discounted cash flow method. The discount rate used was the zero curve for BVAL rate plus 200 bps in 2025 and 2024.

Accounts payable and other liabilities – Due to the short-term nature of the transactions, the fair value approximates the carrying amount as of the reporting date.

Lease liabilities – Fair value of lease liabilities is measured using the BVAL rate as of the reporting date plus the spread which is the derived difference between the actual market rate and the BVAL rate.

The following tables summarize the carrying amount and fair values of the financial assets and liabilities, analyzed based on the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

| | December 31, 2025 (Unaudited) | | | | |
|--|-------------------------------|------------|-----------------|---------|-----------------|
| | Carrying Value | Fair Value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Assets and liabilities measured at fair value: | | | | | |
| <u>Financial assets:</u> | | | | | |
| Derivative asset | P824,475,979 | P- | P824,475,979 | P- | P824,475,979 |
| <u>Financial liabilities:</u> | | | | | |
| Derivative liability | 59,250,371 | - | 59,250,371 | - | 59,250,371 |
| Assets and liabilities for which fair value is disclosed: | | | | | |
| <u>Financial assets:</u> | | | | | |
| Loans and receivables | | | | | |
| Receivables financed – net | 17,077,596,630 | - | 18,493,399,130 | - | 18,493,399,130 |
| Finance lease receivables - net | 150,938,584,167 | - | 167,924,727,725 | - | 167,924,727,725 |
| <u>Financial liabilities:</u> | | | | | |
| Loans payable | | | | | |
| Bank loans | 94,899,200,458 | - | 95,357,446,642 | - | 95,357,446,642 |
| Fixed rate notes | 17,484,071,162 | - | 17,638,342,807 | - | 17,638,342,807 |
| Notes payable | 11,037,998,362 | - | 11,416,452,898 | - | 11,416,452,898 |
| Domestic Bonds | 4,947,611,193 | - | 5,250,364,948 | - | 5,250,364,948 |
| Foreign banks and bonds | 19,744,877,382 | - | 19,740,371,582 | - | 19,740,371,582 |
| Deposits on lease contracts | 78,037,824 | - | 78,037,824 | - | 78,037,824 |

| | March 31, 2025 (Audited) | | | | |
|--|--------------------------|------------|-----------------|---------|-----------------|
| | Carrying Value | Fair Value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Assets and liabilities measured at fair value: | | | | | |
| <u>Financial assets:</u> | | | | | |
| Derivative asset | P1,255,109,073 | P- | P1,255,109,073 | P- | P1,255,109,073 |
| <u>Financial liabilities:</u> | | | | | |
| Derivative liability | 119,912,975 | - | 119,912,975 | - | 119,912,975 |
| Assets and liabilities for which fair value is disclosed: | | | | | |
| <u>Financial assets:</u> | | | | | |
| Loans and receivables | | | | | |
| Receivables financed - net | 16,255,966,946 | - | 17,438,804,544 | - | 17,438,804,544 |
| Finance lease receivables - net | 140,073,737,135 | - | 154,428,081,060 | - | 154,428,081,060 |
| <u>Financial liabilities:</u> | | | | | |
| Loans payable | | | | | |
| Bank loans | 96,251,157,302 | - | 100,340,996,532 | - | 100,340,996,532 |
| Fixed rate notes | 13,787,949,983 | - | 14,198,811,727 | - | 14,198,811,727 |
| Notes payable | 9,958,699,491 | - | 9,148,113,365 | - | 9,148,113,365 |
| Bonds payable | 12,365,701,244 | - | 13,015,170,550 | - | 13,015,170,550 |
| Foreign banks | 8,283,271,691 | - | 8,085,890,909 | - | 8,085,890,909 |

| | March 31, 2025 (Audited) | | | | |
|-----------------------------|--------------------------|------------|---------|------------|------------|
| | Carrying Value | Fair Value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Deposits on lease contracts | 78,902,506 | - | - | 78,902,506 | 78,902,506 |

As of December 31, 2025 and March 31, 2025, no transfers were made among the three levels in fair value hierarchy.

21. Capital Management

Capital Stock

| | Shares | | Amount | |
|--|-------------------------------|--------------------------|-------------------------------|--------------------------|
| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
| Authorized | | | ₱ | ₱ |
| Common stock – ₱100 par value | 90,000,000 | 90,000,000 | 9,000,000,000 | 9,000,000,000 |
| Common stock issued and outstanding | | | | |
| Balance at beginning and end of period | 87,000,000 | 87,000,000 | 8,700,000,000 | 8,700,000,000 |

Issuance of Stocks

On September 28, 2018, BSP approved the increase in authorized capital stock to ₱9.00 billion (90,000,000 shares with par value of ₱ 100.00). Consequently, the Company filed the application with the SEC on December 11, 2018 and was approved on January 25, 2019. 18,000,000 shares were issued at par on February 4, 2019.

On December 23, 2021, TFSC and GT Capital infused additional capital amounting to ₱1.20 billion and ₱800.0 million, respectively. Total capital infusion amounted to ₱2.00 billion (20,000,000 shares with par value of ₱100.00) recognized as capital stock under equity. Share issuance cost amounted to ₱20.00 million.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and 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. No changes were made in the

objectives, policies or processes for the periods ended December 31, 2025 and March 31, 2025.

The Company considers the following as capital:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|-------------------|--|--------------------------------|
| Capital stock | ₱8,700,000,000 | ₱8,700,000,000 |
| Retained earnings | 12,612,417,526 | 11,620,079,533 |
| | ₱21,312,417,526 | ₱20,320,079,533 |

The Parent monitors capital using debt-to-equity ratio. The Company targets a debt-to-equity ratio not exceeding 10.00:1. The Company's debt-to equity ratio is shown below:

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|----------------------------|--|--------------------------------|
| Total liabilities (a) | ₱155,558,841,716 | ₱145,068,355,756 |
| Equity (b) | 21,286,252,910 | 20,406,887,784 |
| Debt-to-equity ratio (a/b) | 7.31:1 | 7.11:1 |

Under the Financing Company Act, the Company is mandated to maintain the following capital requirements:

- Minimum paid-up capital of ₱10.00 million; and
- Additional capital requirements of ₱1.00 million for each branch established in Metro Manila, ₱0.50 million for branches established in other classes of cities and ₱0.20 million for branches established in municipalities.

As of December 31, 2025 and March 31, 2025, the Company was in compliance with this minimum paid-up capital.

Regulatory qualifying capital

The following table sets the Company's regulatory capital as reported to BSP as at December 31, 2025 and March 31, 2025 (amount in thousands):

| | December 31, 2025 (Unaudited) | March 31, 2025 (Audited) |
|---|--|--------------------------------|
| CET1 Capital | ₱20,364,782 | ₱19,485,417 |
| Tier 1 Capital | 20,364,782 | 19,485,417 |
| Tier 2 Capital | 1,467,036 | 1,519,070 |
| Gross qualifying capital | ₱21,831,818 | ₱21,004,487 |
| Total risk weighted assets | ₱173,097,542 | ₱164,474,167 |
| CET1 ratio | 11.76% | 11.85% |
| Tier 1 ratio | 11.76% | 11.85% |
| Risk-based Capital Adequacy Ratio (CAR) | 12.61% | 12.77% |

As of December 31, 2025 and March 31, 2025, the Company was in compliance with the minimum CAR, as reported to the BSP.

Retained Earnings

Under the Revised Corporation Code of the Philippines (the Code), a stock corporation is prohibited from retaining surplus profits in excess of 100.00% of its paid-in capital stock, except when:

- a. Justified by definite corporate expansion projects or programs approved by the board of directors;
- b. The corporation is prohibited under any loan agreement with any financial institution or creditors, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured; or
- c. It can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Appropriation of retained earnings

Under the existing regulations of the BSP, in cases when the computed allowance for credit losses on Stage 1 accounts is less than the required 1% general loan loss provision, the deficiency shall be recognized as appropriation of retained earnings. General provision recognized in profit or loss as allowance for credit losses for Stage 1 accounts and the amount appropriated in retained earnings shall be considered as Tier 2 capital subject to limit provided under the Capital Adequacy Ratio framework.

As of December 31, 2025 and March 31, 2025, total appropriated retained earnings that complies with the above BSP requirement amounted to ₱921.47 million.

22. Financial Risk Management Objectives and Policies

There have been no changes in the Company's risk management framework, structure, strategy, monitoring and reporting processes, and control and mitigation measures from those disclosed in the audited financial statements as of March 31, 2025.

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

Credit Risk

The Company's exposure to credit risk concentrations by customer, industry, and geography remains consistent with the disclosures in the annual audited financial statements for the fiscal year ended March 31, 2025.

Credit quality

The credit quality by class of the Company's loans and receivables from customers (gross of allowance for credit losses) per staging classification and the related allowance for credit losses as of December 31, 2025 and March 31, 2025 follows:

Gross Carrying Amount

| | December 31, 2025 (Unaudited) | | | |
|--------------------------------------|-------------------------------|-----------------------|-----------------------|-------------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Receivables financed | ₱16,803,987,973 | ₱121,428,999 | ₱152,179,658 | ₱17,077,596,630 |
| Finance lease receivable | 145,339,108,645 | 2,061,772,479 | 3,537,703,043 | 150,938,584,167 |
| Balances at December 31, 2025 | ₱162,143,096,618 | ₱2,183,201,478 | ₱3,689,882,701 | ₱168,016,180,797 |

| | March 31, 2025 (Audited) | | | |
|-----------------------------------|--------------------------|-----------------------|-----------------------|-------------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Receivables financed | ₱15,940,867,382 | ₱179,292,170 | ₱135,807,393 | ₱16,255,966,945 |
| Finance lease receivable | 134,649,741,087 | 2,433,206,770 | 2,990,471,279 | 140,073,419,136 |
| Balances at March 31, 2025 | ₱150,590,608,469 | ₱2,612,498,940 | ₱3,126,278,672 | ₱156,329,386,081 |

Allowance for Credit Losses

| | December 31, 2025 (Unaudited) | | | |
|--------------------------------------|-------------------------------|---------------------|-----------------------|-----------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Receivables financed | ₱70,623,102 | ₱7,325,016 | ₱41,816,578 | ₱119,764,696 |
| Finance lease receivable | 584,844,619 | 127,270,863 | 1,000,046,322 | 1,712,161,804 |
| Balances at December 31, 2025 | ₱655,467,720 | ₱134,595,879 | ₱1,041,862,900 | ₱1,831,926,499 |

| | March 31, 2025 (Audited) | | | |
|-----------------------------------|--------------------------|---------------------|---------------------|-----------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Receivables financed | ₱99,187,787 | ₱19,206,437 | ₱36,974,892 | ₱155,369,116 |
| Finance lease receivable | 794,678,765 | 271,859,547 | 823,670,518 | 1,890,208,830 |
| Balances at March 31, 2025 | ₱893,866,552 | ₱291,065,984 | ₱860,645,410 | ₱2,045,577,946 |

Collateral and other credit enhancements

The Company holds collateral against loans and receivables in the form of chattel mortgages. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and generally are not updated except when a loan is assessed to be impaired.

Liquidity risk

As of December 31, 2025, the Company maintains what it believes to be a sufficient cash level. In addition, the Company manages its liquidity by managing the maturity profile of its outstanding loans.

The Company's exposure to liquidity risk and its management approach remain consistent with the disclosures in the audited financial statements for the fiscal year ended March 31, 2025.

Market Risk

Market risk is exposure to changes in market rates that may adversely affect the Company value and ability to meet obligations as they mature. Market risks cover interest rate and foreign exchange risks.

Interest rate risk

Interest rate risk arises from interest margin compression due to an adverse movement in the market interest rates. This risk applies only to accrual positions as the Company has no trading portfolio.

The Company also measures the potential impact of bps yield curve parallel shift on the expected earnings. This tool gives a measure of expected earnings at risk as a result of interest rate risk exposure.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the value of foreign currencies which include volatility in exchange rates, correlations across currencies and changes in currency regime. The Company's exposure to foreign currency risk remain consistent with the disclosures in the audited financial statements for the fiscal year ended March 31, 2025.

23. **Offsetting of Financial Assets and Liabilities**

The amendments to PFRS 7, *Financial Instruments: Disclosures*, require the Company to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements.

The effects of these arrangements are disclosed below:

| December 31, 2025 (Unaudited) | | | | | | |
|---|---|---|---|---|--|-----------------------|
| Financial instruments recognized at end of reporting period by type | Gross carrying amounts (before offsetting) | Gross amounts offset in accordance with the offsetting criteria | Net amount presented in statements of financial position [a-b] | Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria | | |
| | | | | Financial instruments | Fair value of financial collateral | Net exposure [c-d] |
| | [a] | [b] | [c] | [d] | | [e] |
| Financial assets | | | | | | |
| Cross-currency interest rate | | | | | | |
| swaps | ₱824,475,979 | ₱- | ₱824,475,979 | ₱85,770,306 | ₱- | ₱738,705,673 |
| SPURA | 740,388,111 | - | 740,388,111 | - | 740,388,111 | - |
| | 1,564,864,090 | - | 1,564,864,090 | 85,770,306 | 740,388,111 | 1,479,093,784 |
| Financial liabilities | | | | | | |
| Cross-currency interest rate | | | | | | |
| swaps | ₱59,250,371 | ₱- | ₱59,250,370 | ₱85,770,306 | ₱- | ₱145,020,677 |
| March 31, 2025 (Audited) | | | | | | |
| Financial instruments recognized at end of reporting period by type | Gross carrying amounts (before offsetting) | Gross amounts offset in accordance with the offsetting criteria | Net amount presented in statements of financial position [a-b] | Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria | | |
| | | | | Financial instruments | Fair value of financial collateral | Net exposure [c-d] |
| | [a] | [b] | [c] | [d] | | [e] |
| Financial assets | | | | | | |
| Cross-currency interest rate | | | | | | |
| swaps | ₱1,255,109,073 | ₱- | ₱1,255,109,073 | ₱263,305,860 | ₱- | ₱991,803,213 |
| SPURA | 715,000,000 | - | 715,000,000 | - | 715,000,000 | - |
| | 1,970,109,073 | - | 1,970,109,073 | 263,305,860 | 715,000,000 | 991,803,213 |
| Financial liabilities | | | | | | |
| Cross-currency interest rate | | | | | | |
| swaps | ₱119,912,975 | ₱- | ₱119,912,975 | ₱263,305,860 | ₱- | ₱383,218,835 |

24. Notes to Statements of Cash Flows

Noncash activities

Noncash investing activities pertain to transfer of repossessed vehicles classified as assets held for sale to property and equipment amounting to ₱3.70 million and ₱1.14 million for the nine months ended December 31, 2025 and 2024, respectively. It also includes foreclosure of repossessed vehicles classified as assets held for sale amounting to ₱6.09 billion and ₱4.33 billion for the nine months ended December 31, 2025 and 2024, respectively.

Changes in liabilities arising from financing activities

| | April 1, 2025 | Net Cash flows* | Foreign exchange movements | Amortization of debt issue cost and accretion of interest | December 31, 2025 (Unaudited) |
|-----------------|-------------------------|-----------------------|----------------------------|---|-------------------------------|
| Loans payable | ₱140,646,779,711 | ₱7,473,747,871 | (₱219,340,000) | ₱212,570,977 | ₱148,113,758,559 |
| Lease liability | 104,614,070 | (38,183,792) | - | 2,107,572 | 68,537,850 |
| | ₱140,751,393,781 | ₱7,435,564,079 | (₱219,340,000) | ₱214,678,549 | ₱148,185,296,409 |

*Represent net of availments and settlements

| | April 1, 2024 | Net Cash flows* | Foreign exchange movements | Amortization of debt issue cost and accretion of interest | December 31, 2024 |
|-----------------|-------------------------|---------------------|----------------------------|---|-------------------------|
| Loans payable | ₱129,951,038,158 | ₱785,172,245 | ₱1,366,730,000 | ₱58,824,203 | ₱132,161,764,606 |
| Lease liability | 154,605,255 | (15,969,672) | - | 1,561,367 | 140,196,950 |
| | ₱130,105,643,413 | ₱769,202,573 | ₱1,366,730,000 | ₱60,385,570 | ₱132,301,961,556 |

*Represent net of availments and settlements

The Company classifies interest paid as cash flows under operating activities.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION
SCHEDULE OF FINANCIAL INDICATORS
AS OF AND FOR THE PERIOD ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024(UNAUDITED)

| LIQUIDITY RATIO | | FORMULA | 2025 | 2024 |
|-----------------------------------|----------------------------------|--|----------------|-------------|
| a.) | Liquidity Ratio | $\frac{\text{Liquid Assets}}{\text{Current Liabilities}}$ | 10.44% | 16.06% |
| SOLVENCY RATIO | | | | |
| b.) | Current Ratio | $\frac{\text{Current Asset}}{\text{Current Liabilities}}$ | 99.59% | 122.55% |
| c.) | Current Liabilities to Net Worth | $\frac{\text{Current Liabilities}}{\text{Total Shareholders' Equity}}$ | 291.23% | 256.77% |
| d.) | Debt to Equity Ratio | $\frac{\text{Total Liabilities}}{\text{Total Shareholders' Equity}}$ | 730.80% | 732.22% |
| ASSET-TO-EQUITY RATIO | | | | |
| e.) | Asset to equity Ratio | $\frac{\text{Total Assets}}{\text{Total Shareholders' Equity}}$ | 830.80% | 832.22% |
| INTEREST RATE COVERGAE | | | | |
| f.) | Interest rate coverage | $\frac{\text{Income before Int. Exp. \& Income Tax}}{\text{Interest Expense}}$ | 118.89% | 140.73% |
| PROFITABILITY RATIO | | | | |
| g.) | Return on Assets | $\frac{\text{Net Income}}{\text{Average Total Assets}}$ | 0.58% | 0.92% |
| h.) | Return to Equity | $\frac{\text{Net Income}}{\text{Average Shareholders Equity}}$ | 4.80% | 7.70% |
| i.) | Net Interest Margin | $\frac{\text{Net Interest Income}}{\text{Average Total Earning Asset}}$ | 3.27% | 3.43% |
| COMMON EQUITY TIER 1 RATIO | | | | |
| j.) | CETI | $\frac{\text{Net Tier 1 Capital}}{\text{Total Risk Weighted Assets}}$ | 11.76% | 11.78% |
| CAPITAL ADEQUACY RATIO | | | | |
| k.) | CETII | $\frac{\text{Total Qualifying Capital}}{\text{Total Risk Weighted Assets}}$ | 12.61% | 12.71% |