TOYOTA FINANCIAL SERVICES
PHILIPPINES CORPORATION
32/F GT Tower Int'l Ayala Avenue cor. HV Dela Costa St.,
Salcedo Village, Makati City 1227
Customer Care Hotline: Metro Manila (02) 7757- 8500
Domestic Toll-Fee (PLDT) : 1-800-1-857-8500
Email.feedback@toyotafinancial.ph

July 29, 2026

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 Rozas
Makati City

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

Subject: Submission of Amended Copy SEC Form 17-A as of March 31, 2026

Gentlemen/Mesdames:

We hereby submit an amended copy of the Annual Report (SEC Form 17-A) for the period ended March 31, 2026. The following are the amendment made to the originally submitted form dated July 14, 2026:

a.) Note 28. Financial Risk Management Objectives and Policies (*Analysis of financial assets and liabilities by remaining contractual maturities)*
b.) Note 31. Supplementary Information Required Under Appendix Q-32 of Section 173-Q and Appendix to Section 901-N of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI)
- Additional Disclosures – Other Supplementary Information applicable to Electronic Money Issuers (EMIs)

This submission is made solely for purposes of regulatory engagement and should not be interpreted as an admission or acknowledgement 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,

Marvin Eugene N. Antonio
First Vice President / Head of Treasury

Get There Together

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

1. For the fiscal year ended **March 31, 2026**

2. SEC Identification Number **CS200251691**

3. BIR Tax Identification No. **219 715 396 00000**

4. Exact name of issuer as specified in its charter **TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION**

5. **Makati City, Metro Manila**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **32F GT Tower International, Ayala Ave., COR.H.V Dela Costa St.,Salcedo Village** **1227**
Address of principal office
Postal Code

8. **8891-0307**
Issuer's telephone number, including area code

9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	**87,000,000**

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

Yes [ ] No [x]

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

______________________ ______________

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No [ ]

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

Yes [X]   No [ ]

13. There is no voting stock held by non-affiliates of the issuer.

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

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

Yes [ ]   No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. For Fiscal Year 2026, the Audited Consolidated Financial Statements form part of the annexes/schedules attached hereto.

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

Toyota Financial Services Philippines Corporation commenced operations in August 2002 as a financing company engaged in providing automotive financing and leasing solutions to retail and corporate customers in the Philippines. In 2009, the company obtained its quasi-bank license form the Bangko Sentral ng Pilipinas, enabling it to expand its financing operations.

Over the past three years, the company has continued to strengthen its financing operations and digital customer services. Enhancements to myTOYOTA Wallet have expanded available digital payment and customer servicing capabilities.

In September 2025, the company established Toyota Insurance Services Philippines Corporation (TISPH), a wholly owned insurance agency subsidiary, expanding its business into insurance-related services. It is engaged in the distribution of motor and non-motor insurance products through accredited insurance partners, complementing the company's broader financial services.

Principal Products or Services

The company principally provides retail vehicle financing, commercial and fleet financing, and financial leasing for Toyota, Suzuki, and Hino vehicles. Financing solutions are offered to individual customers, corporate entities, and fleet operators.

The company also provides digital payment services through myTOYOTA Wallet and continues to enhance its digital customer servicing capabilities through the planned implementation of a Customer Portal and modernization of its core lending system.

Through its wholly owned subsidiary, Toyota Insurance Services Philippines Corporation (TISPH), the company likewise offers insurance products that complement its financing business.

Distribution Methods

The Company's financing products are primarily distributed through the authorized dealer networks of Toyota Motor Philippines Corporation, Suzuki Philippines Incorporated, and Hino Motors Philippines. Corporate and fleet financing solutions are provided through dedicated relationship management teams.

Customers are likewise served through digital channels, including myTOYOTA Wallet, while the planned Customer Portal is expected to further enhance digital customer servicing. Insurance products are distributed through TISPH, dealer partners, and other authorized distribution channels.

Competition

The company competes with commercial banks, financing companies, and digital financial service providers engaged in automotive financing. The company competes by offering competitive financing products, efficient loan processing, customer service, and digital capabilities. It provides financing solutions for Toyota, Suzuki, and Hino vehicles through their respective authorized dealer networks while continuously enhancing its products and services to remain competitive.

Dependence upon Major Customers

The company's financing transactions are primarily generated through the authorized dealer networks of Toyota Motor Philippines Corporation, Suzuki Philippines Incorporated, and Hino Motors Philippines. Its customer portfolio consists of a diversified base of retail, corporate, and fleet customers. No single retail customer accounts for a material portion of the company's revenues.

Item 2. Properties

Toyota Financial Services Philippines Corporation currently leases three (3) office floors, namely the 27th, 32nd, and 42nd Floors of GT Tower, located along Ayala Avenue, Makati City. The land and building premises of GT Tower are fully owned by GT Capital Holdings, Inc. and are occupied by the Corporation under existing lease agreements. These leased premises serve as the principal office and headquarters of Toyota Financial Services Philippines Corporation, where its administrative and business operations are conducted.

The company maintains a network of business centers strategically located throughout the Philippines. These business centers operate from leased premises under various lease agreements with third-party lessors. The lease terms generally range from a minimum period of one (1) to a maximum period of five (5) years, depending on the operational requirements and contractual arrangements applicable to each location. These business centers support the Corporation's sales, customer service, and other business operations across its nationwide network.

	BUSINESS CENTER	LOCATION	LESSOR	LEASE TERM
1	Cagayan De Oro Business Center	Unit 9&10 Corner Stone 88 Building, Bulua CDO City	Monte Carlo Realty & Development Corporation	5 Years
2	Bacolod Business Center	GF NFCC Cyber Center Complex cor Lacson & Hernaez St. Bacolod City	New First Cyber Center	1 Year
3	Cebu Business Center	Door B&C Esperanza Bldg. AC Cortez Ave. Mandaue City	Salnic Properties Inc.	1 Year
4	Dagupan Lending Desk	Toyota Dagupan City Inc. Diversion Road, Brgy. San Miguel, Calasiao Pangasinan	Toyota Dagupan City Inc.	1 Year
5	Lipa Business Center	Unit 6, Ground Floor, Seasons Mall Lipa, Brgy. Tambo, Lipa City, Batangas	Southstream Properties	1 Year
6	Davao Business Center	Aeon Towers, J.P Laurel Ave., Davao City	FTC GROUP OF COMPANIES CORPORATION	3 Years
7	San Fernando Business Center	Ground Floor Building C – Unit 112, Aria Place, National Highway, Jose Abad Santos, Barangay Dolores, San Fernando, Pampanga 2000	Attivo Realty Devt. Corp.	1 Year

In addition to its business centers, the company leases various warehouse facilities located in different parts of the Philippines. These warehouses are primarily utilized for the storage and parking of Repossessed (ROPA) vehicles. The warehouse facilities are leased from third-party lessors under contractual lease agreements, with lease terms generally ranging from a minimum of one (1) year to a maximum of five (5) years, depending on operational requirements and business needs. These facilities support the Corporation's asset management and inventory disposition activities.

	WAREHOUSE	LOCATION	LESSOR	LEASE TERM
1	WAREHOUSE NO. 1	Asiatextile Mills, Inc. Corner Wild Rice St. Brgy. San Cristobal, Calamba 4027 Laguna	Asia text	1 Year
2	WAREHOUSE NO. 2	Bedek Leasing Corp. Barangay Sala J.P. Rizal, Cabuyao, Laguna City	Bedek Leasing	3 Years
3	WAREHOUSE NO. 3	Bedek Leasing Corp. Barangay Sala J.P. Rizal, Cabuyao, Laguna City	Bedek Leasing	3 Years
4	WAREHOUSE NO. 4	Brgy. Sala, Cabuyao City, Laguna	Bedek Leasing	3 Years
5	WAREHOUSE NO. 5	Bedek Leasing Corp. Barangay Sala J.P. Rizal, Cabuyao, Laguna City	Bedek Leasing	3 Years

6	WAREHOUSE NO. 6	Bedek Leasing Corp. Barangay Sala J.P. Rizal, Cabuyao, Laguna City	Bedek Leasing	3 Years
7	WAREHOUSE NO. 7	Bedek Leasing Corp. Barangay Sala J.P. Rizal, Cabuyao, Laguna City	Bedek Leasing	3 Years
8	WAREHOUSE NO. 8	Bedek Leasing Corp. Barangay Sala J.P. Rizal, Cabuyao, Laguna City	Bedek Leasing	2 Years
9	NORTH LUZON WAREHOUSE - 2A	San Fernando, Pampanga	MEXICO INDUSTRIAL CORP.,	1 Year
10	NORTH LUZON WAREHOUSE - 3A	Mexico Industrial Complex, Barangay Panipuan, Mexico Pampanga.	MEXICO INDUSTRIAL CORP.,	1 Year
11	NORTH LUZON WAREHOUSE - 4B	Mexico Industrial Complex, Barangay Panipuan, Mexico Pampanga.	MEXICO INDUSTRIAL CORP.,	1 Year
12	DAVAO WAREHOUSE	Arrowgo Logistics Warehouse Dela Paz St, Lanang Executive Homes, Old Shopee Warehouse, back of Mandaue Foam Lanang.	Arrowgo Logistics Inc.	1 Year
13	PUERTO PRINCESA WAREHOUSE	Arrowgo Warehouse Green Valley Hi-way Puerto Princesa	Arrowgo Logistics Inc.	1 Year
14	WAREHOUSE RECORDS MANAGEMENT	Mabato Rd. Brgy Ibayo Tipas Taguig City	Arrowgo Logistics Inc.	5 Years
15	OGO	CV Ramos St., Brgy. Taculing, Bacolod City	Alijis Devt. Corp.	1 Year

Management believes that the Company's assets, properties, and facilities, including its head office, business centers, and leased warehouse facilities, are in good operating condition and are being properly maintained and utilized in the conduct of its business operations. The Company further believes that its existing facilities are adequate and suitable to support its current operational requirements and business activities.

Item 3. Legal Proceedings

Other than in the ordinary course of financing and/or leasing business, there are no legal proceedings pending before court of law to which TFSPH's property/ies are the subject matter of the case, nor one of the parties thereto is its subsidiaries or affiliates, including legal proceeding/s contemplated by any governmental authorities or any other entity.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

The Company's common shares are not listed and/or traded at the Philippine Stock Exchange (PSE).

Holders

As of March 31, 2026, the Company has two (2) major stockholders, as follows:

Name	Citizenship	No. of Shares Held	Percent (%)
TOYOTA FINANCIAL SERVICES CORPORATION	Foreign	52,199,995	60%
GT CAPITAL HOLDINGS INCORPORATED	Filipino	34,799,997	40%
Total		***86,999,992***	***100%***

Dividends

The Company did not declare any dividends out of its net income for FY2026.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

Prior to the launch of the Programme, TFSPH successfully secured an Issuer Credit Rating of PRS Aaa with a Stable Outlook from Philippine Rating Services Corporation (PhilRatings) on June 4, 2025. The rating was assigned in relation to TFSPH's planned bond issuance of up to Php 5.0 billion and reflects the institution's strong credit fundamentals and support from management. With the above rating and the strong support of top-level TFSPH management, TFSPH successfully completed its maiden public bond issuance on October 21, 2025, involving a dual tranche offering of 2 and 3 year Fixed-Rate Bonds with a combined price of 5.857 pct. The issuance was well received by the market with total amount issued at Php 5Bn and was subsequently listed on the Philippine Dealing & Exchange Corp. (PDEx) platform for secondary market trading.

The Bonds were issued pursuant to BSP Circular No. 1010 (Series of 2018), and other related circulars and issuances of the BSP (the "BSP Rules"). The issuance of the Bonds is exempt from the registration requirement under the Securities Regulation Code pursuant to Section 9.1.2.1 of the 2015 Implementing Rules and Regulations of the said law.

Debt Securities

Bonds issued by TFSPH are exempt from registration.

Selected Financial Ratios

	As of March 31 (Audited)			*As of June 30 (Unaudited)*	*As of June 30 (Unaudited)*
(In %)	*2023*	*2024*	*2025*	*2024*	*2025*
Return on Equity	11.84%	10.89%	8.85%	2.22%	1.08%
Return on Assets	1.40%	1.28%	1.07%	0.26%	0.53%
CET 1 Capital Ratio	12.88%	11.33%	11.85%	11.41%	11.86%
Capital Adequacy Ratio	13.05%	12.13%	12.77%	12.28%	12.76%

Issuer Credit Rating and Outlook

The assigned rating and Outlook take into account the following key considerations: (1) TFSPH's strong and highly supportive shareholders; (2) the solid franchise of the Toyota brand; (3) the Company's good asset quality; and (4) its sustained revenue growth supported by loan portfolio expansion.

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

Cash Requirements

As of March 31, 2026, TFSPH maintains adequate liquidity with a Minimum Liquidity Ratio (MLR) of 42.53%, supported by a stock of liquid assets amounting to Php 6.68B against qualifying liabilities of Php 15.71B

A	Stock of Liquid Assets	6,680,267,968
B	Qualifying Liabilities	15,707,994,039
C	MLR (A/B)	**42.53%**

In addition, TFSPH has sufficient funding capacity through its existing credit lines. Total bank facilities amount to Php 188.92B, of which Php 129.28B has been availed, leaving Php 59.64B in readily available and unutilized facilities.

Total Bank Facilities	188,918,470,000
Availed	129,275,370,000
Available	59,643,100,000

Based on current funding forecast, total funding requirements are projected to increase from Php 159.60B at the of the Fiscal Year 2027 to Php 180.75B by the end of the forecast period, resulting in an incremental funding requirement of approximately Php 21.14

Beginning, April 206	159,601,439,653
Ending, March 2027 Forecast	180,745,500,795
Additional Cash Requirements	**21,144,061,142**

Given TFSPH's strong liquidity position and the availability of Php 59.64B in utilized facilities, the projected incremental funding requirement of Php 21.14B can be adequately supported by existing and upcoming funding sources.

Product Research and Development

The company continuously develops and enhances its products, digital services, and business processes in response to customer needs, technological developments, and regulatory requirements. These activities are intended to improve operational efficiency, customer experience, and regulatory compliance.

Expected Purchase or Sale of Plant and Significant Equipment

The company does not expect any material disposition of plant or significant equipment outside the ordinary course of business.

Expected Significant Changes in the Number of Employees

The company periodically reviews its manpower requirements to support business operations and strategic initiatives. Any changes in workforce levels over the next twelve (12) months are expected to arise from normal business requirements and organizational needs.

Liquidity

The company maintains adequate liquidity through a diversified funding base consisting of onshore and offshore borrowings, fixed rate notes, and retail promissory notes. As of 31 March 2026, onshore borrowings accounted for approximately 66% of the company's total funding sources, followed by offshore borrowing (15%), fixed rate notes (9%), fixed rate bonds (3%), and retail promissory notes (7%). This diversified funding structure supports the company's financing operations while helping manage funding availability and liquidity risk. Management continuously monitors liquidity requirements and funding positions to ensure that obligations are met as they fall due. As of the reporting date, the company is not aware of any material liquidity deficiencies that are expected to adversely affect operations over the next twelve (12) months.

Direct or Contingent Financial Obligations

Except obligations incurred in the ordinary course of business and those disclosed in the financial statements, the company is not aware of any material events or commitments that will trigger direct or contingent financial obligations.

Off-Balance Sheet Transactions

The company has no off-balance sheet transactions, arrangements, obligations, or relationships with unconsolidated entities that are required to be disclosed.

Capital Expenditures

Capital expenditure is primarily intended to support information technology enhancements, office facilities, and other operational requirements. These are expected to be funded through internally g

Known Trends, Events, or Uncertainties

Management continuously monitors developments in the automotive financing industry, economic conditions, regulatory changes, interest rates, and competitive market conditions that may affect the company's operations. The company continues to implement initiatives intended to strengthen operational efficiency, customer service, and business growth while managing associated business risks.

Significant Non-Operating Income or Loss

The company has no significant non-operating income or loss. The recognized non-operating income or loss were disclosed in the accompanying audited financial statements.

Material Changes

The Company noted no material changes. There are no items meeting the materiality threshold that require further discussion or analysis.

Seasonal Aspects

The company's operations are generally not subject to significant seasonal factors. Financing volumes may fluctuate during vehicle sales campaigns and promotional periods; however, such variations have not historically resulted in material seasonal effects on the company's financial condition or results of operations.

Item 7. Financial Statements

The Audited Financial Statements of the Company for the fiscal year ended March 31, 2026 are attached hereto and form an integral part of this Annual Report on SEC Form 17-A.

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

The Company had no changes in its independent external auditors during FY2026 and did not experience any disagreements with its auditors on accounting matters, financial disclosures, auditing scope or auditing procedures.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The following individuals are members of Toyota Financial Services Philippines Corporation's Board of Directors and Executive Officers:

NAME	AGE	NATIONALITY	POSITION	DATE OF ELECTION
CARMELO MARIA L. BAUTISTA	68	FILIPINO	DIRECTOR/ CHAIRMAN	July 31, 2017
ROMMEL J. OCAMPO	57	FILIPINO	DIRECTOR/ PRESIDENT	January 1, 2022
TETSUO HIGUCHI	54	JAPANESE	DIRECTOR	January 20, 2023
MASANDO HASHIMOTO	48	JAPANESE	DIRECTOR	January 31, 2024
DR. DAVID T. GO	72	FILIPINO	DIRECTOR/TREASURER	July 31, 2017
ROLANDO A. RODRIGUEZ	74	FILIPINO	INDEPENDENT DIRECTOR	July 9, 2018
ATTY. ODEL SARMIENTO JANDA	68	FILIPINO	INDEPENDENT DIRECTOR	October 8, 2021
OMAR T. CRUZ	71	FILIPINO	INDEPENDENT DIRECTOR	March 16, 2021
GEORGE S. UY-TIOCO JR.	54	FILIPINO	CORPORATE SECRETARY	July 4, 2024
ATTY. RENEE LYNN M. ATIENZA	43	FILIPINO	ASSISTANT CORPORATE SECRETARY	July 4, 2024
KEISUKE GOTANDA	50	JAPANESE	EVP	January 1, 2025
MARLON M. PERNEZ	58	FILIPINO	EVP/ COMPTROLLER	March 7, 2011

Mr. Carmelo Maria L. Bautista (Filipino, 68 years old)

Mr. Carmelo Maria L. Bautista has served as Chairman of the Board since July 31, 2017 and has been a Director since May 31, 2017. Mr. Bautista earned his Bachelor of Arts degree, major in Economics, from Ateneo de Manila University and his Master of Business Management degree from the Asian Institute of Management, where he was included in the Dean's Citation List. Mr. Bautista currently serves as President and Director of GT Capital Holdings, Inc. He also serves as Director of GT Mobility Ventures, Inc., GT Capital Auto and Mobility Holdings, Inc., Federal Land, Inc., Toyota Motor Philippines Corporation, Federal Land NRE Global Corporation, and Manila Doctors Hospital. He is likewise an Independent Director of Vivant Corporation, Adviser of GT Foundation, Inc., and Trustee of the Asian Institute of Management.

Mr. Rommel J. Ocampo (Filipino, 57 years old)

Mr. Rommel J. Ocampo has served as President and Director since January 1, 2022. Mr. Ocampo graduated cum laude with a Bachelor of Arts degree in Political Science from the University of the Philippines Diliman. Prior to his appointment as President, Mr. Ocampo served as Head of the Sales and Marketing Group of the Company from May 2011 to December 2021. He currently serves as

Director of Consolidated Tours & Travels, Inc. and Chairman and Director of Toyota Insurance Services Philippines.

Dr. David T. Go (Filipino, 72 years old)

Dr. David T. Go has served as Treasurer since September 2002 and has been a Director since July 31, 2017. He earned his Bachelor of Arts degree, magna cum laude, and Doctor of Philosophy degree from New York University. Dr. Go currently serves as Vice Chairman and Treasurer of Toyota Motor Philippines Corporation. He likewise serves as Vice Chairman of Toyota Aisin Philippines, Inc.; Director of GT Capital Holdings, Inc. and Toyota Insurance Services Corporation; Senior Board Adviser of Toyota Motor Philippines Foundation, Inc. and Toyota Motor Philippines School of Technology, Inc.; and Board Adviser of Toyota Motor Philippines Logistics, Inc., Toyota San Fernando, Inc., and Toyota Mobility Solutions Philippines.

Mr. Tetsuo Higuchi (Japanese, 54 years old)

Mr. Tetsuo Higuchi has served as Director since January 20, 2023. He obtained his Law degree from Niigata University and completed Business Administration studies at Hitotsubashi University. Mr. Higuchi currently serves as Director of Toyota Financial Services Singapore, Toyota Capital Malaysia Sdn. Bhd., Toyota Leasing (Thailand) Co., Ltd., Toyota Financial Services Korea Co., Ltd., Toyota Financial Services India Ltd., Hotai Finance Corporation, Hoyun International Leasing Corporation Ltd., Hotai Leasing Corporation, and Hoing Mobility Service Co., Ltd. He also serves as Chairman and Director of Toyota Financial Services Vietnam Co., Ltd.

Mr. Masando Hashimoto (Japanese, 48 years old)

Mr. Masando Hashimoto has served as Director since January 31, 2024. He earned his Bachelor of Arts degree in Policy Management from Keio University, Japan. Mr. Hashimoto currently serves as Director and President of Toyota Motor Philippines Corporation. He is also Chairman of Toyota Mobility Solutions Philippines, Toyota Makati, Inc., Lexus Manila, Inc., Toyota San Fernando, Inc., Toyota Motor Philippines Logistics, Inc., and the Science and Technology Council of Toyota Motor Philippines School of Technology, Inc. He likewise serves as Vice Chairman of Toyota Motor Philippines Foundation, Inc. and Director of The Japanese Chamber of Commerce and Industry of the Philippines, Inc. and The Japanese Association Manila, Inc.

Mr. Rolando A. Rodriguez (Filipino, 74 years old)

Mr. Rolando A. Rodriguez has served as Independent Director since July 9, 2018. He earned his Bachelor of Arts degree in Economics from De La Salle University and his Master of Industrial Economics from the Center for Research and Communication. He currently serves as Chairman of De La Salle Araneta University, Dualtech Training Center Foundation, Inc., and Foundation for Lingap Kapampangan. He is likewise Trustee of De La Salle Lipa and Domus Pastorum Foundation, Inc., Director of Okcelanta, Inc. and Pasudeco Development Corporation, and Independent Director of Bank of Florida.

Mr. Omar T. Cruz (Filipino, 71 years old)

Mr. Omar T. Cruz has served as Independent Director since March 16, 2021. He earned his Bachelor of Science degree in Industrial Management Engineering, with a minor in Mechanical Engineering, from De La Salle University and his Master of Industrial Economics from the Center for Research and Communication. Mr. Cruz currently serves as Independent Director of RCBC Capital Corporation, Abacore Capital Holdings, Inc., Ayala Land REIT, Inc., Philippine Regional Investment Development Corporation, Abacus Global Technovisions, Inc., Montemaria Asia Pilgrims, Inc., Simlong Energy Development Corporation, and Libertad Logistics Holdings Corporation. He also serves as Lead Independent Director of Ayala Land REIT, Inc., Vice Chairman of the University of Asia and the Pacific and the Center for Research and Communication Foundation, Chairman of the Investment Committee of De La Salle Philippines, and Trustee of the FINEX Foundation and the Philippine National Police Foundation.

Atty. Odel S. Janda (Filipino, 68 years old)

Atty. Odel S. Janda has served as Independent Director since October 8, 2021. He earned his Bachelor of Arts degree in Political Science and Bachelor of Laws degree from the University of the East Manila. He previously served as Corporate Secretary of Chinabank Savings, Inc. (formerly Planters Development Bank) and as First Vice President and Head of the Legal Division of Chinabank Savings, Inc.

Mr. George S. Uy-Tioco, Jr. (Filipino, 54 years old)

Filipino, was appointed as GT Capital's Treasurer on May 14, 2025, and concurrently serves as the company's Chief Financial Officer - a position he has held since July 1, 2024. Mr. Uy-Tioco joined GT Capital as Senior Vice President for Finance on May 16, 2024. He brings to the company close to three decades of experience in investment banking, investment management, and general management, which he gained in the Philippines, Asia, and North America. Prior to joining GT Capital, he was the Head of Corporate Finance for ING Bank NV, Manila Branch and the Head of Mergers and Acquisitions at BPI Capital Corporation. Throughout his career, Mr. Uy-Tioco has served in various capacities as a senior executive or board member of a number of private and public corporations in the Philippines and in the region. Mr. UyTioco holds a Master's degree in Business Administration from the Darden Graduate School of Business of the University of Virginia in the USA and a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Atty. Renee Lynn C. Miciano-Atienza (Filipino, 43 years old)

Atty. Renee Lynn C. Miciano-Atienza has served as Assistant Corporate Secretary since July 4, 2024. She earned her Bachelor of Science degree in Management and Juris Doctor degree from Ateneo de Manila University. She also completed the Strategic Business Economics Program at the University of Asia and the Pacific. She currently serves as Vice President of GT Capital Holdings, Inc., Director of GT Capital Auto and Mobility Holdings, Inc. and Toyota Subic, Inc., and Corporate Secretary of several companies within the GT Capital and Toyota groups, including Toyota Motor Philippines Corporation, AXA Philippines Life and General Insurance Corporation, Lexus Manila, Inc., LMI Insurance Agency, Inc., Toyota Motor Philippines Foundation, Inc., and Toyota Motor Philippines School of Technology, Inc.

Mr. Keisuke Gotanda (Japanese, 50 years old)

Mr. Keisuke Gotanda has served as Executive Vice President of the Company since January 1, 2025. He obtained his degree in Law from Niigata University, Japan. Prior to joining the Company, Mr. Gotanda served as Executive Director of Toyota Capital Malaysia Sdn. Bhd. He also held various management positions with Toyota Financial Services Corporation, including Senior Manager of the Business Promotion Group and Senior Manager of the Global Audit Group. He also served as Senior Consultant for IT Advisory and Audit at KPMG AZSA LLC, Japan.

Mr. Marlon M. Pernez (Filipino, 58 years old)

Mr. Marlon M. Pernez has served as Executive Vice President and Comptroller of the Company since March 7, 2011. He is a Certified Public Accountant and earned his Bachelor of Arts degree, major in Economics, and Bachelor of Science degree in Commerce, major in Accountancy, from De La Salle University. He also completed his Bachelor of Laws studies at San Beda College of Law and Arellano Law School. Prior to joining the Company, Mr. Pernez served as Vice President and Chief Risk and Compliance Officer of Toyota Financial Services Philippines Corporation. He also served as Manager/Controller of the Controlling and Tax Division of Lufthansa Technik Philippines.

FAMILY RELATIONSHIP

Based on the information provided, there are no family relationships among the listed directors by consanguinity or affinity up to the fourth civil degree. Furthermore, no such relationships exist among the directors, executive officers, and nominees for election as directors. Accordingly, all listed individuals are considered unrelated within the scope of the disclosure requirements on familial relationships.

INVOLVEMENT IN CERTAIN LEGAL PRECEEDINGS

Based on the information provided by the Company and a review of the list of Directors and Executive Officers, none of the individuals identified therein has been involved in, nor is currently involved in, any material legal proceeding, whether civil, criminal, administrative, or regulatory in nature, that may be considered material to their duties and responsibilities as Directors or Executive Officers of the Company. Furthermore, there are no pending legal proceedings involving such individuals that would adversely affect their ability to perform their respective functions within the Company.

Item 10. Executive Compensation

Summary compensation table of Directors

Name of Director	Per diem and allowance
Mr. Carmelo Maria L. Bautista	
Rommel J. Ocampo	
Mr. Tetsuo Higuchi	
Mr. Masando Hashimoto	
Dr. David T. Go	
Mr. Rolando A. Rodriguez	
Atty. Odel S. Janda	
Mr. Omar T. Cruz	
TOTAL	***Php 9.18 Million***

The directors receive per diems and allowances that are already provided in the amounts shown in the table. Aside from the said amounts, no other compensation plans or arrangements between the directors and the Corporation.

The total yearly compensation of directors does not exceed ten percent (10%) of the net income before income tax of the corporation during the preceding year.

Directors do not participate in the determination of their own per diems or compensation.

Summary compensation table of Executive Officers

The following table provides the summary aggregate compensation of Key Management Personnel in fiscal years 2024, 2025, and 2026. The amounts (in Php millions) in the below table have been prepared based on what the Corporations paid its officers in the said fiscal years.

Name and Principal Position	Year	Salaries and other short-term benefits
Key Management Personnel*	FY2024	Php 91,664,451
	FY2025	Php 113,694,256
	FY2026	Php 126,028,252.38

** Named officers include those with ranks from Vice President (VP) and up.*

Employment contracts between the Company and named executive officers

The Company has no special employment contracts with its officers. In the ordinary course of business, the Corporation has employment contracts with all its employees, including officers, in compliance with the applicable labor laws and regulations. The salaries and bonuses of officers are included in the compensation table provided above.

Warrants and options outstanding

No outstanding warrants or options held by the CEO, executive officers, and all officers and directors as a group.

Stock option plan

The Company has no employee stock option plan.

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of 31 March 2026, the following are the owners of more than 5% of the Company's voting stocks:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (%)	Percent as to the Total Voting Shares
COMMON	TOYOTA FINANCIAL SERVICES CORPORATION Nagoya Lucent Tower 15F 6-1, Ujishima-chou, Nishi-ku, Nagoya 451-6015 Japan	Mr. **Tetsuo Higuchi** is authorized to vote the shares held by TOYOTA FINANCIAL SERVICES CORPORATION	Foreign	52,199,995	60%	60%
COMMON	GT CAPITAL HOLDINGS INCORPORATED 43F, GT Tower International, 6813 Ayala Ave., cor. HV Dela Costa St., Makati City, Philippines	Mr. **Carmelo Maria L. Bautista** is authorized to vote the shares held by GT CAPITAL HOLDINGS INCORPORATED	Filipino	34,799,997	40%	40%

Security Ownership of Management as of March 31, 2026

Title of Securities	Name of beneficial owner	Amount and nature of beneficial ownership (D) direct/(I) indirect	Citizenship	Percent of class
COMMON	Mr. Carmelo Maria L. Bautista	1 (D)	Filipino	0.000002%
COMMON	Rommel J. Ocampo	1 (D)	Filipino	0.000002%
COMMON	Mr. Tetsuo Higuchi	1 (D)	Japanese	0.000002%
COMMON	Mr. Masando Hashimoto	1 (D)	Japanese	0.000002%
COMMON	Dr. David T. Go	1 (D)	Filipino	0.000002%
COMMON	Mr. Rolando A. Rodriguez	1 (D)	Filipino	0.000002%
COMMON	Atty. Odel S. Janda	1 (D)	Filipino	0.000002%
COMMON	Mr. Omar T. Cruz	1 (D)	Filipino	0.000002%
COMMON	Mr. Marlon M. Pernez	0	Filipino	0.000000%
COMMON	Mr. Keisuke Gotanda	0	Japanese	0.000000%
COMMON	Ms. Maria Cecilia Baltazar	0	Filipino	0.000000%
COMMON	Atty. Maribel M. Dimayuga	0	Filipino	0.000000%
COMMON	Atty. Teodoro Villapena, Jr.	0	Filipino	0.000000%
COMMON	Ms. Hazel Lopez	0	Filipino	0.000000%
COMMON	Mr. John Franco Lim	0	Filipino	0.000000%
COMMON	Mr. Marvin Antonio	0	Filipino	0.000000%
COMMON	Mr. Alvin Angelo Anoos	0	Filipino	0.000000%
COMMON	Ms. Josephine G. Ang	0	Filipino	0.000000%
COMMON	Ms. Maureen Espinas	0	Filipino	0.000000%
COMMON	Mr. Jaime dela Cruz, Jr.	0	Filipino	0.000000%
COMMON	Mr. Sergio Donato, Jr.	0	Filipino	0.000000%
COMMON	Mr. Jamar Dalisay	0	Filipino	0.000000%
COMMON	Ms. Shirley L. De Vera	0	Filipino	0.000000%
COMMON	Ms. Angelina Lagman	0	Filipino	0.000000%
COMMON	Ms. Bernadette Bartolazo	0	Filipino	0.000000%

Voting Trust Holders of 5% or More

As of March 31, 2026, there were no noted persons holding more than 5% of a class under a voting trust or any similar agreements.

Change in Control

There were no noted changes in control or arrangement which may result in a change in control of the Company from its last fiscal year.

There are no existing or planned stock warrant offerings. There are no arrangements which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

The Corporate Governance Committee handles the responsibilities of a Related Party Transaction Committee. Part of the function is to provide internal guidelines on related party transactions to ensure that such are fully disclosed, conducted at arm's-length terms that corporate or business resources are not misappropriated or misapplied and the highest ethical standards consistent with the principles for enhancing corporate risk governance are observed. All Related Party Transactions must be coursed through the Corporate Governance Committee, which also acts as the Related Party Transaction Committee for review and presentation to the Board of Directors for approval.

There are no known related party transactions other than those described in Note 22, Related Party Transactions, to the Consolidated Financial Statements. Related Party Transactions are made on an arm's length basis.

There are no known transactions with parties that fall outside the definition of "related parties" with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from the other, more clearly independent, parties on an arm's length basis.

Transactions with Promoters

There are no transactions with promoters within the past five (5) years.

Events after the Reporting Period

There are no material subsequent events after the reporting date.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Corporate Governance landscape consists of a framework of rules, systems and processes that govern the performance of the Board of Directors and Management of their respective duties and responsibilities to the stockholders and other stakeholders which include, among others, customers, employees, suppliers, investors, government and the community in which it operates. TFSPH has been active in advocating good governance. We support continuous improvement through Kaizen initiatives and exercise best governance practices to further reinforce our position as the leading financing company in the Philippines.

The Corporate Governance framework of TFSPH is focused on instilling transparency and accountability within the existing system. Corporate governance influences how the goals and intentions are set and achieved to effectively navigate various opportunities and strategies for TFSPH. TFSPH believes that strong and effective corporate governance is a foundation in building a culture of integrity that leads to progressive performance and sustainable operations.

In TFSPH, it is recognized that a high-performing Board of Directors is essential for effective governance and long-term business success. To ensure continuous improvement and accountability, TFSPH conducts annual performance assessments of the Board as a collegial body, individual directors, Senior Management and board-level committees.

The performance assessment is facilitated by the Compliance Department and is conducted on an annual basis. It covers an assessment of the collective performance of the Board of Directors, performance of the individual directors, the Chairman, the President, and board-level committees. The performance evaluation questionnaires are provided to all members of the Board. The results of the self-assessment are discussed in the Corporate Governance Committee and noted by the Board of Directors.

The Performance Evaluation Questionnaires focus on the following essential elements:

1. For Board of Directors:

a. Monitoring and approval of TFSPH's strategic objectives and various policies and procedures
b. Implementation of policies;
c. Compliance to Anti-Money Laundering Law and its implementing rules and regulations;
d. Supervision on the selection and performance of senior management;
e. Conduct of good governance from the top and in setting corporate values, codes of conduct and other standards of appropriate behavior for itself, the senior management and other employees;
f. Independence in decision making;
g. Composition of the Board and board-level committees as required by law;
h. Regular conduct of meetings as defined in the By-laws;
i. Proper evaluation of interlocking positions of all directors and officers

2. For Individual Directors:
   a. Professional integrity
   b. Proper evaluation of issues presented during Board and committee meetings
   c. Significant contribution in the decision-making processes
   d. Exercise of independent judgment
   e. Working knowledge of the statutory and regulatory requirements affecting TFSPH, including the content of its Articles of Incorporation and By-Laws, the requirements of the BSP and other regulatory agencies
   f. Observance of confidentiality in all dealings
   g. Exercise of due diligence – attendance and active participation during meetings
   h. Declaration of all interlocking positions for evaluation and approval

3. For Board-level Committees:
   a. Appointment of Committee Chairperson and Members
   b. Composition of Committees as required their respective charters
   c. Observance of principles and guidelines laid down in their respective charters
   d. Conduct of self-evaluation of performance annually
   e. Proper review of qualifications of all persons nominated to the board and other appointments that require Board approval
   f. Proper review of policies and procedures, manuals, and charters prior endorsement to the Board

On the Performance Assessment of Senior Management, the President is covered in the performance assessment for the Board, Board Committees, and Senior Management. The senior officers are subject to the regular process on performance evaluation for employees. For the performance of Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer, the relevant Board level committee provides its evaluation.

The Corporate Governance Committee handles the responsibility of ensuring that the Board is well-aware and in full compliance with the regulatory issuances released by various government agencies. As to the composition and qualifications of the Board, the Bangko Sentral ng Pilipinas and Securities and Exchange Commission are the vital agencies which provide for the set of rules and guidelines to be followed. TFPH is fully compliant with the relevant rules.

In compliance with BSP Circular No. 1129 on Amendments to Corporate Governance Guidelines for BSP-Supervised Financial Institutions (BSFIs), the Corporate Governance Committee regularly conducts assessment and evaluation of existing positions held by the Directors whether in directorship or officership capacity.

For FY2026 assessment and evaluation, it revealed that there is no conflict of interest and undue competitive advantage on the various positions held by each member of the Board. Consequently, all current positions were approved by the Board of Directors in the meetings to fully comply with the guidelines set forth under the Circular. Additionally, the requirement for all BSFIs to submit the Annual Report of Interlocking Positions of Directors and/or Officers is duly complied with.

TFSPH commits to adhere to the set standards and practices enclosed in its Manual of Corporate Governance. No deviations have been recorded as of date. The Certificate on Compliance with the Manual of Corporate Governance was submitted to the Securities and Exchange Commission in January 2026.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

There were no material events or developments during the reporting period that would have required the filing of an SEC Form 17-C.

Reports on SEC Form 17-C

No reports on SEC Form 17-C were filed during the six-month period covered by this report. There were no material events or developments that required disclosure under SEC Form 17-C during the period.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati City on JUL 1 4 2026.

By:

ROMMEL J. OCAMPO
President

MARLON M. PERNEZ
Comptroller – Executive Vice President

DR. DAVID T. GO
Treasurer

MARVIN EUGENE M. ANTONIO
Treasury Head - First Vice President

ANGELINA D. LAGMAN
Finance and General Accounting Head –VP

GEORGE S. UY-TIOCO, JR.
Corporate Secretary

JUL 1 4 2026

SUBSCRIBED AND SWORN to before me this _____ day of _________ 20__ affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	I.D NUMBER	DATE ISSUE	PLACE OF ISSUE
ROMMEL J. OCAMPO	P4453849B	JANUARY 20, 2028	PHILIPPINES
MARLON M. PERNEZ	SSS 0398776127	N/A	N/A
DR. DAVID T. GO	P8998423B	FEBRUARY 18, 2022	PHILIPPINES
MARVIN EUGENE M. ANTONIO	P9722230A	NOVEMBER 27, 2018	PHILIPPINES
ANGELINA D. LAGMAN	SSS 04-0741180-7	N/A	N/A
GEORGE S. UY-TIOCO, JR.	P8888993C	JANUARY 30, 2025	PHILIPPINES

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Page No. 51
Book No. 67
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

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 0 2 5 1 6 9 1

COMPANY NAME

TOYOTA FINANCIAL SERVICES
PHILIPPINES CORPORATION

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

32F GT TOWER AYALA AVE. COR.
HV DELA COSTA ST. MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	7756-7423	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
10	07/04	03/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Marlon M. Pernez	Marlon.Pernez@toyotafinancial.ph	7756-7423	+639175964759

CONTACT PERSON's ADDRESS

42nd floor GT Tower International Ayala Ave. cor. HV Dela Costa St. Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Toyota Financial Services Philippines Corporation
32F, GT Tower
Ayala Ave. cor. HV Dela Costa St.
Makati City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Toyota Financial Services Philippines Corporation and its subsidiary (the Group) and the parent company financial statements of Toyota Financial Services Philippines Corporation (the Parent Company), which comprise the consolidated statement of financial position as at March 31, 2026 and the parent company statements of financial position as at March 31, 2026 and 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended March 31, 2026 and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended March 31, 2026, and notes to the consolidated and parent company financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2026 and the Parent Company as at March 31, 2026 and 2025, and the financial performance and the cash flows of the Group for the year ended March 31, 2026 and the financial performance and the cash flows of the Parent Company for each of the three years in the period ended March 31, 2026, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report. We are independent of the Group and the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of 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 matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and parent company financial statements of the current period. These matters were addressed in the context of our audit in the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent company financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

Applicable to the audit of the consolidated and parent company financial statements

Adequacy of allowance for credit losses

The Group's application of the expected credit loss (ECL) model in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality; determining assumptions to be used in the ECL model such as the expected life of the financial asset and expected recoveries from defaulted accounts; and incorporating forward-looking information in calculating the ECL.

Allowance for credit losses for loans and receivables as of March 31, 2026 for the Group amounted to ₱1.81 billion. Provision for credit losses for loans and receivables of the Group in 2026 amounted to ₱251.18 million.

Refer to Notes 3, 7 and 13 of the financial statements for the disclosure on the details of the allowance for credit losses using the ECL model.

Audit Response

We obtained an understanding of the board approved methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9, Financial Instruments to reflect an unbiased and probability-weighted outcome, and to consider time value of money and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place; (c) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (d) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations; (e) tested exposure at default considering outstanding commitments and repayment scheme; (f) checked the forward-looking information used for overlay through corroboration of publicly available information and our understanding of the Group's lending portfolios and broader industry knowledge; and (g) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We recalculated impairment provisions on a sample basis. We involved our internal specialist in the performance of the above procedures. We reviewed the completeness of the disclosures made in the financial statements.

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

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

In preparing the consolidated and parent company financial statements, management is responsible for assessing the Group's and the Parent 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 Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A and Annual Report for the year ended March 31, 2026, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 17-A and Annual Report for the year ended March 31, 2026 are expected to be made available to us after the date of this auditor's report.

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

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

Auditor's Responsibilities for the Audit of the Consolidate and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and parent company 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 Group's and the Parent 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 Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters.

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

Reports on the Supplementary Information Required Under Appendix Q-32 of Section 173-Q and Appendix to Section 901-N of the Manual of Regulations for Non-bank Financial Institutions (MORNBFI) and Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Appendix Q-32 of Section 173-Q and Appendix to Section 901-N of the MORNBFI in Note 31 and Revenue Regulations 15-2010 in Note 32 to the financial statements is presented for purposes of filing with the Bangko Sentral ng Pilipinas and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Toyota Financial Services Philippines Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Alvin R. Lagrimas.

SYCIP GORRES VELAYO & CO.

Alvin R. Lagrimas
Partner
CPA Certificate No. 0134448
Tax Identification No. 400-496-026
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 134448-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
BIR Accreditation No. 08-001998-199-2025, December 9, 2025, valid until December 8, 2028
PTR No. 10765061, January 2, 2026, Makati City

July 2, 2026

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Consolidated	Parent Company	
		March 31	
	2026	2026	2025
ASSETS			
Cash on hand and in banks (Note 4)	**₱2,995,290**	**₱2,990,525**	₱2,537,042
Due from Bangko Sentral ng Pilipinas (Note 5)	**3,685,133**	**3,685,133**	2,689,111
Securities purchased under resale agreement (Note 6)	**–**	**–**	715,000
Loans and receivables (Notes 7 and 13)	**173,202,940**	**173,198,585**	154,437,967
Investment in a subsidiary (Note 8)	**–**	**23,806**	–
Assets held for sale (Notes 9 and 13)	**546,707**	**546,707**	1,429,767
Property and equipment (Note 10)	**855,676**	**855,593**	1,133,504
Software costs (Note 11)	**782,980**	**780,748**	669,537
Deferred tax assets (Note 20)	**344,209**	**344,209**	407,196
Derivative assets designated as hedges (Note 16)	**1,526,141**	**1,526,141**	1,255,109
Other assets (Note 12)	**254,128**	**253,421**	201,008
	₱184,193,204	**₱184,204,868**	₱165,475,241
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds payable (Note 14)	**₱158,873,005**	**₱158,891,030**	₱140,646,780
Income tax payable (Note 20)	**58,363**	**54,655**	150,885
Lease liabilities (Note 21)	**82,322**	**82,322**	104,614
Deposits on lease contracts (Note 17)	**77,292**	**77,292**	78,903
Derivative liabilities designated as hedges (Note 16)	**13,784**	**13,784**	119,913
Accounts payable and other liabilities (Notes 15 and 22)	**3,505,171**	**3,502,518**	3,967,257
	162,609,937	**162,621,601**	145,068,352
Equity			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock - ₱100 par value	**8,700,000**	**8,700,000**	8,700,000
Authorized - 90,000,000 shares, issued and outstanding - 87,000,000 shares (Note 27)			
Retained earnings (Note 27)			
Unappropriated	**11,959,886**	**11,959,886**	10,698,609
Appropriated	**921,471**	**921,471**	921,471
Cash flow hedge reserve (Note 16)	**50,087**	**50,087**	124,805
Actuarial loss on retirement plan (Note 18)	**(48,177)**	**(48,177)**	(37,996)
	21,583,267	**21,583,267**	20,406,889
Non-controlling interest	–		
	21,583,267	**21,583,267**	20,406,889
	₱184,193,204	**₱184,204,868**	₱165,475,241

See accompanying Notes to Financial Statements.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share)

	Consolidated	Parent Company		
	Years Ended March 31			
	2026	**2026**	2025	2024
INTEREST INCOME				
Loans and receivables (Note 7)	**₱16,597,423**	**₱16,597,423**	₱15,209,680	₱12,899,221
Securities purchased under resale agreement (Note 6)	**46,598**	**46,598**	76,809	99,234
Due from Bangko Sentral ng Pilipinas (Note 5)	**62,175**	**62,175**	60,760	80,604
Cash in banks (Notes 4 and 22)	**923**	**920**	1,392	1,172
	16,707,119	**16,707,116**	15,348,641	13,080,231
INTEREST EXPENSE				
Loans and bonds payable (Note 14)	**9,258,321**	**9,258,409**	8,084,941	5,951,430
Derivatives (Note 16)	**309,730**	**309,730**	553,932	834,209
Lease liabilities (Note 21)	**3,144**	**3,144**	6,089	6,826
	9,571,195	**9,571,283**	8,644,962	6,792,465
NET INTEREST INCOME	**7,135,924**	**7,135,833**	6,703,679	6,287,766
Service fees, commission and other income (Note 19)	**350,089**	**328,187**	815,065	608,267
Share in net income of subsidiary (Notes 8 and 19)	–	**13,881**	–	–
TOTAL OPERATING INCOME	**7,486,013**	**7,477,901**	7,518,744	6,896,033
Provision for credit and impairment losses (Note 13)	**1,778,040**	**1,778,040**	1,653,978	1,193,046
Taxes and licenses	**1,079,197**	**1,079,031**	938,788	797,819
Compensation and fringe benefits	**672,107**	**671,061**	575,532	493,110
Depreciation and amortization (Notes 10 and 11)	**477,144**	**477,137**	444,448	351,513
Litigation and collection	**484,580**	**484,580**	401,841	423,535
Occupancy	**387,674**	**386,759**	255,992	215,741
Sales and marketing	**250,812**	**249,840**	348,010	433,225
Computer hardware and software expenses	**247,174**	**247,174**	199,301	182,812
Credit investigation	**149,199**	**149,199**	87,443	84,745
Supervision fees	**59,382**	**59,382**	56,234	49,318
Contractual services	**43,726**	**43,726**	46,712	38,014
Transportation and travel	**23,361**	**23,361**	21,457	18,967
Management and professional fees (Note 22)	**26,037**	**25,604**	20,510	19,607
Postage, cable and telegram	**25,581**	**25,581**	14,337	20,042
Entertainment, amusement and recreation (Note 20)	**5,673**	**5,659**	3,935	3,054
Others	**69,890**	**69,876**	53,585	43,244
TOTAL OPERATING EXPENSES	**5,779,577**	**5,776,010**	5,122,103	4,367,792
INCOME BEFORE INCOME TAX	**1,706,436**	**1,701,890**	2,396,641	2,528,241
PROVISION FOR INCOME TAX (Note 20)	**445,159**	**440,538**	696,569	678,845
NET INCOME	**₱1,261,277**	**₱1,261,352**	₱1,700,072	₱1,849,396
Attributable to:				
Equity holders of the Parent Company (Note 23)	**₱1,261,277**			
Non-controlling interest	–			
	₱1,261,277			
Basic/Diluted Earnings Per Share (Note 23)	**₱14.50**			

See accompanying Notes to Financial Statements.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Consolidated	Parent Company		
	Years Ended March 31			
	2026	**2026**	2025	2024
NET INCOME	**₱1,261,277**	**₱1,261,352**	₱1,700,072	₱1,849,396
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss), net of tax, to be reclassified to profit or loss in subsequent periods:				
Net movement in cash flow hedge reserve (Note 16)	**(74,718)**	**(74,718)**	716,354	184,246
Other comprehensive loss, net of tax, not to be reclassified to profit or loss in subsequent periods:				
Actuarial loss on retirement plan (Note 18)	**(10,181)**	**(10,181)**	(9,053)	(1,024)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**(84,899)**	**(84,899)**	707,301	183,222
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**₱1,176,378**	**₱1,176,453**	₱2,407,373	₱2,032,618
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱1,176,378**			
Non-controlling interest	–			
	₱1,176,378			

See accompanying Notes to Financial Statements.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Consolidated							
	Equity Attributable to Equity Holders of the Parent Company							
	Capital Stock (Note 27)	**Retained Earnings** (Note 27)		**Cash Flow Hedge Reserve** (Note 16)	**Actuarial Loss on Retirement Plan** (Note 18)	**Total**	**Non-controlling Interest**	**Total Equity**
		Unappropriated	**Appropriated**					
Balances at April 1, 2025	**₱8,700,000**	**₱10,698,609**	**₱921,471**	**₱124,805**	**(₱37,996)**	**₱20,406,889**	**₱–**	**₱20,406,889**
Total comprehensive income (loss) for the year	–	**1,261,277**	–	**(74,718)**	**(10,181)**	**1,176,378**	–	**1,176,378**
Balances at March 31, 2026	**₱8,700,000**	**₱11,959,886**	**₱921,471**	**₱50,087**	**(₱48,177)**	**₱21,583,267**	**₱–**	**₱21,583,267**

See accompanying Notes to Financial Statements.

Parent Company						
	Capital Stock (Note 27)	**Retained Earnings** (Note 27)		**Cash Flow Hedge Reserve** (Note 16)	**Actuarial Loss on Retirement Plan** (Note 18)	**Total**
		Unappropriated	**Appropriated**			
Balances at April 1, 2025	**₱8,700,000**	**₱10,698,609**	**₱921,471**	**₱124,805**	**(₱37,996)**	**₱20,406,889**
Total comprehensive income (loss) for the year	–	**1,261,352**	–	**(74,718)**	**(10,181)**	**1,176,453**
Share in changes in equity of subsidiary (Note 8)	–	**(75)**	–	–	–	**(75)**
Balances at March 31, 2026	**₱8,700,000**	**₱11,959,886**	**₱921,471**	**₱50,087**	**(₱48,177)**	**₱21,583,267**
Balances at April 1, 2024	₱8,700,000	₱8,998,537	₱921,471	(₱591,549)	(₱28,943)	₱17,999,516
Total comprehensive income (loss) for the year	–	1,700,072	–	716,354	(9,053)	2,407,373
Balances at March 31, 2025	₱8,700,000	₱10,698,609	₱921,471	₱124,805	(₱37,996)	₱20,406,889
Balances at April 1, 2023	₱8,700,000	₱8,070,612	₱–	(₱775,795)	(₱27,919)	₱15,966,898
Appropriation of retained earnings (Note 27)	–	(921,471)	921,471	–	–	–
Total comprehensive income (loss) for the year	–	1,849,396	–	184,246	(1,024)	2,032,618
Balances at March 31, 2024	₱8,700,000	₱8,998,537	₱921,471	(₱591,549)	(₱28,943)	₱17,999,516

See accompanying Notes to Financial Statements.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Consolidated	Parent Company		
		Years Ended March		
	2026	**2026**	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**₱1,706,436**	**₱1,701,890**	₱2,396,641	₱2,528,241
Adjustments for:				
Depreciation and amortization (Notes 10 and 11)	**477,143**	**477,137**	444,448	351,513
Amortization of debt transaction cost on loans and bonds payable (Note 14)	**487,342**	**487,342**	434,034	386,689
Provision for impairment losses on:				
Loans and receivables (Notes 7 and 13)	**251,175**	**251,175**	581,254	344,630
Assets held for sale (Notes 9 and 13)	**1,525,303**	**1,525,303**	1,067,109	842,287
Property and equipment (Notes 10 and 13)	**1,562**	**1,562**	5,616	6,129
Gain on sale of property and equipment (Note 19)	**(279)**	**(279)**	(845)	(68)
Share in net income of subsidiary (Note 8)	–	**(13,881)**	–	–
Operating income before working capital changes	**4,448,682**	**4,430,249**	4,928,257	4,459,421
Decrease (increase) in:				
Loans and receivables	**(19,016,148)**	**(19,011,793)**	(14,865,110)	(17,638,978)
Assets held for sale (Note 9)	**(666,414)**	**(666,414)**	(1,920,845)	(1,119,350)
Other assets	**(53,122)**	**(52,415)**	(71,792)	(13,141)
Increase (decrease) in:				
Deposits on lease contracts	**(1,611)**	**(1,611)**	5,192	36,707
Accounts payable and other liabilities	**(417,097)**	**(419,750)**	(615,201)	1,107,266
Net cash used in operations	**(15,705,710)**	**(15,721,734)**	(12,539,499)	(13,168,075)
Income taxes paid	**(446,394)**	**(445,481)**	(608,508)	(651,040)
Contribution to retirement fund	**(58,563)**	**(58,563)**	(66,399)	(20,000)
Net cash used in operating activities	**(16,210,667)**	**(16,225,778)**	(13,214,406)	(13,839,115)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and equipment (Note 10)	**(179,109)**	**(179,018)**	(208,776)	(724,545)
Software (Note 11)	**(238,853)**	**(236,621)**	(169,561)	(259,115)
Investment in subsidiary (Note 8)	–	**(10,000)**	–	–
Proceeds from sale of:				
Property and equipment	**220,573**	**220,571**	35,217	39,784
Net cash used in investing activities	**(197,389)**	**(205,068)**	(343,120)	(943,876)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loans and bonds payable	**79,379,825**	**79,379,825**	67,250,198	65,463,304
Settlement of loans payable	**(62,870,952)**	**(62,852,927)**	(57,777,726)	(51,358,788)
Settlement of derivatives designated as hedges	**753,226**	**753,226**	2,032,120	1,127,584
Payment of lease liabilities (Note 21)	**(114,773)**	**(114,773)**	(88,163)	(96,020)
Net cash provided by financing activities	**17,147,326**	**17,165,351**	11,416,429	15,136,080
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**739,270**	**734,505**	(2,141,097)	353,089
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash on hand and in banks	**2,537,042**	**2,537,042**	2,304,295	1,507,322
Due from Bangko Sentral ng Pilipinas	**2,689,111**	**2,689,111**	5,777,955	5,187,677
Securities purchased under resale agreement	**715,000**	**715,000**	–	1,034,162
	5,941,153	**5,941,153**	8,082,250	7,729,161

(Forward)

	Consolidated	Parent Company		
	Years Ended March 31			
	2026	**2026**	2025	2024
CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 4, 5, and 6)				
Cash on hand and in banks	**₱2,995,290**	**₱2,990,525**	₱2,537,042	₱2,304,295
Due from Bangko Sentral ng Pilipinas	**3,685,133**	**3,685,133**	2,689,111	5,777,955
Securities purchased under resale agreement	**–**	**–**	715,000	–
	₱6,680,423	**₱6,675,658**	₱5,941,153	₱8,082,250

OPERATIONAL CASH FLOWS FROM INTEREST				
Interest received	**₱11,534,564**	**₱11,534,562**	₱19,146,155	₱17,429,911
Interest paid	**8,999,785**	**8,999,785**	7,538,679	5,258,002

See accompanying Notes to Financial Statements.

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION AND SUBSIDIARY

NOTES TO 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 Parent Company's registered address is 32F GT Tower, Ayala Ave. cor. HV Dela Costa St. Makati City. The Parent Company has a perpetual existence by virtue of Section 11 of Republic Act No. 11232 also known as the "Revised Corporation Code of the Philippines".

The Parent 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 Parent Company its quasi-banking license, which enables the Parent 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 Parent Company:

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

The Parent Company and its subsidiary's (collectively, the Group's) ultimate parent company is TFSC, a financial services company based in Japan.

On May 26, 2023, the BSP approved the Parent Company's license to operate as an Electronic Money Issuer – Non-Bank Financial Institution (EMI-NBFI) by expanding its existing myTOYOTA Wallet mobile application with e-wallet services.

The Parent Company is a listed debt issuer on the Philippine Dealing and Exchange Corporation (PDEx). On October 21, 2025, the Parent Company issued and listed its ₱5.0 billion maiden domestic bonds, representing the first tranche out of its ₱20.0 billion Bond Programme.

Establishment of Toyota Insurance Services Philippines Corporation

The Parent Company established an insurance agency, Toyota Insurance Services Philippines Corporation (TISPH or Subsidiary Company), a wholly owned domestic subsidiary. TISPH was registered with the SEC on September 10, 2025, with capitalization of ₱10.00 million. On October 28, 2025, the Insurance Commission (IC) issued a Certificate of Authority authorizing TISPH to engage in life and non-life insurance agency business until December 31, 2027, subject to renewal in accordance with applicable IC rules and regulations. The subsidiary company commenced its operation in December 2025.

Authorization to Issue Financial Statements

The accompanying financial statements were approved and authorized for issue by the Board of Directors (BOD) on July 2, 2026.

2. Material Accounting Policy Information

Basis of Preparation
The accompanying financial statements include the financial statements of the Group and the Parent company financial statements of the Parent Company. These financial statements have been prepared using the historical cost basis except for derivative financial instruments, which have been measured at fair value.

Each entity within the Group determines its own functional currency and items reported in their respective financial statements are measured using that functional currency. The accompanying financial statements are presented in Philippine peso (₱), which is also the functional currency of the Parent Company and the Subsidiary Company. All values are rounded to the nearest thousand pesos (₱000), except when otherwise indicated.

The accompanying financial statements also provide comparative information in respect of the previous period.

Statement of Compliance
The financial statements of the Group and the Parent Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Presentation of Financial Statements
The statements of financial position of the Group and of the Parent Company are presented 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 25.

Basis of Consolidation
The consolidated financial statements as of and for the year ended March 31, 2026 represent the first consolidated financial statements prepared by the Group.

The consolidated financial statements include the financial statements of the Parent Company and of its subsidiary and are prepared for the same reporting period as the Parent Company using consistent accounting policies.

Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group 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.

The Group 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of financial position and statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiary are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup transactions, balances, income and expenses resulting from intragroup transactions are eliminated in full in the consolidation. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

If the Parent Company 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 Company had directly disposed of the related assets or liabilities.

<u>Changes in Accounting Policies and Disclosures</u>
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at April 1, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments standards did not have an impact on the financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*
  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect the future adoption of the said pronouncements will have a significant impact on the Group financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

- o Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
  The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. Entities are required to classify all income and expenses within the statement of profit or loss into one of five (5) categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as the Group, that have specified main business activities (either providing finance to customers or investing in specific types of assets, or both).

  The requirements also include:
  - o Required totals and subtotals in the statement of profit or loss
  - o Disclosure of management-defined performance measures
  - o Guidance on aggregation and disaggregation

  In addition, narrow-scope amendments have been made to PAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

  The Group is currently assessing the impact of PFRS 18 on its primary financial statements and notes to the financial statements. The Group considers its main business activities to include the provision of financing to customers and investing in financial assets. In accordance with PFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing activities.

- PFRS 17, *Insurance Contracts*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policy Information

<u>Foreign Currency Translations</u>
The Group translates its foreign currency-denominated monetary assets and liabilities using the Bankers Association of the Philippines (BAP) closing rate prevailing at the statement of financial position date; income and expenses are translated at BAP weighted average rates prevailing at transaction dates.

Foreign exchange gains or losses arising from foreign currency transactions and revaluation of foreign currency-denominated assets and liabilities are credited to or charged to profit or loss in the year in which the rates change.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and fair value hierarchy as explained above.

Financial Instruments - Initial Recognition and Measurement

Date of recognition

The Group recognizes financial instruments when, and only when, the Group becomes a party to the contractual terms of the financial instruments. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date, the date that an asset is delivered to or by the Group. Amounts due from/to banks, receivables from customers and deposits on lease contracts are recognized when cash is received by the Group or advanced to the borrowers.

Initial measurement of financial instruments
Except for financial instruments measured fair value through profit or loss, the financial instruments are initially measured at fair value plus directly transaction costs to their acquisition or issue.

Financial Instruments - Classification and Subsequent Measurement
The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and financial assets measured at amortized cost while financial liabilities are classified as financial liabilities at FVTPL and financial liabilities at amortized cost. The classification of financial instruments depends on the contractual terms and the business model for managing the instruments. Subsequent to initial recognition, the Group may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

Under PFRS 9, the classification of a financial asset depends on the characteristics of its contractual cash flows and the business model under which the asset is held. The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (SPPI test).

Derivative instruments
The Group uses derivative financial instruments such as cross-currency interest rate swaps to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date in which a derivative transaction is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from the changes in fair value of derivatives, which are not designated as accounting hedges, are taken directly to profit or loss, except for the effective portion of derivative instruments designated in cash flow hedges, which is recognized in other comprehensive income (OCI). Refer to accounting policy below on "Hedge accounting",

Hedge accounting
For the purpose of hedge accounting, hedges are classified as:
- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; and
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined. A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Cash flow hedges
Cash flow hedges are hedges of the exposure to variability in cash flows that are attributable to a particular risk associated with a recognized asset, liability or a highly probable forecast transaction and could affect the statement of income. The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts recognized in OCI are transferred to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss. When the Group discontinues hedge accounting for a cash flow hedge, it must account for the amount that has been accumulated in the cash flow hedge reserve as follows: (a) the amount remains in accumulated OCI if the hedged future cash flows are still expected to occur or (b) the amount is immediately reclassified to profit or loss as a reclassification adjustment if the hedged future cash flows are no longer expected to occur.

The Group has cross currency swaps that have been designated as hedging instruments in a cash flow hedges.

Financial assets at amortized cost
Financial assets at amortized cost are debt financial assets that meet both of the following conditions: (i) these are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. This accounting policy relates to the statement of financial position captions 'Cash in banks', 'Due from Bangko Sentral ng Pilipinas', 'Securities purchased under resale agreement', 'Loans and receivables' and security deposits under 'Other assets'.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate (EIR). The amortization is included in 'Interest income' in the profit or loss. Gains and losses are recognized in profit or loss when these financial assets are derecognized or impaired, as well as through the amortization process. The expected credit losses (ECL) are recognized in profit or loss under 'Provision for credit and impairment losses'.

Financial liabilities carried at amortized cost
Issued financial instruments or their components, which are not designated at FVTPL, are classified as financial liabilities at amortized costs where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial assets to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. This accounting policy relates to the statement of financial position captions 'Loans payable', 'Bonds payable', 'Accounts payable and other liabilities (excluding provisions and statutory obligations) and 'Deposits on lease contracts'.

After initial measurement, financial liabilities not qualified and not designated as FVTPL are subsequently measured at amortized cost using the effective interest amortization method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

Derecognition of Financial Assets and Liabilities
Financial asset
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired or transferred;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In this case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Write-off
Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery.

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- Change in currency
- Introduction of an equity feature

- Change in counterparty
- If the modification results in the asset no longer considered "solely payment for principal and interest"

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the profit or loss.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be purchased/originated as credit impaired (POCI).

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Securities Purchased Under Resale Agreement (SPURA)
Securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the statement of financial position. The Group is not permitted to sell or repledge the securities in the absence of default by the owner of the collateral. The corresponding cash paid, including accrued interest, is recognized in the statement of financial position as 'Securities purchased under resale agreement', and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the effective interest method.

Impairment of Financial Assets
PFRS 9 requires the Group to record ECL for all loans and other debt financial assets not classified as at FVTPL, together with loan commitments and financial guarantee contracts.

Expected credit loss methodology
ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The objective of the impairment standard is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that result from all possible default events over the expected life of a financial instrument.

Staging assessment
For non-credit-impaired financial instruments:
- Stage 1 - credit exposures that are considered "performing" and with no significant increase in credit risk since initial recognition or with low credit risk.
- Stage 2 -credit exposures that are considered "under-performing" or not yet non-performing but with significant increase in credit risk since initial recognition.

For credit-impaired financial instruments:
- A financial instrument is classified as Stage 3 financial instruments when it is in default or there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires that ECL with 100.00% probability of default (PD) be recognized for impaired financial instruments.
- A "curing period" is incorporated to regulate backward movement within stages. This criterion specifies that accounts that become credit impaired (hit 90+ days past due) need to remain in Stage 3 until they have made all payments of principal balance and interest continuously for at least 6 months to move into Stage 1.

Definition of "default" and "cure"
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes over 90 days past due on its contractual payments. An account shall be considered past due or delinquent when upon the payment due date, the borrower failed to settle the amount. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer in default. Defaults are characterized by financial assets that have objective evidence of impairment at the reporting date and as such classified under Stage 3.

An instrument is considered to be no longer in default (i.e. to have cured) when it no longer meets any of the default criteria and the borrower has exhibited a satisfactory track record of consistent payments for six months. Cured accounts are classified under Stage 1.

Significant increase in credit risk (SICR)
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors. Considering the nature of its loan products and the profile of its borrowers, the Group uses the aging information in evaluating whether the credit risk of a particular exposure deemed to have increased significantly since initial recognition. If contractual payments are more than thirty (30) days past due, the exposure is deemed to exhibit SICR. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

ECL parameters and methodologies
The ECL combines the three verticals of Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) along with the macro-economic overlay given ECL's forward looking nature under PFRS 9 and gives an estimate of the expected future loss out of the entire portfolio present as of a snapshot period.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual instrument is modelled based on historical default data and is estimated based on current performance of individual accounts reflected in the parameters of the model. The Group segmented its credit exposures based on corporate and individual portfolios considering their shared credit characteristics. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

EAD or 'Exposure at Default' is another vertical in the ECL computation. It explains how much exposure i.e., the balance that an account (or in a segment) carries at the time of default.

Loss Given Default, or LGD, is the expected proportion of amount that the Group may lose from a borrower's outstanding debts in the event of the borrower defaulting. Theoretically, net loss is computed by subtracting the recoveries made post default from the default amount.

Economic overlays and multiple economic scenarios
The Group incorporates economic overlays into the measurement of ECL to add a forward-looking risk measure parallel to multiple future macroeconomic atmosphere expectations. A range of economic indicators were considered for the economic inputs. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To address this, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Residual Value of Leased Assets and Deposits on Lease Contracts
The residual value of leased assets is the estimated proceeds from the disposal of the leased asset at the end of the lease term which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease. At the end of the lease term, the residual value is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

Cash and Cash Equivalents
For purposes of reporting cash flows, cash and cash equivalents include cash on hand and in banks. Cash equivalents, which include securities purchased under resale agreement and placements in BSP facilities, have original maturities of three months or less from date of placements and that are subject to insignificant risks of changes in value. Due from BSP includes statutory reserves required by the BSP, which the Group considers as cash wherein drawings can be made to meet cash requirements as allowed by the BSP.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and impairment loss, if any.

The initial cost of property and equipment consists of its purchase price, any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after an item of property and equipment has been put into operation, such as repairs and maintenance, are normally charged to operations in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When the property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any accumulated impairment in value are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the property and equipment assets as follows:

Vehicles	2-5 years
Furniture, fixtures and equipment	5 years
Transportation equipment	3-5 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end to ensure that these are consistent with the expected pattern of economic benefits from the items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets, which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss in the year the asset is derecognized.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset is written down to its recoverable amount.

Leases

Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys, the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. *Right-of-use assets*

   The Group recognizes right-of-use assets (included in 'Property and Equipment') at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Related leasehold improvements are depreciated on straight line basis over the shorter of the lease term and estimated useful lives as follows:

Head office space and business centers	3-5 years
Warehouses	2-3 years

ii. *Lease liabilities*
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index per rate, and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Group and payment of penalties terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (IBR) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. *Short-term leases and leases of low-value assets*
The Group applies the short-term lease recognition exemption to its short-term leases of business centers and warehouses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain purchase option). It also applies the leases of low-value assets recognition to leases of equipment that are considered low value (i.e., below ₱0.25 million). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that are within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Group as lessor
The Group recognizes assets held under a finance lease in its statement of financial position as a receivable at an amount equal to the net investment in the lease. The lease payments received from the lessee are treated as repayments of principal and finance income. Initial direct costs that are incremental and directly attributable to negotiating and arranging the lease are included in the measurement of the net investment in the lease at inception and reflected in the calculation of the implicit interest rate.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms and is included in profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The Group recognizes rental income on its operating lease of vehicles. Recoverable deposit is collected from the client and computed at 10.00% of the unit price and recognized under 'Deposits on lease contracts'. This is collected upfront and to be refunded on end of lease term. While on pre-termination, the full amount is forfeited and will be recognized as service charge under 'Service fees and other income'. There are two product group under it to segregate types of services to be offered for corporate and individual clients, i.e. full-service lease and net operating lease, respectively.

a. *Full-service lease (FSL)*
   FSL is a leasing product that offers all-inclusive package. Customer will pay fixed monthly rental inclusive of all major cost of vehicle ownership (such as periodic and preventive maintenance, annual comprehensive insurance, vehicle registration and fleet management). FSL, or its current name, Kinto One, caters corporate clients and individuals.

   The monthly rental income amount is classified as 'Operating lease revenues' under 'Service Fees and Other Income', while the related expenses are presented under 'Others' under operating expenses in the statement of income.

   Effective June 2024, the Parent Company ceased originating new FSL contracts. As of reporting date, the Parent Company's FSL portfolios comprise only outstanding contracts entered into prior to June 2024, which continue to be administered until settlement or expiration.

b. *Net operating lease (NOL)*
   NOL is a lease wherein maintenance and comprehensive insurance are not included in the monthly rental calculation. These are at the expense of the lessee.

<u>Assets Held for Sale</u>
An asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, available for immediate sale and its sale is highly probable. An asset classified as held for sale is measured at the lower of fair value less costs to sell and its carrying amount.

Any impairment loss on write-down of the asset to fair value less costs to sell is recognized in profit or loss. Any gain on subsequent increase in fair value less costs to sell is also recognized in profit or loss, but not in excess of the cumulative impairment loss already recognized on the asset.

Assets held for sale of the Group consist mainly of motor vehicles foreclosed from borrowers or lessees who have defaulted on their installment or lease payments.

<u>Intangible Assets</u>
This consists of software costs, stated at acquisition cost and is amortized on a straight-line basis over estimated useful life of five (5) years.

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Other Assets
Other assets consist of prepaid expenses, security deposits and withholding tax receivables as disclosed in Note 12.

Prepaid expenses are advanced payments for occupancy costs and employee benefits. Prepaid expenses are recognized in the statement of financial position when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably. Amortization of prepayments is recognized monthly on a straight-line basis.

Security deposits are rental deposits for the Group's office space, warehouses and residential units for officers. Refer to the accounting policy on *Financial assets at amortized cost* that is applicable for security deposits.

Withholding tax receivable pertains to Creditable Withholding Tax (CWT). CWT is recognized when the counterparty withheld certain taxes against its income payment to the Group which can be used by the Group as reduction against its taxes payable to the taxation authority. CWT is reduced to the extent of that CWT will not be realized, through the use of an allowance account.

Investments in Subsidiary
Investments in subsidiary in the Parent Company's financial statements is accounted for under the equity method.

Under the equity method, an investment in subsidiary is carried in the statement of financial position at cost plus post-acquisition changes in the Parent Company's share of the net assets of the subsidiary. Post-acquisition changes in the share of net assets of the subsidiary include the share in the: (a) income or losses and (b) other comprehensive income. Dividends received are treated as a reduction in the carrying amount of the investment.

The statement of income reflects the share of the results of operations of the subsidiary. Where there has been a change recognized directly in the equity of the subsidiary, the Parent Company recognizes its share of any changes and thus, when applicable, discloses in the statement of changes in equity. If the Parent Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Parent Company discontinues recognizing its share in further losses.

Impairment of Nonfinancial Assets
The carrying values of nonfinancial assets (i.e., ROU, property and equipment, assets held for sale, software cost, investment in subsidiary and other assets) are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment loss is recognized under 'Provision for credit and impairment losses' in the statement of income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Retirement Cost
The Group has a funded, noncontributory defined benefit retirement plan covering all its employees with regular employment status. The defined benefit liability (asset) is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss. Remeasurements comprising of actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has

generally concluded that it is acting as principal in its revenue arrangements, except for the commissions under agency arrangements of the Subsidiary Company and the insurers .

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

Revenue within the scope PFRS 15
Gain or loss on sale of nonfinancial assets
Income from sale of properties (i.e., assets held for sale and property and equipment) is recognized when control over the properties is transferred to the customer.

Commission income
Commissions are recognized as income when the insurance premiums collected from the customers are remitted to the insurance company.

Service and other fees, including penalty income
Service fees earned for the provision of transaction services such as processing fees are recognized upon completion of the underlying transaction. Penalty income is recognized upon collection or accrued where there is reasonable degree of certainty as to their collectability.

Other income
Other income is recognized upon completion of the earning process.

Revenue outside the scope of PFRS 15
Interest income
For all financial instruments measured at amortized cost, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR.

The carrying amount of the financial asset is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as ‘Interest income’.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Recoveries of accounts written off
Recoveries of accounts written off are recognized as income upon actual collection.

Operating lease income
Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Expense Recognition
Expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association

with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statements of financial position as an asset.

Borrowing costs
Borrowing costs for all interest-bearing financial liabilities are recognized in 'Interest expense' in the statement of income using the EIR of the financial liabilities to which they relate.

Income Taxes
Current taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of excess MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred tax assets to be recovered. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity is also recognized in equity and not in profit or loss.

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

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Equity
Capital stock is measured at par value for all shares issued and outstanding. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to 'Additional paid-in capital' account. When shares are issued for consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct cost incurred related to the equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to 'Additional paid-in capital' account. If additional paid-in capital is not sufficient, the excess is charged against 'Retained earnings'.

Retained earnings represent accumulated net income of the Group, net of dividends paid.

Dividends
Dividends are recognized as a liability and deducted from equity when declared and approved by the Board of Directors (BOD) of the Group and of the BSP. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

Events after the Reporting Period
Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. **Significant Accounting Judgments and Estimates**

The preparation of the accompanying financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

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.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates and assumptions, which have the most significant effect on the amounts recognized in the financial statements.

a. *Finance leases - Group as a lessor*
The Group has entered into finance leases of vehicles with its customers. The Group has determined that it transfers all the significant risks and rewards of ownership as the lease terms are for the major part of the economic life of the vehicles which are leased out to the lessees.

b. *Operating leases - Group as a lessor*
The Group has entered into leases of vehicles under FSL and NOL. The Group has determined, based on an evaluation of the terms and condition of the arrangements (i.e., the lessor shall at all-time be and remain the sole and exclusive owner of the motor vehicle and no title shall pass to the lessee. The lessor may sell, transfer, convey, assign, pledge, hypothecate, or otherwise dispose of its right hereunder in a whole or in part without notice to the lessee. The lessee has no option to purchase the vehicle at the end of the term), that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Determining whether it is reasonably certain that a renewal and termination option will be exercised
The Group has entered into lease on premises it uses for its operation. The Group has determined the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain or whether not to exercise the option to renew or to terminate the lease, such that the Group considers relevant factors such as leasehold improvement and location that create economic incentive for the Group to exercise either the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of condition date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. *Impairment of financial assets*
The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. 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 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; and
- Incorporation of expert judgement in the selection of forward-looking macroeconomic scenarios to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

For the year ended March 31, 2025, the Group revisited its inputs and assumptions as follows:
- PD and LGD rates are recalibrated to reflect the most recent default experience and recovery experience, respectively.
- The management also applied its expert credit judgment in evaluating the economic forecasts and reflect such in the changes in overlay and scenario weightings. Considerations included expectations of economic recovery based on available market and published data, changes of monetary policies of the Philippine government and timing thereof, among others.

The carrying amounts of financial assets subject to ECL and the related allowance for credit losses of financial assets as of March 31, 2025 and 2024 are disclosed in Notes 4, 7 and 13.

b. *Fair value of derivatives*
The fair values of derivatives that are not quoted in active markets are determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are reviewed before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

The fair values of derivatives are disclosed in Note 16. The manner the fair values of derivatives were determined is discussed in Note 26.

c. *Valuation of assets held for sale*
The Group'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. Valuation of assets held for sale is ascertained using the market data approach, wherein current sales prices of identical vehicles, together with the valuation opinions of conversant appraisers are accumulated, compared and thoroughly analyzed.

The carrying amounts of assets held for sale are disclosed in Note 9.

d. *Recognition of deferred tax assets*
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

The Group has been in a taxable income position over the past several years. The Group believes that it is probable that it can generate taxable income in the foreseeable future from which the tax benefits on these deductible temporary differences can be realized.

The recognized deferred tax assets are disclosed in Note 20.

e. *Present value of post-employment benefit obligation*
The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The cost of defined retirement benefit obligation and other post-employment benefits is determined using actuarial valuations.

The discount rates used were determined using the market yields of Philippine government bonds with terms consistent with the expected employee benefit payout as at statement of financial position date. Future salary increases are based on historical annual merit, market and promotional increase and expected future inflation rates.

The present value of defined benefit obligation is disclosed in Note 18.

4. Cash on hand and in banks

This account consists of:

	Consolidated	Parent Company	
	2026	**2026**	2025
Cash on hand	**₱3,369**	**₱3,369**	₱2,770
Cash in banks (Note 22)	**2,992,156**	**2,987,391**	2,534,507
	2,995,525	**2,990,760**	2,537,277
Allowance for credit losses (Note 13)	**(235)**	**(235)**	(235)
	₱2,995,290	**₱2,990,525**	₱2,537,042

Cash in banks earn annual interest rates ranging 0.06% to 0.25% in 2026 and 2025, and 0.10% to 0.13% in 2024 for the Parent Company. Annual interest rates on cash in banks ranges from 0.06% to 0.25% in 2026 for the Group.

Interest earned on cash in banks amounted to ₱0.92 million in 2026 for the Group. Interest earned on cash in banks amounted to ₱0.92 million, ₱1.39 million and ₱1.17 million in 2026, 2025 and 2024, respectively for the Parent Company.

5. Due from Bangko Sentral ng Pilipinas (BSP)

This account consists of:

	Consolidated / Parent Company	
	2026	2025
Demand deposits	**₱1,441,133**	₱1,193,111
Overnight deposits	**2,244,000**	696,000
Term deposits	–	800,000
	₱3,685,133	₱2,689,111

Due from BSP includes non-interest-bearing demand deposit account (DDA).

Under the current regulations, non-bank financial institutions with Quasi-banking function (NBQB) are required to maintain reserves equivalent to 5.00% of their peso-denominated deposit substitute liabilities effective the reserve week beginning March 28, 2025. The required reserves shall be kept in the form of deposits maintained in the DDA.

The total available reserves booked under ‘Due from BSP’ amounted to ₱1.44 billion and ₱1.19 billion as of March 31,2026 and 2025, respectively. The Group is in compliance with such regulations as of March 31,2026 and 2025.

Due from also includes overnight deposit facility that earns annual interest ranging from 3.75% to 5.25% in 2026, from 5.00% to 6.00% in 2025 and from 5.75% to 6.00% in 2024 and term deposit facility that earns annual interest ranging from 4.25% to 5.77% in 2026, from 5.50% to 6.55% in 2025 and from 6.38% to 6.74% in 2024.

Total interest earned on Due from BSP amounted to ₱62.18 million, ₱60.76 million and ₱80.60 million in 2026, 2025 and 2024, respectively.

No allowance for credit losses was recognized for Due from BSP as of March 31,2026 and 2025.

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 nil and ₱715.00 million as of March 31,2026 and 2025, respectively, were pledged in favor of the Group as collateral for SPURA equivalent to the face value of the government securities.

The annual interest is ranging from 4.25%. to 5.75% in 2026, from 5.25%. to 6.58% in 2025 and from 6.15% to 6.54% in 2024.

Total interest earned on SPURA amounted to ₱46.60 million, ₱76.81 million and ₱99.23 million for the years ended March 31, 2026, 2025 and 2024, respectively.

7. Loans and Receivables

This account consists of:

	Consolidated	Parent Company	
	2026	**2026**	2025
Receivables from customers:			
Receivables financed	**₱21,557,474**	**₱21,557,474**	₱19,037,912
Unearned finance income	**(3,357,922)**	**(3,357,922)**	(2,781,945)
	18,199,552	**18,199,552**	16,255,967
Finance lease receivables	**189,370,225**	**189,370,225**	168,614,838
Residual value of leased assets	**318**	**318**	318
	189,370,543	**189,370,543**	168,615,156
Unearned lease income	**(33,138,598)**	**(33,138,598)**	(28,541,419)
	156,231,945	**156,231,945**	140,073,737
	174,431,497	**174,431,497**	156,329,704

(Forward)

	Consolidated	Parent Company	
	2026	**2026**	2025
Other receivables:			
Receivables from clients	**₱130,389**	**₱130,389**	₱118,734
Receivables from employees	**45,332**	**45,332**	33,779
Accrued interest receivable on overnight deposit facility	**187**	**187**	788
Others	**408,528**	**404,173**	758
	584,436	**580,081**	154,059
Total loans and receivable before allowance	**175,015,933**	**175,011,578**	156,483,763
ECL allowance on receivables from customers (Note 13)	**(1,812,775)**	**(1,812,775)**	(2,045,578)
ECL allowance on other receivables (Note 13)	**(218)**	**(218)**	(218)
	₱173,202,940	**₱173,198,585**	₱154,437,967

Receivables financed represent the outstanding balance of finance lease due from customer under financing activities.

Finance lease receivables are due in monthly installments with terms ranging from 1 to 7 years. These are broken down as follows:

	Consolidated / Parent Company	
	2026	2025
Gross investment in finance lease receivables		
Finance lease receivables		
Due within 1 year	**₱64,163,530**	₱58,671,344
Due beyond 1 year but not beyond 7 years	**125,206,695**	109,943,494
	189,370,225	168,614,838
Residual value of leased assets:		
Due within 1 year	**318**	318
Due beyond 1 year but not beyond 7 years	**318**	318
	189,370,543	168,615,156
Unearned lease income:		
Due within 1 year	**14,585,886**	12,991,476
Due beyond 1 year but not beyond 7 years	**18,552,712**	15,549,943
	33,138,598	28,541,419
Net investment in finance lease receivables*	**₱156,231,945**	₱140,073,737

**As of March 31, 2026, net investment in finance lease receivables beyond 5 years amounted to ₱169.02 million*

Receivables from clients consist primarily of accrual of charges to the borrowers.

Receivables from employees consist of outstanding balances arising from employee car plans, car loans, HMO deductions, insurance-related deductions, advances to employees, among others.

Othe receivables pertain to various miscellaneous receivables.

As of March 31, 2026 and 2025 the Parent Company's allowance for credit losses for loans and receivables is in compliance with the requirements of RA No. 8556.

Interest income on loans and receivables
Receivables financed earn fixed interest ranging from 6.37% to 18.44% in 2026, from 7.34% to 18.44% in 2025 and 6.85% to 18.44% in 2024 while finance lease receivables earn fixed interest ranging from 6.02% to 18.87% in 2026, 6.02% to 18.87% in 2025 and 6.02% to 16.73% in 2024.

Interest income on loans and receivables consists of:

	Consolidated / Parent Company		
	2026	2025	2024
Finance lease receivables	**₱14,855,237**	₱13,638,478	₱11,617,816
Accretion of modification losses	**–**	17,155	46,594
	14,855,237	13,655,633	11,664,410
Receivables financed	**1,742,186**	1,553,595	1,233,830
Accretion of modification losses	**–**	452	981
	1,742,186	1,554,047	1,234,811
	₱16,597,423	₱15,209,680	₱12,899,221

8. Investment in a Subsidiary

In 2025, the Parent Company established TISPH which is engaged in insurance agency activities. The principal place of business of TISPH is at 27th Floor, GT Tower International, 6813 Ayala Avenue corner H.V. Dela Costa Street, Salcedo Village, Makati City.

The movements in the Parent Company's investment in TISPH are as follows:

	2026
Acquisition cost	₱10,000
Share in net income of subsidiary for the period	13,881
Share in change in equity of subsidiary for the period	(75)
	₱23,806

9. Assets Held for Sale

The rollforward analysis of this account is as follows:

	Consolidated / Parent Company	
	2026	2025
Cost		
Balance at beginning of year	**₱1,765,788**	₱695,959
Additions (Note 30)	**7,510,135**	6,004,513
Transfers (Notes 10 and 30)	**(24,171)**	(3,527)
Disposals	**(8,498,894)**	(4,931,157)
Balance at end of year	**752,858**	1,765,788
Allowance for impairment losses (Note 13)		
Balance at beginning of year	**336,021**	116,400
Provision for impairment losses	**1,525,303**	1,067,109
Reversal of allowance upon disposal	**(1,655,173)**	(847,488)
Balance at end of year	**206,151**	336,021
Net book value	**₱546,707**	₱1,429,767

The Group's assets held for sale consist of repossessed collateral from customers who have defaulted in their respective loan accounts. These are actively marketed for sale and are expected to be sold within one year from the date of their classification as assets held for sale.

Loss on disposal of assets held for sale amounted to ₱829.44 million, ₱192.78 million and ₱51.38 million in 2026, 2025, and 2024, respectively (see Note 19).

10. Property and Equipment

The composition of and movements in this account follow:

	Consolidated					
	2026					
	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Operating Lease - Vehicles	ROU Assets	Total
Cost						
Balances at beginning of year	**₱184,121**	**₱304,492**	**₱96,478**	**₱1,095,589**	**₱281,897**	**₱1,962,577**
Acquisitions	**18,399**	**44,480**	**7,550**	**16,199**	**92,481**	**179,109**
Transfers (Notes 9 and 30)	–	–	**24,171**	–	–	**24,171**
Disposals/expired	–	**(17,179)**	**(28,727)**	**(204,247)**	**(88,830)**	**(338,983)**
Balances at end of year	**202,520**	**331,793**	**99,472**	**907,541**	**285,548**	**1,826,874**
Accumulated depreciation and amortization						
Balances at beginning of year	**120,853**	**207,349**	**40,555**	**295,017**	**153,555**	**817,329**
Depreciation and amortization	**21,093**	**51,480**	**19,409**	**152,474**	**107,277**	**351,733**
Disposals/expired	–	**(3,485)**	**(14,957)**	**(92,154)**	**(88,830)**	**(199,426)**
Balances at end of year	**141,946**	**255,344**	**45,007**	**355,337**	**172,002**	**969,636**
Allowance for impairment losses						
Balances at beginning of year	–	–	–	**11,745**	–	**11,745**
Provision for impairment losses (Note 12)				**1,562**		**1,562**
Reversal of impairment losses upon disposal	–	–	–	**(11,745)**	–	**(11,745)**
Balances at end of year	–	–	–	**1,562**	–	**1,562**
Net book value	**₱60,574**	**₱76,449**	**₱54,465**	**₱550,642**	**₱113,546**	**₱855,676**

	Parent Company					
	2026					
	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Operating Lease - Vehicles	ROU Assets	Total
Cost						
Balances at beginning of year	**₱184,121**	**₱304,492**	**₱96,478**	**₱1,095,589**	**₱281,897**	**₱1,962,577**
Acquisitions	**18,399**	**44,389**	**7,550**	**16,199**	**92,481**	**179,018**
Transfers (Notes 9 and 30)	–	–	**24,171**	–	–	**24,171**
Disposals/Expired	–	**(17,179)**	**(28,727)**	**(204,247)**	**(88,830)**	**(338,983)**
Balances at end of year	**202,520**	**331,702**	**99,472**	**907,541**	**285,548**	**1,826,783**
Accumulated depreciation and amortization						
Balances at beginning of year	**120,853**	**207,349**	**40,555**	**295,017**	**153,555**	**817,329**
Depreciation and amortization	**21,093**	**51,472**	**19,411**	**152,474**	**107,277**	**351,727**
Disposals/Expired	–	**(3,485)**	**(14,959)**	**(92,154)**	**(88,830)**	**(199,846)**
Balances at end of year	**141,946**	**255,336**	**45,007**	**355,337**	**172,002**	**969,628**
Allowance for impairment losses						
Balances at beginning of year	–	–	–	**11,745**	–	**11,745**
Provision for impairment losses (Note 12)				**1,562**		**1,562**
Reversal of impairment losses upon disposal	–	–	–	**(11,745)**	–	**(11,745)**
Balances at end of year	–	–	–	**1,562**	–	**1,562**
Net book value	**₱60,574**	**₱76,366**	**₱54,465**	**₱550,642**	**₱113,546**	**₱855,593**

	Parent Company					
	2025					
	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Operating Lease - Vehicles	ROU Assets	Total
Cost						
Balances at beginning of year	₱178,342	₱266,612	₱101,523	₱991,083	₱278,147	₱1,815,707
Acquisitions	6,292	57,478	22,130	122,875	38,685	247,460
Transfers (Notes 9 and 30)	–	–	3,527	–	–	3,527
Disposals/expired	(513)	(19,598)	(30,702)	(18,369)	(34,935)	(104,117)
Balances at end of year	184,121	304,492	96,478	1,095,589	281,897	1,962,577
Accumulated depreciation and amortization						
Balances at beginning of year	100,872	176,672	34,747	136,105	85,243	533,639
Depreciation and amortization	20,391	39,836	19,366	167,577	103,247	350,417
Disposals/expired	(410)	(9,160)	(13,557)	(8,665)	(34,936)	(66,728)
Balances at end of year	120,853	207,349	40,555	295,017	153,555	817,329
Allowance for impairment losses						
Balances at beginning of year	–	–	–	6,129	–	6,129
Provision for impairment losses (Note 12)	–	–	–	5,616	–	5,616
Balances at end of year	–	–	–	11,745	–	11,745
Net book value	₱63,268	₱97,144	₱55,922	₱788,827	₱128,343	₱1,133,504

For the Parent Company, depreciation and amortization expense on property and equipment amounted to ₱352.15 million, ₱350.42 million, and ₱269.58 million for the years ended March 31, 2026, 2025, and 2024, respectively.

As of March 31, 2026 and 2025, property and equipment amounting to ₱123.18 million and ₱259.41 million, respectively, are fully depreciated but are still being used.

The gain on disposal of property and equipment amounted to ₱0.28 million, ₱0.85 million and ₱0.07 million for the years ended March 31, 2026, 2025 and 2024, respectively for both Group and the Parent Company (see Note 19).

As of March 31, 2026 and 2025, the Group has no property and equipment pledged as collateral nor commitments to purchase any property and equipment.

11. Software Costs

Movements in software costs follow:

	Consolidated	**Parent Company**	
	2026	**2026**	2025
Cost			
Balances at beginning of year	**₱1,063,712**	**₱1,063,711**	₱894,151
Additions	**238,852**	**236,621**	169,560
Balances at end of year	**1,302,564**	**1,300,332**	1,063,711
Accumulated amortization			
Balances at beginning of year	**394,174**	**394,174**	300,143
Amortization	**125,410**	**125,410**	94,031
Balance at end of year	**519,584**	**519,584**	394,174
Net book value	**₱782,980**	**₱780,748**	₱669,537

Additions mainly pertain to the development and enhancement of myToyota Wallet, a new mobile payment solution of the Parent Company, Core receivables system, Customer Relation Management System among others.

As at March 31, 2026 and 2025, the software under development that is not subject to amortization amounted to ₱455.04 million and ₱310.64 million, respectively, for the Group and ₱452.81 million and ₱310.64 million, respectively, for Parent Company.

Amortization expense on software costs amounted to ₱81.93 million in 2024 for the Parent Company.

Amortization of software costs is included in the 'Depreciation and amortization' in the statement of income.

12. **Other Assets**

This account consists of:

	Consolidated	Parent Company	
	2026	**2026**	2025
Financial assets			
Security deposits	**₱64,959**	**₱64,959**	₱41,979
Non-financial assets			
Prepaid expenses	**185,605**	**185,605**	155,404
Creditable withholding taxes	**3,347**	**2,857**	3,625
Input VAT	**217**	–	–
	₱254,128	**₱253,421**	₱201,008

Prepaid expenses mainly consist of prepayments on short-term office and warehouse lease arrangements, information technology-related costs, local business permit taxes and electronic documentary stamps.

13. **Allowance for Credit and Impairment Losses**

This account consists of:

	Consolidated / Parent Company	
	2026	2025
Loans and receivables from customers (Note 7)		
Finance lease receivables	**₱1,699,298**	₱1,890,209
Receivables financed	**113,477**	155,369
	1,812,775	2,045,578
Assets held for sale (Note 9)	**206,151**	336,021
Property and equipment (Note 10)	**1,562**	11,745
Cash in banks (Note 4)	**235**	235
Other receivables (Note 7)	**218**	218
Balance at end of year	**₱2,020,941**	₱2,393,797

As of March 31,2026 and 2025, the allowance for credit losses for cash in banks is classified under Stage 1.

An analysis of changes in the ECL allowances for receivables from customers for the years ended March 31, 2026 and 2025 follows:

	Consolidated / Parent Company			
	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Receivables financed:				
Loan allowance as of April 1, 2025	**₱99,188**	**₱19,206**	**₱36,975**	**₱155,369**
Newly originated assets that remained in Stage 1 as at March 31, 2026	**30,091**	–	–	**30,091**
Newly originated assets that moved to Stage 2 and Stage 3 as at March 31, 2026	–	**723**	**786**	**1,509**
Assets derecognized or repaid	**(24,860)**	**(6,893)**	**(21,763)**	**(53,516)**
Transfer to Stage 1	**9,775**	**(6,213)**	**(3,562)**	–
Transfer to Stage 2	**(1,593)**	**2,504**	**(911)**	–
Transfer to Stage 3	**(1,285)**	**(3,327)**	**4,612**	–
Impact on year-end ECL exposures transferred between stages during the year and change in assumptions	**(44,175)**	**139**	**41,966**	**(2,070)**
Total provision for ECL in P/L	**(32,047)**	**(13,067)**	**21,128**	**(23,986)**
Accounts written off	–	–	**(17,906)**	**(17,906)**
Loss allowance at March 31, 2026	**₱67,141**	**₱6,139**	**₱40,197**	**₱113,477**
Finance lease receivables:				
Loss allowance as of April 1, 2025	**₱794,679**	**₱271,860**	**₱823,670**	**₱1,890,209**
Newly originated assets that remained in Stage 1 as at March 31, 2026	**226,877**	–	–	**226,877**
Newly originated assets that moved to Stage 2 and Stage 3 as at March 31, 2026	–	**31,632**	**92,274**	**123,906**
Assets derecognized or repaid	**(234,000)**	**(117,366)**	**(440,999)**	**(792,365)**
Transfer to Stage 1	**97,717**	**(72,685)**	**(25,032)**	–
Transfer to Stage 2	**(22,675)**	**42,336**	**(19,661)**	–
Transfer to Stage 3	**(20,162)**	**(53,389)**	**73,551**	–
Impact on year-end ECL exposures transferred between stages during the year and change in assumptions	**(288,671)**	**25,603**	**979,812**	**716,744**
Total provision for (reversal of) ECL in P/L	**(240,914)**	**(143,869)**	**659,945**	**275,161**
Accounts written off	–	–	**(466,073)**	**(466,073)**
Loss allowance at March 31, 2026	**₱553,765**	**₱127,991**	**₱1,017,542**	**₱1,699,298**
Total loans receivables from customers:				
Loss allowance as of April 1, 2025	**₱893,866**	**₱291,065**	**₱860,647**	**₱2,045,578**
Newly originated assets that remained in Stage 1 as at March 31, 2026	**256,968**	–	–	**256,968**
Newly originated assets that moved to Stage 2 and Stage 3 as at March 31, 2026	–	**32,355**	**93,060**	**125,415**
Assets derecognized or repaid	**(258,860)**	**(124,259)**	**(462,763)**	**(845,882)**
Transfer to Stage 1	**107,491**	**(78,899)**	**(28,592)**	–
Transfer to Stage 2	**(24,268)**	**44,840**	**(20,572)**	–
Transfer to Stage 3	**(21,446)**	**(56,716)**	**78,162**	–
Impact on year-end ECL exposures transferred between stages during the year and change in assumptions	**(332,845)**	**25,742**	**1,021,777**	**714,674**
Total provision for (reversal of) ECL in P/L	**(272,960)**	**(156,937)**	**681,072**	**251,175**
Accounts written off	–	–	**(483,978)**	**(483,978)**
Loss allowance at March 31, 2026	**₱620,906**	**₱134,128**	**₱1,057,741**	**₱1,812,775**

	Parent Company			
	2025			
	Stage 1	Stage 2	Stage 3	Total
Receivables financed:				
Loan allowance as of April 1, 2024	₱43,891	₱15,990	₱35,433	₱95,314
Newly originated assets that remained in Stage 1 as at March 31, 2025	47,864	–	–	47,864
Newly originated assets that moved to Stage 2 and Stage 3 as at March 31, 2025	–	2,879	2,667	5,546
Assets derecognized or repaid	(66,757)	(28,161)	(42,140)	(137,058)
Transfer to Stage 1	1,096	(887)	(209)	–
Transfer to Stage 2	(12,387)	12,966	(580)	–
Transfer to Stage 3	(9,393)	(9,414)	18,807	–
Impact on year-end ECL exposures transferred between stages during the year and change in assumptions	94,874	25,833	35,344	156,051
Total provision for ECL in P/L	55,297	3,216	13,890	72,403
Accounts written off	–	–	(12,348)	(12,348)
Loss allowance at March 31, 2025	₱99,188	₱19,206	₱36,975	₱155,369
Finance lease receivables:				
Loans allowance as of April 1, 2024	₱482,094	₱258,181	₱1,085,769	₱1,826,044
Newly originated assets that remained in Stage 1 as at March 31, 2025	311,850	–	–	311,850
Newly originated assets that moved to Stage 2 and Stage 3 as at March 31, 2025	–	69,985	78,497	148,482
Assets derecognized or repaid	(3,391,569)	(801,093)	(1,516,628)	(5,709,291)
Transfer to Stage 1	11,266	(9,827)	(1,439)	–
Transfer to Stage 2	(154,945)	164,464	(9,519)	–
Transfer to Stage 3	(224,261)	(82,508)	306,768	–
Impact on year-end ECL exposures transferred between stages during the year and change in assumptions	3,760,244	672,658	1,324,907	5,757,809
Total provision for ECL in P/L	312,585	13,679	182,586	508,850
Accounts written off	–	–	(444,685)	(444,685)
Loan allowance at March 31, 2025	₱794,679	₱271,860	₱823,670	₱1,890,209
Total loans and receivables from customers:				
Loan allowance as of April 1, 2024	₱525,985	₱274,169	₱1,121,203	₱1,921,357
Newly originated assets that remained in Stage 1 as at March 31, 2025	359,713	–	–	359,713
Newly originated assets that moved to Stage 2 and Stage 3 as at March 31, 2025	–	72,864	81,165	154,029
Assets derecognized or repaid	(3,458,326)	(829,254)	(1,558,769)	(5,846,349)
Transfer to Stage 1	12,362	(10,713)	(1,648)	–
Transfer to Stage 2	(167,332)	177,430	(10,098)	–
Transfer to Stage 3	(233,653)	(91,922)	325,575	–
Impact on year-end ECL exposures transferred between stages during the year and change in assumptions	3,855,117	698,491	1,360,252	5,913,860
Total provision for ECL in P/L	367,881	16,896	196,476	581,253
Accounts written off	–	–	(457,033)	(457,033)
Loan allowance at March 31, 2025	₱893,866	₱291,065	₱860,647	₱2,045,578

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

	Consolidated / Parent Company		
	2026	2025	2024
Finance lease receivables	**₱275,161**	₱508,850	₱309,508
Receivables financed	**(23,986)**	72,403	35,122
	251,175	581,253	344,630
Assets held for sale (Note 9)	**1,525,303**	1,067,109	842,287
Vehicle under operating lease included in "Property and equipment" (Note 10)	**1,562**	5,616	6,129
	₱1,778,040	₱1,653,978	₱1,193,046

With the foregoing level of allowance for credit and impairment losses, management believes that the Group 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.

14. Loans and Bonds Payable

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

	Consolidated	Parent Company	
	2026	**2026**	2025
Bank loans			
Domestic bank loans (Note 22)	**₱105,236,620**	**₱105,236,620**	₱96,251,157
Foreign bank loans:			
Toyota Motors Credit Corporation	**6,043,453**	**6,043,453**	–
Toyota Motor Finance - Netherlands B.V.	**4,235,340**	**4,235,340**	2,855,120
Sumitomo Mitsui Trust Bank, Limited	**1,516,882**	**1,516,882**	1,424,874
Japan Bank for International Cooperation	**–**	**–**	2,573,181
The Norinchukin Bank - Singapore Branch (Note 16)	**–**	**–**	1,430,098
Fixed rate notes	**14,126,317**	**14,126,317**	13,787,950
Notes payable	**11,126,070**	**11,144,095**	9,958,699
Bonds payable			
Domestic bonds	**4,952,937**	**4,952,937**	–
Foreign bonds			
Sumitomo Mitsui Banking Corporation - Japan Branch (USD) (Note 16)	**10,502,292**	**10,502,292**	9,820,017
Sumitomo Mitsui Banking Corporation - Japan Branch (JPY) (Note 16)	**1,133,094**	**1,133,094**	1,122,598
Bank of Tokyo - Mitsubishi UFJ, Ltd. - Japan Branch (Note 16)	**–**	**–**	1,423,086
	₱158,873,005	**₱158,891,030**	₱140,646,780

As of March 31, 2026 and 2025, the unamortized debt transaction costs on loans payable amounted to ₱728.00 million and ₱718.00 million, respectively.

As of March 31, 2026 and 2025, the outstanding loans payable are unsecured.

Bank loans

Domestic bank loans
Domestic bank loans bear annual interest rates ranging from 4.00% to 7.33% in 2026, 4.00% to 7.33% in 2025 and 3.70% to 7.20% in 2024. As of March 31, 2026 and 2025, the Parent Company's bank loans have maturity periods of 1 month to 5 years.

Foreign bank loans
- *Bank loan from Toyota Motors Credit Corporation (TMCC)*
  The Parent Company and TMCC entered into a term loan agreement where TMCC granted the Parent Company a committed term loan facility. Details of the loan are as follows:

	2026			
	Date drawn	**Maturity Date**	**Principal Amount (in US$)**	**Outstanding Balance* (in PHP)**
Tranche 1	July 28, 2025	July 28, 2026	25.00 million	1,518.70 million
Tranche 2	November 24, 2025	November 24, 2028	25.00 million	1,508.80 million
Tranche 3	January 1, 2026	January 29, 2031	25.00 million	1,507.95 million
Tranche 4	February 26, 2026	February 26, 2031	25.00 million	1,508.00 million
			100.00 million	**6,043.45 million**

*Outstanding balance is net unamortized debt transaction costs

Interest is payable quarterly based on 3-month Modified Following Business Day Convention without spread for Tranche 1 to 4. The interest rate ranges from 5.30% to 5.72% in 2026.

- *Bank loan from Toyota Motor Finance – Netherlands B.V. (TMFNL)*
  The Parent Company and TMFNL entered into a term loan agreement where TMFNL granted the Parent Company a committed term loan facility. Details of the loan are as follows:

	2026			
	Date Drawn	**Maturity Date**	**Principal Amount (in US$)**	**Outstanding Balance* (in PHP)**
Tranche 5	November 17, 2022	May 18, 2026	25.00 million	1,518.26 million
Tranche 6	August 22, 2025	August 23, 2027	25.00 million	1,208.80 million
Tranche 7	February 19, 2026	February 18, 2028	25.00 million	1,508.28 million
			75.00 million	**4,235.34 million**

*Outstanding balance is net unamortized debt transaction costs

	2025			
	Date Drawn	Maturity Date	Principal Amount (in US$)	Outstanding Balance* (in PHP)
Tranche 3	November 24, 2021	November 24, 2025	25.00 million	1,428.57 million
Tranche 5	November 17, 2022	May 18, 2026	25.00 million	1,426.55 million
			50.00 million	2,855.12 million

*Outstanding balance is net unamortized debt transaction costs

Interest is payable quarterly based on 3-month Modified Following Business Day Convention without spread for Tranches 3 to 7. The annual interest rates range from 5.41% to 6.78% in 2026 and 4.99% to 6.78% in 2025 and 2024.

- *Bank loan from Sumitomo Mitsui Trust Bank (SMTB)*
  The Parent Company and SMTB entered into a term loan agreement where SMTB granted the Parent Company a term loan facility. Details of the loan are as follows:

	2026			
	Date drawn	**Maturity Date**	**Principal Amount (in JPY)**	**Outstanding Balance* (in PHP)**
Tranche 1	September 26, 2023	September 28, 2026	25.00 million	1,516.88 million

*Outstanding balance is net unamortized debt transaction costs

	2025			
	Date drawn	Maturity Date	Principal Amount (in JPY)	Outstanding Balance* (in PHP)
Tranche 1	September 26, 2023	September 28, 2026	25.00 million	1,424.87 million

*Outstanding balance is net unamortized debt transaction costs

  Interest is payable quarterly based on 3-month Modified Following Business Day Convention without spread, at an annual rate of 6.35% in 2026, 2025, and 2024.

- *Bank loan from Japan Bank for International Cooperation (JBIC)*
  The Parent Company and JBIC entered into a term loan agreement where JBIC granted the Parent Company a committed term loan facility in a maximum aggregate amount of US$105.00 million. Details of the loan are as follows:

	2025			
	Date drawn	Maturity Date	Principal Amount (in US$)	Outstanding Balance* (in PHP)
Tranche 1	July 13, 2021	May 12, 2025	75.00 million	1,429.96 million
Tranche 2	January 25, 2022	December 8, 2025	30.00 million	1,143.22 million
			105.00 million	2,573.18 million

*Outstanding balance is net unamortized debt transaction costs

  Interest is payable semi-annually based on 6-month Modified Following Business Day Convention without spread. For 2026, 2025 and 2024, the annual interest rates range from 3.45% to 4.80%.

- *Bank loan from The Norinchukin Bank (TNB) - Singapore Branch*
  The Parent Company and TNB Singapore Branch entered into a term loan agreement where TNB Singapore Branch granted the Parent Company a committed term loan facility. Details of the loan are as follows:

	2025			
	Date Drawn	Maturity Date	Principal Amount (in US$)	Outstanding Balance* (in PHP)
Tranche 7	April 21, 2021	April 21, 2025	25.00 million	1,430.10 million

*Outstanding balance is net unamortized debt transaction costs

  Interest is payable quarterly based on 3-month Modified Following Business Day Convention without spread for Tranche 7, at a rate of 5.26% in 2026, 2025, and 2024.

Fixed rate notes
On May 08, 2025, the Parent Company issued additional retail fixed rates notes amounting to ₱5.00 billion.

On April 30, 2024 and November 14, 2024, the Parent Company issued retail fixed rates notes amounting to ₱4.00 billion and ₱3.15 billion, respectively.

As of March 31, 2026, 2025 and 2024, the Parent Company's retail fixed rate notes bear interest rates ranging from 6.01% to 7.01%, 6.01% to 7.01% and 3.90% to 7.01%, respectively and have maturity period of 1 to 25 months, 3 to 36 months and 24 to 34 months, respectively.

Notes payable
Notes payable pertains to retail notes issued by the Parent Company that bear annual interest rates ranging from 2.56% to 6.50% in 2026, 5.00% to 6.63% in 2025 and 2.50% to 6.63% in 2024.
As of March 31, 2026, 2025 and 2024, the Parent Company's notes payable have maturity period of 1 month to 3 years.

Bonds payable

Domestic Bonds
On October 21, 2025, the Parent Company issued and listed its ₱5.00 billion maiden domestic bonds on the PDEx, representing the first tranche of its ₱20.00 billion Bond Programme.

Domestic bonds bear annual interest rates ranging from 5.77% to 5.94% in 2026. As of March 31, 2026, the Parent Company's domestic bonds have maturity periods of 2 years to 3 years.

Foreign Bonds
- *Bonds payable to Sumitomo Mitsui Banking Corporation (SMBC) - Japan Branch*
  The Parent Company and SMBC Japan Branch entered into a bond purchase agreement where SMBC Japan Branch is the "Purchaser" of the entire amount of bonds. Details of the bonds are as follows:

	2026			
	Date drawn	**Maturity Date**	**Principal Amount (in US$)**	**Outstanding Balance* (in PHP)**
Series 4	September 15, 2021	September 15, 2026	25.00 million	1,512.21 million
Series 7	November 28, 2022	November 27, 2026	25.00 million	1,506.30 million
Series 8	February 15, 2024	February 12, 2027	25.00 million	1,504.80 million
Series 9	March 25, 2024	March 24, 2027	25.00 million	1,503.34 million
Series 10	September 19, 2024	September 17, 2027	25.00 million	1,497.77 million
Series 11	December 11, 2024	December 10, 2027	25.00 million	1,493.49 million
Series 12	August 26, 2025	August 25, 2028	25.00 million	1,484.40 million
			175.00 million	**10,502.31 million**

*Outstanding balance is net unamortized debt transaction costs

	2025			
	Date drawn	Maturity Date	Principal Amount (in US$)	Outstanding Balance* (in PHP)
Series 4	September 15, 2021	September 15, 2026	25.00 million	1,409.90 million
Series 6	September 22, 2022	September 22, 2025	25.00 million	1,422.39 million
Series 7	November 28, 2022	November 27, 2026	25.00 million	1,399.92 million
Series 8	February 15, 2024	February 12, 2027	25.00 million	1,401.15 million
Series 9	March 25, 2024	March 24, 2027	25.00 million	1,399.93 million
Series 10	September 19, 2024	September 17, 2027	25.00 million	1,395.72 million
Series 11	December 11, 2024	December 10, 2027	25.00 million	1,390.99 million
			175.00 million	9,820.00 million

*Outstanding balance is net unamortized debt transaction costs

Interest is payable semi -annually based on 6-month Modified Following Business Day Convention for Series 4 to 12 without spread. The annual interest rates range from 3.58% to 6.50% in 2026 and 2025, and 3.29% to 6.50% in 2024.

- *Bonds payable to Sumitomo Mitsui Banking Corporation (SMBC) - Japan Branch*
  The Parent Company and SMBC Japan Branch entered into a bond purchase agreement where SMBC Japan Branch is the "Purchaser" of the entire amount of bonds. Details of the bonds are as follows:

	2026			
	Date drawn	**Maturity Date**	**Principal Amount (in JPY)**	**Outstanding Balance* (in PHP)**
SMBC JPY	March 19, 2025	March 17, 2028	3.00 billion	1,133.09 million

*Outstanding balance is net unamortized debt transaction costs

	2025			
	Date drawn	Maturity Date	Principal Amount (in JPY)	Outstanding Balance* (in PHP)
SMBC JPY	March 19, 2025	March 17, 2028	3.00 billion	1,122.60 million

*Outstanding balance is net unamortized debt transaction costs

Interest is payable semi-annually based on 6-month Modified Following Business Day Convention without spread at an annual rate of 5.57% in 2026, and 2025.

- *Bonds issued to Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) - Japan Branch*
  The private bonds were subscribed by BTMU Japan Branch under various subscription agreements as follows:

	2025			
	Date drawn	Maturity Date	Principal Amount (in US$)	Outstanding Balance* (in PHP)
Series 13	March 14, 2023	March 13, 2026	25.00 million	1,391.77 million

*Outstanding balance is net unamortized debt transaction costs

Interest on the private bond issue is payable quarterly based on the 3-month Modified Following Business Day Convention for series 13 without spread at an annual rate of 6.75% in 2026, 2025, and 2024.

Interest expense on loans payable consists of:

	Consolidated	Parent Company		
	2026	**2026**	2025	2024
Bank Loans				
Domestic Bank loans	**₱6,396,604**	**₱6,396,604**	₱5,591,301	₱3,752,630
Foreign Bank Loans				
Bank Loan from TMCC	**97,610**	**97,610**	–	–
Bank loan from TMFNL - Netherlands	**₱147,129**	**₱147,129**	₱137,370	₱176,043
Bank loan from SMTB	**95,176**	**95,176**	93,112	34,008
Bank loan from JBIC	**11,987**	**11,987**	61,417	84,142
Bank loan from TNB Singapore Branch	**1,111**	**1,111**	46,068	88,596
Bank loan from TSB Hongkong Branch	–	–	76,821	84,599
Bank loan from Mizuho Singapore Branch	–	–	26,694	170,874
Bank Loan from The Shizuoka Bank - Ltd. JPY - Hongkong Branch	–	–	7,320	9,093
Fixed Rate Notes	**1,154,711**	**1,154,711**	886,957	571,006
Notes Payable	**576,369**	**576,457**	549,398	468,597
Bonds Payable				
Domestic Bonds	**140,194**	**140,194**	–	–
Foreign Bonds				
Bonds payable from SMBC	**549,579**	**549,579**	475,601	269,316
Bonds payable from BTMU	**87,851**	**87,851**	132,882	242,526
	₱9,258,321	**₱9,258,409**	₱8,084,941	₱5,951,430

The interest expense on loans payable includes amortization of debt issue costs amounted to ₱487.34 million, ₱434.03 million and ₱388.30 million in 2026, 2025 and 2024, respectively.

15. Accounts Payable and Other Liabilities

This account consists of:

	Consolidated	Parent Company	
	2026	**2026**	2025
Accounts payable (Note 22)	**₱1,202,416**	**₱1,202,416**	₱2,009,159
Accrued interest payable (Note 22)	**1,194,955**	**1,194,977**	1,110,887
Accrued expenses	**971,336**	**971,007**	713,949
Withholding tax payable	**93,629**	**93,535**	71,874
Retirement liability (Note 18)	**35,808**	**35,808**	57,178
Others	**7,027**	**4,775**	4,210
	₱3,505,171	**₱3,502,518**	₱3,967,257

Accounts payable includes primarily noninterest-bearing trade payable to dealers representing the proceeds for the purchase of the vehicle by the customer through financing.

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.

Others consist of Social Security System, PhilHealth, employees' compensation premium and home development mutual fund payable.

16. **Derivatives Designated as Hedges**

The breakdown of derivative asset (liability) as of March 31, 2026 and 2025 follows:

	2026	2025
Derivative asset	**₱1,526,141**	₱1,255,109
Derivative liability	**(13,784)**	(119,913)
	₱1,512,357	₱1,135,196

The movements in fair value changes of the derivative asset (liability) follow:

	2026	2025
Beginning balance	**₱1,135,196**	₱1,422,943
Net settlement	**(753,226)**	(2,032,120)
Net changes in fair value of derivatives under a cash flow hedge recognized in OCI	**1,130,387**	1,744,373
	₱1,512,357	₱1,135,196

Cash flow hedges
The Parent Company entered into cross currency swaps (CCS) agreements with various counterparties to hedge the foreign currency risks arising from its foreign currency denominated loans and bonds payable. Effectively under the CCS agreements, the Parent Company swaps its foreign currency denominated loans and bonds payable into peso-denominated loans and bonds. On the same dates as the trade dates of CCS agreements, the Parent Company designated the CCSs as effective hedging instruments under a cash flow hedge relationship.

The details of the outstanding derivatives designated as hedges as of March 31, 2026 and 2025 are as follows:

- *Currency swap agreement with Citibank, N.A. Manila Branch*
  The Parent Company entered into a currency swap agreement with Citibank Manila Branch to hedge foreign currency in the foreign currency availed from Toyota Motor Finance Netherland and interest risks in its corresponding loans. Details of the swap are as follows:

Date of Swap	**Hedged item**	**Notional Amount**	**Nominal Amount**	**Terms of the currency swap agreement**	**Hedge Reserve in OCI (in millions)**	**Derivative asset (liability) (in millions)**
November 24, 2021	Tranche 3	$25 million	1.27 billion	Pays fixed interest rate of 4%-5% p.a. and receives fixed interest rate at 3-month Modified Following Business Day Convention from November 24, 2021-November 24, 2025.	**2026: ₱–** 2025: (₱19.41)	**2026: ₱–** 2025: ₱138.13
November 17, 2022	Tranche 5	$25 million	1.44 billion	Pays fixed interest rate of 6%-7% p.a. and receives fixed interest rate at 3-month Modified Following Business Day Convention from November 17, 2022 to May 18, 2026.	**2026: (₱2.36)** 2025: (₱16.64)	**2026: ₱79.55** 2025: (₱27.95)
August 22, 2025	Tranche 6	$25 million	1.15 billion	Pays fixed interest rate of 6%-7% p.a. and receives fixed interest rate at 3-month Modified Following Business Day Convention from August 22, 2025 to August 22, 2027.	**2026: ₱6.05**	**2026: ₱77.02**

Date of Swap	Hedged item	Notional Amount	Nominal Amount	Terms of the currency swap agreement	Hedge Reserve in OCI (in millions)	Derivative asset (liability) (in millions)
February 19, 2026	Tranche 7	$25 million	1.45 billion	Pays fixed interest rate of 6%-7% p.a. and receives fixed interest rate at 3-month Modified Following Business Day Convention from February 19, 2026 to February 18, 2028.	**2026: (₱0.98)**	**2026: ₱68.64**

- *Currency swap agreement with HSBC Manila Branch*
  The Parent Company entered into a currency swap agreement with HSBC Manila Branch to hedge foreign currency in the foreign currency availed from Sumitomo Mitsui Trust Bank, Limited and interest risks in its corresponding loans. Details of the swap are as follows:

Date of Swap	Hedged item	Notional Amount	Nominal Amount	Terms of the currency swap agreement	Hedge Reserve in OCI (in millions)	Derivative asset (liability) (in millions)
September 26, 2023	Tranche 1	$25 million	₱1.42 billion	Pays fixed interest rate of 6%-7% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from September 26, 2023-September 28, 2026	**2026: ₱3.56** 2025: ₱2.04	**2026: ₱102.20** 2025: ₱11.72

- *Currency swap agreement with MUFG Manila Branch*
  The Parent Company entered into a currency swap agreement with MUFG Manila Branch to hedge foreign currency in the foreign currency availed from Japan Bank for International Cooperation and interest risks in its corresponding loans. Details of the swap are as follows:

Date of Swap	Hedged item	Notional Amount	Nominal Amount	Terms of the currency swap agreement	Hedge Reserve in OCI (in millions)	Derivative asset (liability) (in millions)
July 2, 2021	Tranche 1	$25 million	₱1.25 billion	Pays fixed interest rate of 4%-5% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from July 2, 2021-May 12, 2025.	**2026: ₱–** 2025: ₱237.24	**2026: ₱–** 2025: ₱497.57
January 25, 2022	Tranche 2	$30 million	1.54 billion	Pays fixed interest rate of 4%-5% p.a. and receives floating interest rate at 6-month Modified Following Business Day Convention January 25, 2022 to December 8, 2025.	**2026: ₱–** 2025: ₱10.99	**2026: ₱–** 2025: ₱129.65

- *Currency swap agreements with Australia and New Zealand Banking Group Limited (ANZ) Manila Branch*
  The Parent Company entered into a currency swap agreement with ANZ Manila Branch to hedge foreign currency in the foreign currency availed from TNB Singapore Branch and interest risks in its corresponding loans. Details of the swap are as follows:

Date of Swap	Hedged item	Notional Amount	Nominal Amount	Terms of the currency swap agreement	Hedge Reserve in OCI (in millions)	Derivative asset (liability) (in millions)
April 21, 2021	Tranche 7	$25 million	₱1.21 billion	Pays fixed interest rate of 5%-6% p.a. and receives fixed interest rate at 3-month Modified Following Business Day Convention from April 21, 2021-April 21, 2025	**2026: ₱–** 2025: (₱6.60)	**2026: ₱–** 2025: ₱211.45

- *Currency swap agreements with SMBC Manila Branch*
  The Parent Company entered into a currency swap agreement with SMBC Manila Branch to hedge foreign currency in the foreign currency availed from SMBC Japan Branch and interest risks in its corresponding loans. Details of the swap are as follows:

Date of Swap	Hedged item	Notional Amount	Nominal Amount	Terms of the currency swap agreement	Hedge Reserve in OCI (in millions)	Derivative asset (liability) (in millions)
September 15, 2021	Series 4	$25 million	₱1.25 billion	Pays fixed interest rate of 3%-4% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from September 15, 2021 to September 15, 2026.	**2026: (₱8.38)** 2025: ₱28.10	**2026: ₱255.03** **2025: ₱140.29**
September 16, 2022	Series 6	$25 million	1.43 billion	Pays fixed interest rate of 5%-6% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from September 22, 2022-September 22, 2025.	**2026: ₱–** 2025: (₱6.34)	**2026: ₱–** 2025: (₱12.71)
November 28, 2022	Series 7	$25 million	1.43 billion	Pays fixed interest rate of 6%-7% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from November 28, 2022-November 27, 2026.	**2026: (₱13.39)** 2025: (₱30.28)	**2026: ₱66.35** 2025: (₱44.63)
February 15, 2024	Series 8	$25 million	1.40 billion	Pays fixed interest rate of 5%-6% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from February 15, 2024-February 12, 2027.	**2026: ₱3.23** 2025: (₱8.22)	**2026: ₱124.76** 2025: ₱21.04
March 25, 2024	Series 9	$25 million	1.39 billion	Pays fixed interest rate of 5%-6% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from March 15, 2024-March 24, 2027.	**2026: ₱9.03** 2025: ₱5.77	**2026: ₱138.24** 2025: ₱45.45
September 19, 2024	Series 10	$25 million	1.40 billion	Pays fixed interest rate of 5%-6% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from September 19, 2026 to September 17, 2027.	**2026: (₱1.42)** 2025: (₱17.00)	**2026: ₱117.18** 2025: ₱7.96
December 11, 2024	Series 11	$25 million	1.46 billion	Pays fixed interest rate of 4%-5% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from December 11, 2024 to December 10, 2027 .	**2026: ₱10.38** 2025: (₱0.89)	**2026: ₱87.41** 2025: (₱16.06)

Date of Swap	Hedged item	Notional Amount	Nominal Amount	Terms of the currency swap agreement	Hedge Reserve in OCI (in millions)	Derivative asset (liability) (in millions)
August 26, 2025	Series 12	$25 million	1.43 billion	Pays fixed interest rate of 4%-5% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from August 26, 2025 to August 25, 2028.	**2026: ₱12.01**	**2026: ₱100.96**
March 19, 2025	JPY	3 billion	1.16 billion	Pays fixed interest rate of 5%-6% p.a. and receives fixed interest rate at 6-month Modified Following Business Day Convention from March 19, 2025 to March 17, 2028.	**2026: (₱2.42)** 2025: (₱3.64)	**2026: (₱13.78)** 2025: (₱18.57)

- *Currency swap agreement with Toyota Motor Credit Corporation*
  The Parent Company entered into a currency swap agreement with ING Bank N.V., Manila Branch to hedge foreign currency in the foreign currency availed from Toyota Motor Credit Corporation and interest risks in its corresponding loans. Details of the swap are as follows

Date of Swap	Hedged item	Notional Amount	Nominal Amount	Terms of the currency swap agreement	Hedge Reserve in OCI (in millions)	Derivative asset (liability) (in millions)
July 28, 2025	Tranche 1	$25 million	₱1.42 billion	Pays fixed interest rate of 5.31% p.a. and receives fixed interest rate of 4.5175% p.a. at 3-month Modified Following Business Day Convention from October 28, 2025 to July 28, 2026	**2026: ₱3.19**	**2026: ₱105.71**
November 24, 2025	Tranche 2	$25 million	1.47 billion	Pays fixed interest rate of 5.30% p.a. and receives fixed interest rate of 4.1725% p.a. at 3-month Modified Following Business Day Convention from February 24, 2026 to November 24, 2028.	**2026: ₱8.64**	**2026: ₱58.22**
January 29, 2026	Tranche 3	$25 million	1.47 billion	Pays fixed interest rate of 5.69% p.a. and receives fixed interest rate of 4.55% p.a. at 3-month Modified Following Business Day Convention from April 29, 2026 to January 29, 2031.	**2026: ₱16.02**	**2026: ₱65.32**
February 26, 2026	Tranche 4	$25 million	1.45 billion	Pays fixed interest rate of 5.69% p.a. and receives fixed interest rate of 4.55% p.a. at 3-month Modified Following Business Day Convention from May 26, 2026 to November 27, 2028.	**2026: ₱6.93**	**2026: ₱79.56**

The cross-currency interest rate swaps are initially recognized at a fair value of zero (0) at inception date since the cash flow hedge was designated for hedge accounting. Such derivative financial instruments are subsequently remeasured at fair value.

The credit risk standing of the Parent Company and the counterparty-banks are both good, and at reporting date, there are no known or significant events or circumstances that would adversely affect the credit risk standings of both counter parties. The terms of the hypothetical derivative match the critical terms of the hedged item.

The Parent Company identified the possible sources of ineffectiveness:

- the timing of the interest payments wherein actual interest payments for the underlying loan and the swap; and

- the maturity date of the underlying loan does not coincide with the maturity date of the cross-currency interest rate swaps or non-renewal of the cross-currency interest rate swaps.

The Parent Company does neither foresee nor intend to change the timing of the interest payments. Also, non-renewal of cross-currency interest rate swaps shall only transpire if and only if the market conditions on renewal date becomes favorable to the Parent Company. There were no other sources of ineffectiveness in these hedge relationships as of March 31, 2026 and 2025.

An economic relationship exists between the hedged items and hedging instrument as the critical terms of the loan and the derivative match.

Hedge effectiveness is assessed at inception of the hedge, at each reporting date, and upon a significant change in the circumstances affecting the hedge effectiveness. At reporting date, hedge ratio is calculated for the hedging instrument. As of the inception and reporting date, the hedge ratio is 1:1 or 100.00.

As of March 31, 2026 and 2025, the Parent Company has the following instruments with maturities of 1 to 5 years to hedge exposures to changes in interest rates and foreign exchange currency rates:

	2026	2025
Cross-currency interest rate swaps		
Nominal amount	**₱22,179,795**	₱22,926,720
Average foreign exchange rate - USD	**56.89**	53.42
Average foreign exchange rate - JPY	**0.39**	0.39
Average fixed interest rate	**5.45%**	5.35%

The amounts relating to items designated as hedging instruments and hedge ineffectiveness as of and for the years ended March 31, 2026 and 2025 were as follows:

Cross-currency interest rate swaps	Nominal amount	Carrying amount	Changes in the fair value of the hedged item	Changes in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in statement of income	Amount reclassified from the 'Cash flow hedge reserve' to statement of income
2026	**₱22,180**	**₱1,512**	**(₱100)**	**(₱100)**	**₱–**	**(₱1,230,010)**
2025	₱22,927	₱1,135	₱955	(₱955)	₱–	(789,235)

The Parent Company's financial instruments designated as hedged items in cash flow hedge relationships follow:

	2026	2025
Floating/fixed rate dollar-denominated notes		
Change in value used for calculating hedge ineffectiveness	**(₱100)**	₱955
Cash flow hedge reserve	**50,087**	124,805

The movements in cash flow hedge reserve follow:

	2026	2025
Beginning balance (gross of tax)	**₱166,406**	(₱788,732)
Net unrealized gain on cash flow hedges	**1,130,387**	1,744,373
Net gain on cash flow hedges reclassified to profit or loss	**(1,230,010)**	(789,235)
Movement during the period (gross of tax)	**66,783**	166,406
Deferred tax effect	**(16,696)**	(41,601)
Ending balance (net of tax)	**₱50,087**	₱124,805

Interest Expense

The interest expense on derivatives designated as hedging instruments consists of:

	Consolidated	**Parent Company**		
	2026	**2026**	2025	2024
Bank loans	**96,638**	**96,638**	284,739	473,080
Bonds payable	**213,092**	**213,092**	269,193	361,129
	309,730	**309,730**	553,932	834,209

17. Deposits on Lease Contracts

Deposits on lease contracts consist of deposits from lessees and customers of finance lease receivables to serve as security for the prompt and faithful performance of the terms and conditions of the contracts. Such deposits are applied as lease payments at the end of the lease term subject to terms and conditions of the contract. This account also consists of guaranteed deposits from lessees of the Group's vehicles which are collected upfront and to be refunded by the latter upon the end of lease term or forfeited upon pre-termination and refundable bid bond deposit which are collected from regular bidders of repossessed units and to be refunded if the bidder will no longer participate in Group's bidding.

	Consolidated	**Parent Company**	
	2026	**2026**	2025
Deposits on lease contracts	**₱54,592**	**₱54,592**	₱57,803
Refundable bid bond deposits	**22,700**	**22,700**	21,100
	₱77,292	**₱77,292**	₱78,903

The maturity information of deposits on lease contracts follow:

	Consolidated	Parent Company	
	2026	**2026**	2025
Within 1 year	**₱318**	**₱318**	₱2,799
Beyond 1 year but not beyond 5 years	**54,274**	**54,274**	55,004
	₱54,592	**₱54,592**	₱57,803

The maturity information of refundable bid bond deposits follow:

	Consolidated	Parent Company	
	2026	**2026**	2025
Within 1 year	**₱3,500**	**₱3,500**	₱–
Beyond 1 year but not beyond 5 years	**19,200**	**19,200**	21,100
	₱22,700	**₱22,700**	₱21,100

18. Retirement Plan

The Parent Company has a funded, noncontributory benefit retirement plan covering all its employees with regular employment status.

Changes in net retirement liability in 2026 and 2025 are as follows:

Consolidated / Parent Company

2026

		Net benefit cost in profit or loss					Remeasurements in other comprehensive income			
	April 1, 2025	**Current service cost**	**Net interest**	**Retirement expense* (Subtotal)**	**Contributions**	**Benefits paid**	**Return on plan assets (excluding amount included in net interest)**	**Actuarial changes arising from changes in financial assumptions**	**Subtotal**	**March 31, 2026**
Present value of defined benefit obligation	**₱206,716**	**₱21,573**	**₱12,858**	**₱34,431**	**₱–**	**(₱9,979)**	**₱–**	**₱14,625**	**₱14,625**	**₱245,792**
Fair value of plan assets	**(149,538)**	**–**	**(₱10,812)**	**(10,812)**	**(58,563)**	**9,979**	**(1,051)**	**–**	**(1,051)**	**(209,985)**
Net defined benefit liability	**₱57,178**	**₱21,573**	**₱2,046**	**₱23,619**	**(₱58,563)**	**–**	**(₱1,051)**	**₱14,626**	**₱13,575**	**₱35,808**

*Included in 'Compensation and fringe benefits'

Parent Company

2025

		Net benefit cost in profit or loss					Remeasurements in other comprehensive income			
	April 1, 2024	Current service cost	Net interest	Retirement expense* (Subtotal)	Contributions	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in financial assumptions	Subtotal	March 31, 2025
Present value of defined benefit obligation	₱177,056	₱18,896	₱11,049	₱29,945	₱–	(₱9,852)	₱–	₱9,567	₱9,567	₱206,716
Fair value of plan assets	(88,226)	–	(7,269)	(7,269)	(66,399)	9,852	2,504	–	2,504	(149,538)
Net defined benefit liability	₱88,830	₱18,896	₱3,780	₱22,676	(₱66,399)	₱–	₱2,504	₱9,567	₱12,071	₱57,178

*Included in 'Compensation and fringe benefits'

Under the plan, all covered officers and employees are entitled to a retirement benefit equal to 200.00% of gross monthly salary for every credited service. Benefits are paid in a lump sum amount upon retirement or separation in accordance with the terms of the plan.

The Group's retirement plan is administered by Metrobank Metropolitan Bank & Trust Company (MBTC) Trust Banking Group (the Retirement Plan Trustee). The Retirement Plan Trustee is responsible for matching the plan assets and the plan liabilities as well as the general administration of the retirement plan and management of the retirement fund, and the ultimate control, disposition, or management of the money received or contributed.

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	Consolidated / Parent Company	
	2026	2025
Cash in banks	**₱209**	₱109
Financial assets at FVTPL		
Government securities	**14,470**	42,894
Unitized investment trust funds	**195,517**	106,582
Accrued interest receivable		
Other receivables	**15**	–
Total assets	**210,211**	149,585
Accounts payable	**20**	–
Accrued expenses	**(246)**	(47)
Fair value of plan assets	**₱209,985**	₱149,538

All debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The cost of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension obligations for the defined benefit plans are shown below:

	2026	2025
Discount rates	**7.01%**	6.22%
Future salary rate increases	**6.00%**	6.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	2026		2025	
	Percentage	**Amount**	Percentage	Amount
Discount rates	**+100 bps**	**(₱11,478,807)**	+100 bps	(₱10,244,676)
	-100 bps	**12,721,711**	-100 bps	11,393,408
Future salary increases	**+100 bps**	**12,734,221**	+100 bps	11,305,755
	-100 bps	**(11,696,870)**	-100 bps	(10,357,578)

The Group expects to contribute ₱55.40 million to the defined pension plan in fiscal year 2027.

The Group is not required to pre-fund the future defined benefits payable under the retirement plan before they become due. For this reason, the amount and timing of contributions to the retirement fund are at the Group's discretion. However, in the event a benefit claim arises, and the retirement fund is insufficient to pay the claim, the shortfall will then be due and payable by the Group to the retirement fund.

The average duration of the defined benefit obligation at the end of the reporting period is 4.9 years and 5.2 years in 2026 and 2025, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2026	2025
Within 1 year	**₱55,991**	₱44,920
More than 1 year to 5 years	**181,937**	138,951
More than 5 years	**148,067**	130,818

19. Service Fees, Commission and Other Income

This account consists of:

	Consolidated	**Parent Company**		
	2026	**2026**	2025	2024
Loss on disposal of assets held for sale (Note 9)	**(₱829,443)**	**(₱829,443)**	(₱192,780)	(₱51,381)
Service and other fees	**790,377**	**791,214**	586,066	308,185
Operating lease revenues	**285,732**	**285,732**	316,304	178,656
Recoveries from accounts written off	**80,405**	**80,405**	104,630	172,739
Insurance commission income	**22,739**	–	–	–
Gain on disposal of property and equipment (Note 9)	**279**	**279**	845	68
	₱350,089	**₱328,187**	815,065	608,267

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

Commission income pertains to the Subsidiary Company's income on insurance agency activities.

20. **Income Taxes**

Republic Act (RA) No. 9337, *An Act Amending National Internal Revenue Code*, as amended by RA 10963 otherwise known as the *Tax Reform For Acceleration and Inclusion* (TRAIN) and RA 11534 otherwise known as the *Corporate Recovery and Tax Incentives for Enterprises* (CREATE), provides that regular corporate income tax (RCIT) shall be 25.00%. In addition, under the current tax regulations, FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10.00% income tax.

A minimum corporate income tax (MCIT) of 2.00% on gross income is computed and compared with the RCIT. Any excess MCIT over RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, the Net Operating Loss Carryover (NOLCO) is allowed as a deduction from taxable income in the next three years from the year of inception.

Provision for income tax consists of:

	Consolidated	Parent Company		
	2026	**2026**	2025	2024
Current				
Regular	**₱333,540**	**₱328,937**	₱665,104	₱553,466
Final	**20,332**	**20,314**	27,792	36,202
	353,872	**349,251**	692,896	589,668
Deferred	**91,287**	**91,287**	3,673	89,177
	₱445,159	**₱440,538**	₱696,569	₱678,845

The components of net deferred tax assets follow:

	Consolidated	Parent Company	
	2026	**2026**	2025
Deferred tax assets:			
Allowance for credit and impairment losses	**₱505,236**	**₱505,236**	₱598,449
Lease liabilities	**20,581**	**20,581**	26,154
Unamortized past service cost	**19,945**	**19,945**	11,623
Accrued expenses	**14,597**	**14,597**	8,722
Retirement liability	**8,952**	**8,952**	14,294
Transportation equipment – depreciation	**2,334**	**2,334**	1,359
Unrealized foreign exchange loss	**255**	**255**	225
	571,900	**571,900**	660,826
Deferred tax liabilities:			
Unamortized debt issue cost	**182,108**	**182,108**	179,707
Right-of-use assets	**28,387**	**28,387**	32,086
Cash flow hedge reserve - gain	**16,696**	**16,696**	41,602
Unrealized foreign exchange gain	**500**	**500**	235
	227,691	**227,691**	253,630
	₱344,209	**₱344,209**	₱407,196

Provision (benefit) for deferred income tax charged directly to equity and other comprehensive income consisted of the following (amounts in millions):

	Consolidated	Parent Company		
	2026	**2026**	2025	2024
Deferred income tax charged directly to cash flow hedge reserve	**(₱24.91)**	**(₱24.91)**	₱238.79	₱61.42
Deferred income tax charged directly to actuarial loss on retirement	**(3.39)**	**(3.39)**	(3.02)	(0.34)

Under current tax regulations, the maximum amount of entertainment, amusement and recreation (EAR) expenses allowable as deduction from gross income for purposes of income tax computation shall not exceed 1.00% of the gross revenue of the Group. EAR expenses incurred in 2026 are amounting to ₱5.66 million, ₱3.94 million in 2025 and ₱3.05 million in 2024.

The reconciliation of provision for income tax computed at the statutory corporate income tax rate to provision for income tax shown in the statements of comprehensive income follows:

	Consolidated	Parent Company		
	2026	**2026**	2025	2024
Statutory income tax rate	**₱426,609**	**₱425,473**	₱599,160	₱632,060
Adjustments for:				
Nondeductible expenses and others	**24,035**	**20,550**	104,357	64,886
Interest income subjected to final tax	**(5,485)**	**(5,485)**	(6,948)	(18,101)
	₱445,159	**₱440,538**	₱696,569	₱678,845

CMEPA Law

RA No. 12214 otherwise known as Capital Markets Efficiency Promotion Act (CMEPA) was signed into law last May 29, 2025. The law took effect on July 1, 2025.

The key changes to the Philippine tax law pursuant to the CMEPA Law which have an impact to the Group are the following:

- Standardization of 20.00% final tax on any currency deposits, regardless of tenure (i.e., removing the previous tax exemption on interest income from long-term deposits), except for non-resident alien not engaged in trade or business (NRANETB) and non-resident foreign corporation (NRFC), whose interest income will still be subject to 25.00% final withholding tax (FWT); and
- Exclusion of Reverse Repurchase Agreements with BSP under the definition of deposit substitute. Interest income from reverse repurchase transaction is now subject to 25.00% RCIT, which was previously subject to final withholding tax.

21. Lease Commitments

Group as a Lessee

The Group leases the premises occupied by its office space, business centers and warehouse for periods ranging from 2 to 5 years renewable under certain terms and conditions. The lease contracts include annual rent escalations from 5% to 10%.

The movements in lease liabilities in 2026 and 2025 are as follows:

	Consolidated / Parent Company	
	2026	2025
Balance at the beginning of the year	**₱104,614**	₱154,605
Additions	**92,481**	38,172
Accretion of interest	**3,144**	6,089
Payments	**(117,917)**	(94,252)
	₱82,322	₱104,614

The following are the amounts recognized in statements of comprehensive income:

	Consolidated	Parent Company		
	2026	**2026**	2025	2024
Depreciation expense of right-of-use assets included in property and equipment (Note 10)	**₱107,277**	**₱107,277**	₱103,247	₱99,956
Rent expense related to short-term leases	**139,092**	**138,750**	75,009	44,520
Interest expense on lease liabilities	**3,144**	**3,144**	6,089	6,826
	₱249,513	**₱249,171**	₱184,345	₱151,302

The maturity analysis of lease liabilities is disclosed in Note 28, *Financial Risk Management Objectives and Policies.*

Future minimum rentals payable under non-cancelable operating leases are as follows:

	Consolidated	Parent Company	
	2026	**2026**	2025
Within one year	**₱59,386**	**₱59,386**	₱91,474
After one year but not more than five years	**24,260**	**24,260**	16,256
	₱83,646	**₱83,646**	₱107,730

Group as Lessor

The Group has also entered into leases of vehicles under FSL and KINTO. These non-cancelable leases have remaining lease term ranging from 1 to 5 years. As of March 31, 2026 and 2025, there is no contingent rental income. Rental income of the Group related to these property leases amounting to ₱285.73 million in 2026, ₱316.30 million in 2025 and ₱178.66 million in 2024, respectively is presented under the 'Service fees and other income' in the statements of comprehensive income (see Note 19).

Future minimum rentals receivable under non-cancelable operating leases are as follows:

	Consolidated	Parent Company	
	2026	**2026**	2025
Within one year	**₱189,191**	**₱189,191**	₱299,586
After one year but not more than five years	**157,134**	**157,134**	389,579
	₱346,325	**₱346,325**	₱689,165

22. **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 Group enters into transactions with its related parties principally consisting of advances and other borrowings. Under RA No. 8556, *Financing Company Act of 1998*, the Parent 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 2026 and 2025, the Parent Company has complied with this regulatory requirement.

The Group 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. There were no guaranties provided or received by the Group for any related party receivables and payables.

The year-end account balances with respect to related parties included in the financial statements follow:

	Consolidated		
	March 31, 2026		
Category	**Amount / Volume**	**Outstanding Balance**	**Nature/Terms and Conditions**
Ultimate Parent Company			
Accounts payable	₱90	₱863	Amount payable to TFSC relating to billing for the support services being provided to the Company
Management and professional fees	1,698	–	Expense incurred relating to billing for the support services provided by TFSC to the Company
Entities under common control of the Ultimate Parent Company			
Loans payable	7,466,660	10,327,160	Loan availment with interest ranging from 4.08% to 6.78%
Interest expense	139,307	–	Interest expense on foreign bank loans
Accrued interest payable	44,863	62,540	Accrued interest payable on foreign bank loans
Investor with significant influence			
Occupancy	6,350	–	This pertains to amortization and interest expense of ROU assets

(Forward)

	Consolidated		
	March 31, 2026		
Category	**Amount / Volume**	**Outstanding Balance**	**Nature/Terms and Conditions**
Subsidiaries and associates of the investor with significant influence			
Cash in bank	₱175,410	₱526,562	Demand deposit account with annual interest of 0.0625% to 0.25%
Interest income	(7,236)	–	Interest earned from the deposit account
Loans payable	(100,000)	16,400,000	Local bank loans availed with interest ranging
Interest expense	1,012,609	–	Interest expense on bank loans
Accrued interest payable	(16,122)	105,032	Accrued interest payable on bank loans
Lease rental asset (Vehicle)	(39,143)	9,259	Outstanding balance from lease rental asset
Computer software expense	–	–	Expense incurred pertaining to Computer Software and Maintenance
FSL repairs and maintenance	4,237	–	FSL Vehicle Repair and Maintenance
Accounts payable	1,031	1,540	Accrual for water and electricity
Occupancy	63,784	–	Amortization and interest expense of ROU Assets
Car Insurance	39	–	Expenses incurred pertaining to car insurance policy and group life insurance
Key management personnel			
Salaries and other short-term benefits	126,028	–	Salaries and other short-term benefits for its key management personnel. There were no long-term benefits / share-based payment paid to key management personnel for the year.
Post-employment benefits	65,593	–	The post-employment / termination benefits for its key management personnel.

	Parent Company		
	March 31, 2025		
Category	Amount / Volume	Outstanding Balance	Nature/Terms and Conditions
Ultimate Parent Company			
Accounts Payable	₱101	₱772	Amount payable to TFSC relating to billing for the support services being provided to the Company
Management and professional fees	1,543	–	Expense incurred relating to billing for the support services provided by TFSC to the Company
Entity under common control of the Ultimate Parent Company			
Loans payable	(1,357,500)	2,860,500	Loan availment with interest ranging from 4.59% to 6.78%
Interest expense	129,411	–	Interest expense on foreign bank loans
Accrued interest payable	(2,279)	17,677	Accrued interest payable on foreign bank loans
Investor with significant influence			
Occupancy	–	–	
Subsidiaries and associates of the investor with significant influence			
Cash in bank	(154,639)	351,153	Demand deposit account with annual interest of 0.0625%
Interest income	(6,261)	–	Interest earned from the deposit account
Loans payable	5,570,000	16,500,000	Local bank loans availed with interest ranging
Interest expense	778,454	–	Interest expense on bank loans
Accrued interest payable	52,024	121,155	Accrued interest payable on bank loans
Lease Rental Asset (Vehicle)	(40,294)	48,402	Outstanding balance from lease rental asset
Computer Software Expense	877	–	Expense incurred pertaining to Computer Software and Maintenance
FSL Repairs & Maintenance	37,839	–	FSL Vehicle Repair and Maintenance
Accounts Payable	(295)	509	Accrual for water and electricity
Occupancy	72,500	–	Amortization and interest expense of ROU Assets
Car Insurance	879	–	Expenses incurred pertaining to car insurance policy and group life insurance

(Forward)

	Parent Company		
	March 31, 2025		
Category	Amount / Volume	Outstanding Balance	Nature/Terms and Conditions
Key management personnel			
Salaries and other short-term benefits	₱113,694		Salaries and other short-term benefits for its key management personnel. **There were no long-term benefits / share-based payment paid to key management personnel for the year.**
Post-employment benefits	51,908		The post-employment / termination benefits for its key management personnel.

Interest income earned and interest expense incurred from the above transactions in 2026, 2025, and 2024 follow:

	Entity under common control of the Ultimate Parent Company			**Subsidiaries and associates of the investor with significant influence**		
	2026	2025	2024	**2026**	2025	2024
Interest income	**₱–**	₱–	₱–	**₱7**	₱6	₱8
Interest expense	224,672	129,411	164,190	1,012,609	778,454	434,864

The Parent Company has entered into transactions with TISPH consisting primarily of capital contributions and operating expenses, including office rental, payroll-related costs, utilities, and other administrative expenses.

	March 31, 2026		
Category	Amount / Volume	Outstanding Balance	Nature/Terms and Conditions
Accounts receivable		₱305	Accrual of management-related fees
Miscellaneous income	₱1,000		Management-related fees
Notes payable		18,025	Placements in the Parent Company's retail promissory notes
Accrued interest payable		22	Unpaid interest on notes payable
Interest expense	88		Accrual of interest on notes payable

Such outstanding balances with TISPH are non-interest bearing, unsecured, and payable on demand.

Relationship with the following Toyota dealers is mainly for the purchase of Toyota vehicles on behalf of our borrowers.

- Toyota Abad Santos
- Toyota Manila Bay
- Toyota Cubao
- Toyota Dasmarinas
- Toyota Marikina

Relationship with the following Toyota dealers is mainly for car repairs and maintenance

- Toyota Makati
- Toyota Bicutan
- Toyota Sta. Rosa
- Toyota Manila Bay
- Toyota Makati, Inc.
- Toyota Sta. Rosa Laguna, Inc.
- Toyota San Fernando
- Lexus Manila, Inc.
- Toyota Tarlac
- Toyota Plaridel

Existing banking regulations limit the amount of individual loans to directors, officers, stockholders, and related interests (DOSRI), 70.00% of which must be secured, to the total of their respective deposits. Such limit does not apply to loans secured by assets considered as non-risk as defined in the regulations. In the aggregate, loans to DOSRI generally should not exceed the respective total regulatory capital or 15.00% of total loan portfolio, whichever is lower.

Under Section 131-Q, particularly item “o” of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), related parties shall cover the BSP Supervised Financial Institution's (BSFIs) subsidiaries as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities) that the BSFI exerts direct/indirect control over or that exerts direct/indirect control over the BSFI; the BSFI's directors, officers, stockholders, and its related interests (DOSRl), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person/juridical entity whose interests may pose potential conflict with the interest of the BSFI, hence, is identified as a related party.

The above definition shall also include direct or indirect linkages to a BSFI identified as follows:
(1) Ownership, control or power to vote, of ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity, or vice versa;
(2) Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations or directors holding nominal share in the borrowing corporation;
(3) Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the BSFI and ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity; or
(4) Permanent proxy or voting trusts in favor of the BSFI constituting ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity, or vice versa.

Section 131-Q, item “p”, further defined Related party transactions (RPTs) as transactions or dealings with related parties of the BSFI, including its trust department regardless of whether or not a price is charged. These shall include, but not limited, to the following:
(1) On- and off-balance sheet credit exposures and claims and write-offs;
(2) Investments and/or subscriptions for debt/equity issuances;
(3) Consulting, professional, agency and other service arrangements/contracts;
(4) Purchases and sales of assets, including transfer of technology and intangible items (e.g., research and development, trademarks and license agreements);
(5) Construction arrangements/ contracts;
(6) Lease arrangements/contracts;
(7) Trading and derivative transactions;
(8) Borrowings, commitments, fund transfers and guarantees;
(9) Sale, purchase or supply of any goods or materials; and
(10) Establishment of joint venture entities.

RPTs shall be interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that were entered into with an unrelated party that subsequently becomes a related party.

As of March 31, 2026 and 2025, the Parent Company has no DOSRI accounts.

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:

	Consolidated / Parent Company	
	2026	2025
Cash in banks	**₱209**	₱109
Financial assets at FVTPL		
Government securities	**195,517**	106,582
Unitized investment trust funds	**14,470**	42,893
Other receivables	**15**	–
Total assets	**210,211**	149,584
Accounts payable	**20**	–
Accrued expenses	**(246)**	(46)
Total liabilities	**(226)**	(46)
Fair value of plan assets	**₱209,985**	₱149,538

As of March 31, 2026 and 2025, the cash in banks of the Parent Company's retirement plan is with MBTC Trust Banking Group.

23. Earnings per Share

Basic EPS amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

The following reflects the income and shares data used in the basic earnings per share computations in the Group's consolidated financial statements (amounts in thousands, except for earnings per share):

		2026
a.	Net income attributable to equity holdings of the Parent Company	₱1,261,277
b.	Weigthed average number of outstanding common shares of the Parent Company	87,000
c.	Basic / diluted earnings per share (a/b)	₱14.50

24. Segment Information

The Group's operating activities are organized and managed separately according to nature of the products and services. Operating segments are reported in accordance with the internal reporting to Senior Management who is responsible for allocating resources to the segments and assessing their performance. The Group has identified the following reportable segments:

Financing and Leasing Operations
This segment consists primarily of lease and retail financing. These activities are undertaken by the Parent Company.

Insurance Operations
This segment primarily engaged in the provision of insurance products, including but not limited to life, travel, motor, property and personal accident insurance. These activities are undertaken by the Subsidiary Company.

The following tables present relevant information regarding business segments as of March 31, 2026:

	Financing Operations	**Insurance Operations**	**Total**	Financing Operations*	
	2026	**2026**	**2026**	2025	2024
Results of Operations					
Interest income	**₱16,707,204**	**₱3**	**₱16,707,207**	₱15,348,641	₱13,080,231
Interest expense	**(9,571,283)**	–	**(9,571,283)**	(8,644,962)	(6,792,465)
Intersegment	**(88)**	**88**	–	–	–
Net interest income	**7,135,833**	**91**	**7,135,924**	6,703,679	6,287,766
Service fees, insurance commission, and other income	**327,187**	**22,902**	**350,089**	815,065	608,267
Total operating income	**7,463,020**	**22,993**	**7,486,013**	7,518,744	6,896,033
Total operating expenses	**(5,776,011)**	**(3,491)**	**(5,779,502)**	(5,122,103)	(4,367,792)
Intersegment	**1,000**	**(1,000)**	**(75)**	–	–
Income before income tax	**1,688,009**	**18,502**	**1,706,436**	2,396,641	2,528,241
Provision for income Tax	**(440,538)**	**(4,621)**	**(445,159)**	(696,569)	(678,845)
Net Income	**₱1,247,471**	**₱13,881**	**₱1,261,277**	₱1,700,072	₱1,849,396
Statement of Financial Position					
Total Assets	**₱184,162,711**	**₱30,493**	**₱184,193,204**	₱165,475,241	₱153,423,537
Total Liabilities	**₱162,603,250**	**₱6,687**	**₱162,609,937**	₱145,068,352	₱135,424,022
Other Segment Information					
Capital expenditures	**₱1,638,656**	**₱2,315**	**₱1,636,341**	₱1,803,041	₱1,869,947
Depreciation and amortization	**₱477,137**	**₱7**	**₱477,144**	₱444,448	₱351,513
Provision for credit and impairment losses	**₱1,778,040**	**₱–**	**₱1,778,040**	₱1,653,978	₱1,193,046

*For purposes of presenting comparative information for segment reporting, the financing operations of the Parent Company for 2025 and 2024 is presented in the table.

25. Maturity Analysis of Assets and Liabilities

The following tables present the assets and liabilities as of March 31, 2026 and 2025 analyzed according to when they are expected to be recovered or settled within one year and beyond one year from the reporting date:

	Consolidated		
	2026		
	Due within one year	**Due beyond one year**	**Total**
Financial Assets			
Cash on hand and in banks	**₱2,995,525**	**₱–**	**₱2,995,525**
Due from BSP	**3,685,133**	–	**3,685,133**
SPURA	–	–	–
Loans and receivables			
Receivables from customers			
Receivables financed	**8,343,771**	**13,213,703**	**21,557,474**
Finance lease receivables	**64,163,848**	**125,206,695**	**189,370,543**
Other receivables			
Receivables from clients	**130,389**	**-**	**130,389**
Receivables from employees	**13,051**	**32,281**	**45,332**
Accrued interest receivable	**187**	–	**187**
Others	**408,745**	–	**408,745**
Derivative asset	**871,824**	**654,317**	**1,526,141**
Other assets	–	–	–
Security deposits	–	**64,959**	**64,959**
	80,612,473	**139,171,955**	**219,784,428**

(Forward)

	Consolidated 2026		
	Due within one year	**Due beyond one year**	**Total**
Nonfinancial Assets			
Assets held for sale	**₱752,858**	**₱–**	**₱752,858**
Property and equipment	–	**1,826,874**	**1,826,874**
Software costs	–	**1,302,564**	**1,302,564**
Deferred tax assets	–	**344,209**	**344,209**
Other assets	–	–	–
Prepaid expenses	**185,605**	–	**185,605**
Creditable withholding taxes	**3,347**	–	**3,347**
	941,810	**3,473,647**	**4,415,457**
Less: Unearned finance and lease Income			**36,496,520**
Allowance for credit and impairment losses			**2,020,941**
Accumulated depreciation and amortization			**1,489,220**
			₱184,193,204

	Consolidated 2026		
	Due within one year	**Due beyond one year**	**Total**
Financial Liabilities			
Bank loans			
Domestic bank loans	**₱31,358,232**	**₱73,878,388**	**₱105,236,620**
Foreign bank loans:			
Toyota Motors Credit Corporation	**1,518,700**	**4,524,753**	**6,043,453**
Toyota Motor Finance - Netherlands B.V.	**1,518,700**	**2,716,640**	**4,235,340**
Sumitomo Mitsui Trust Bank, Limited	**1,516,882**	–	**1,516,882**
Japan Bank for International Cooperation	–	–	–
The Norinchukin Bank - Singapore Branch	–	–	–
Fixed rate notes	**4,897,000**	**9,229,317**	**14,126,317**
Notes payable	**10,245,820**	**880,250**	**11,126,070**
Bonds payable			
Domestic bonds	–	**4,952,937**	**4,952,937**
Foreign bonds			
Sumitomo Mitsui Banking Corporation - Japan Branch (USD)	**6,074,800**	**4,427,492**	**10,502,292**
Sumitomo Mitsui Banking Corporation - Japan Branch (JPY)	–	**1,133,094**	**1,133,094**
Bank of Tokyo - Mitsubishi UFJ, Ltd. - Japan Branch	–	–	–
	57,130,134	**101,742,871**	**158,873,005**
Derivative liability	–	**13,784**	**13,784**
Accounts payable and other liabilities			
Accounts payable	**1,202,416**	–	**1,202,416**
Accrued interest payable	**1,194,955**	–	**1,194,955**
Accrued expenses	**618,360**	–	**618,360**
Deposits on lease contracts	**318**	**76,974**	**77,292**
Lease liability	**34,866**	**47,456**	**82,322**
	3,050,915	**138,214**	**3,189,129**
	60,181,049	**101,881,085**	**162,062,134**
Nonfinancial Liabilities			
Income tax payable	**58,363**	–	**58,363**
Accounts payable and other liabilities	–	–	-
Accrued expenses	**352,976**	–	**352,976**
Withholding tax payable	**93,629**	–	**93,629**
Retirement liability	–	**35,808**	**35,808**
Others	**7,027**	–	**7,027**
	511,995	**35,808**	**547,803**
	₱60,693,044	**₱101,916,893**	**₱162,609,937**

	Parent Company					
	2026			2025		
	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	**2,990,760**	**–**	**2,990,760**	2,537,277	–	2,537,277
Due from BSP	**3,685,133**	**–**	**3,685,133**	2,689,111	–	2,689,111
SPURA	**–**	**–**	**–**	715,000	–	715,000
Investment in Subsidiary	**–**	**23,806**	**23,806**			
Loans and receivables						
Receivables from customers						
Receivables financed	**8,343,771**	**13,213,703**	**21,557,474**	7,760,791	11,277,121	19,037,912
Finance lease receivables	**64,163,848**	**125,206,695**	**189,370,543**	58,671,662	109,943,494	168,615,156
Other receivables						
Receivables from clients	**130,389**	**–**	**130,389**	118,734	–	118,734
Receivables from employees	**13,051**	**32,281**	**45,332**	10,886	22,893	33,779
Accrued interest receivable	**187**	**–**	**187**	788	–	788
Others	**404,173**	**–**	**404,173**	758	–	758
Derivative asset	**871,824**	**654,317**	**1,526,141**	–	1,255,109	1,255,109
Other assets	**–**	**–**	**–**	–	–	–
Security deposits	**–**	**64,959**	**64,959**	–	41,979	41,979
	80,603,136	**139,195,761**	**219,798,897**	72,505,007	122,540,596	195,045,603
Nonfinancial Assets						
Assets held for sale	**752,858**	**-**	**752,858**	1,765,788	–	1,765,788
Property and equipment	**–**	**1,826,783**	**1,826,783**	–	1,962,577	1,962,577
Software costs	**–**	**1,300,332**	**1,300,332**	–	1,063,711	1,063,711
Deferred tax assets	**–**	**344,209**	**344,209**	–	407,196	407,196
Other assets	**–**	**–**	**–**	–	–	–
Prepaid expenses	**185,605**	**–**	**185,605**	155,404	–	155,404
Creditable withholding taxes	**2,857**	**–**	**2,857**	3,625	–	3,625
	941,320	**3,471,324**	**4,412,644**	1,924,817	3,433,484	5,358,301
Less: Unearned finance and lease Income			**36,496,520**			31,323,364
Allowance for credit and impairment losses			**2,020,941**			2,393,797
Accumulated depreciation and amortization			**1,489,212**			1,211,503
			₱184,204,868			**₱165,475,240**

	Parent Company					
	2026			2025		
	Due within one year	**Due beyond one year**	**Total**	Due within one year	Due beyond one year	Total
Financial Liabilities						
Bank loans						
Domestic bank loans	**₱31,358,232**	**₱73,878,388**	**₱105,236,620**	24,864,786	71,386,371	96,251,157
Foreign bank loans:						
Toyota Motors Credit Corporation	**1,518,700**	**4,524,753**	**6,043,453**	–	–	–
Toyota Motor Finance - Netherlands B.V.	**1,518,700**	**2,716,640**	**4,235,340**	1,428,569	1,426,551	2,855,120
Sumitomo Mitsui Trust Bank, Limited	**1,516,882**	**–**	**1,516,882**	–	1,424,874	1,424,874
Japan Bank for International Cooperation	**–**	**–**	**–**	2,573,181	–	2,573,181
The Norinchukin Bank - Singapore Branch	**–**	**–**	**–**	1,430,098	–	1,430,098
Fixed rate notes	**4,897,000**	**9,229,317**	**14,126,317**	4,674,000	9,113,950	13,787,950
Notes payable	**10,263,845**	**880,250**	**11,144,095**	9,677,395	281,304	9,958,699
Bonds payable						
Domestic bonds	**–**	**4,952,937**	**4,952,937**	–	–	–
Foreign bonds						
Sumitomo Mitsui Banking Corporation – Japan Branch (USD)	**6,074,800**	**4,427,492**	**10,502,292**	1,422,389	8,397,628	9,820,017
Sumitomo Mitsui Banking Corporation - Japan Branch (JPY)	**–**	**1,133,094**	**1,133,094**	–	1,122,598	1,122,598
Bank of Tokyo - Mitsubishi UFJ, Ltd. - Japan Branch	**–**	**–**	**–**	1,423,086	–	1,423,086
	57,148,159	**101,742,871**	**158,891,030**	47,493,504	93,153,276	140,646,780
Derivative liability		**13,784**	**13,784**		119,913	119,913
Accounts payable and other liabilities						
Accounts payable	**1,202,416**	**–**	**1,202,416**	2,009,159	–	2,009,159
Accrued interest payable	**1,194,977**	**–**	**1,194,977**	439,724	671,163	1,110,887
Accrued expenses	**618,031**	**–**	**618,031**	436,938	–	436,938
Deposits on lease contracts	**318**	**76,974**	**77,292**	318	78,585	78,903
Lease liability	**34,866**	**47,456**	**82,322**	63,416	41,198	104,614
	3,050,608	**138,214**	**3,188,822**	2,949,555	910,859	3,860,414
	60,198,767	**101,881,085**	**162,079,852**	50,443,059	94,064,135	144,507,194

	Parent Company 2026 Due within one year	2026 Due beyond one year	2026 Total	2025 Due within one year	2025 Due beyond one year	2025 Total
Nonfinancial Liabilities						
Income tax payable	**54,655**	**–**	**54,655**	₱150,885	₱–	₱150,885
Accounts payable and other liabilities	**–**	**–**	**–**	–	–	–
Accrued expenses	**352,976**	**–**	**352,976**	277,011	–	277,011
Withholding tax payable	**93,535**	**–**	**93,535**	71,874	–	71,874
Retirement liability	**–**	**35,808**	**35,808**	–	57,178	57,178
Others	**4,775**	**–**	**4,775**	4,210	–	4,210
	505,941	**35,808**	**541,749**	503,980	57,178	561,158
	₱60,704,708	**₱101,916,893**	**₱162,621,601**	₱50,947,039	₱94,121,313	₱145,068,352

26. Fair Value Measurement

The methods and assumptions used by the Group and Parent 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 – Fair value was computed using the discounted cash flow method. The discount rate used was the Bloomberg Valuation (BVAL) rate plus 350 bps in 2026 and 450 bps 2025.

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 Group and the Parent 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 2026 and 2025.

Accounts payable and other liabilities (excluding provisions and statutory 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:

	Consolidated / Parent Company 2026 Carrying Value	Fair Value Level 1	Level 2	Level 3	Total
Assets and liabilities measured at fair value:					
Financial assets:					
Derivative asset	**₱1,526,141**	**₱–**	**₱1,526,141**	**₱–**	**₱1,526,141**
Financial liabilities:					
Derivative liability	**13,784**	**–**	**13,784**	**–**	**13,784**

(Forward)

	Consolidated / Parent Company				
	2026				
	Carrying Value	Fair Value Level 1	Level 2	Level 3	Total
Assets and liabilities for which fair value is disclosed:					
Financial assets:					
Loans and receivables					
Receivables financed - net	**₱18,086,075**	₱–	₱–	**₱19,754,509**	**₱19,754,509**
Finance lease receivables - net	**154,532,329**	–	–	**173,420,768**	**173,420,768**
Financial liabilities:		–	–		
Loans payable and bonds payable	**158,873,005**	–	–	**161,831,671**	**161,831,671**
Deposits on lease contracts	**77,292**	–	–	**77,292**	**77,292**
Lease liability	**82,322**	–	–	**82,322**	**82,322**

	Parent Company				
	2025				
	Carrying Value	Fair Value Level 1	Level 2	Level 3	Total
Assets and liabilities measured at fair value:					
Financial assets:					
Derivative asset	₱1,255,109	₱–	₱1,255,109	₱–	₱1,255,109
Financial liabilities:					
Derivative liability	119,913	–	119,913	–	119,913
Assets and liabilities for which fair value is disclosed:					
Financial assets:					
Loans and receivables					
Receivables financed - net	16,100,598	–	–	17,438,805	17,438,805
Finance lease receivables - net	138,183,210	–	–	154,428,081	154,428,081
Financial liabilities:					
Loans payable and bonds payable	140,646,780	–	–	144,379,880	144,379,880
Deposits on lease contracts	78,903	–	–	78,903	78,903
Lease liability	104,614	–	–	104,614	104,614

As of March 31, 2026 and 2025, no transfers were made among the three levels in fair value hierarchy.

27. Capital Management and Financial Performance Ratios

Capital Stock

	Shares		Amount	
	2026	2025	**2026**	2025
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 year	**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 parent capital stock of the Parent Company to ₱9.00 billion (90,000,000 shares with par value of ₱100.00). Consequently, the Parent Company filed the application with the SEC on December 11, 2018 and was approved on January 25, 2019. Out of this increase, a total of 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 Group'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 Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the years ended March 31, 2026 and 2025.

The Group and the Parent Company consider the following as capital:

	Consolidated	Parent Company	
	2026	**2026**	2025
Capital stock	**₱8,700,000**	**₱8,700,000**	₱8,700,000
Retained earnings			
Unappropriated	**11,959,886**	**11,959,886**	10,698,609
Appropriated	**921,471**	**921,471**	921,471
	₱21,581,357	**₱21,581,357**	₱20,320,080

The Parent Company monitors capital using debt-to-equity ratio. The Parent Company targets a debt-to-equity ratio not exceeding 10.00:1. Based on the above capital consideration, the Parent Company's debt-to equity ratio is 7.53:1 and 7.11:1 as of March 31, 2026 and 2025, respectively.

Under the Financing Company Act, the Parent 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 March 31, 2026 and 2025, the Parent Company was in compliance with this minimum paid-up capital.

Regulatory qualifying capital

The Parent Company has started its operations as a quasi-bank effective April 1, 2009. Thus, the Parent Company began to actively manage its capital in accordance with regulatory requirements of BSP. The primary objective of which is to ensure that the Parent Company maintains adequate capital to cover risks inherent to its quasi-banking activities without prejudice to optimizing shareholder's value.

Under existing BSP regulations, the capital accounts of the Parent Company should not be less than an amount equal to 10.00% of its risk assets. Risk assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits, and other non-risk items as determined by the Monetary Board of the BSP.

The following table sets the Group's and the Parent Company's regulatory capital as reported to BSP as at March 31, 2026 and 2025 (amounts in thousands):

	Consolidated	Parent Company	
	2026	**2026**	2025
CET1 capital	**₱20,661,795**	**₱20,661,795**	₱19,485,417
Tier 1 capital	**20,661,795**	**20,661,795**	19,485,417
Tier 2 capital	**1,430,745**	**1,430,745**	1,519,070
Gross qualifying capital	**₱22,092,541**	**₱22,092,541**	₱21,004,487
Total risk weighted assets	**₱179,755,290**	**₱179,745,530**	₱164,474,167
CET1 ratio	**11.49%**	**11.50%**	11.85%
Tier 1 ratio	**11.49%**	**11.50%**	11.85%
Risk-based CAR	**12.29%**	**12.29%**	12.77%

As of March 31, 2026 and 2025, the Group and the Parent Company was in compliance with the minimum CAR, as reported to the BSP.

Leverage ratio
BSP Circular Nos. 881 and 990 cover the implementing guidelines on the Basel III Leverage Ratio (BLR) Framework designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The details of the BLR, as reported to the BSP, as of March 31, 2026 and 2025 follow:

	Consolidated	Parent Company	
	2026	**2026**	2025
Tier 1 Capital	**₱20,661,795**	**₱20,661,795**	₱19,485,417
Exposure Measure	**185,623,949**	**185,635,613**	167,001,137
BLR	**11.13%**	**11.13%**	11.67%

The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. Under the framework, BLR is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as percentage.

Minimum liquidity ratio
BSP Circular No. 996 requires banks and quasi-banks to maintain a Minimum Liquidity Ratio (MLR) to enhance resilience against short-term liquidity stress. The MLR is calculated as eligible liquid assets divided by qualifying liabilities. The Parent Company's MLR was 45.53% and 45.22% as of March 31, 2026 and 2025, respectively.

BSP Circular No. 1035 revised the MLR framework by aligning it more closely with the Liquidity Coverage Ratio (LCR), including the recognition of certain interbank placements as eligible liquid assets and the application of conversion factors to qualifying liabilities.

Liability	Conversion factor
Retail current and regular savings deposits with outstanding balance per account of PhP500,000 and below	50.00%
Deposits where the account holder has no contractual or legal discretion to withdraw said deposit or pre-terminate the account within the next 30 calendar days (e.g., negotiable certificates of deposits)	0.00%
Borrowings that are non-callable in, or have contractual maturity dates beyond, the next 30 calendar days	0.00%
Obligations arising from operational expenses	0.00%

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 March 31, 2026 and 2025, total appropriated retained earnings that complies with the above BSP requirement amounted to ₱921.47 million.

28. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash in banks, due from BSP, SPURA, loans and receivables, derivative asset, loans payable, derivative liability, lease liabilities, accounts payable and accrued expenses. These financial instruments are used in operations. Financial instruments used in financing are bank loans, subordinated debt and notes payable. The main risks arising from the use of financial instruments are credit risk, liquidity risk and market risk.

Risk Management Framework
The Parent Company serves customers of Toyota vehicles through financing and leasing services. Enterprise Risk Management (ERM) enables the Parent Company to achieve corporate objectives while operating within the boundary of its risk appetite through a well-defined and established risk management framework.

The BOD oversees the Parent Company's overall risk management strategy through the various committees created as follows:

a. Executive Committee
The Executive Committee establishes and oversees execution of business strategies and has the accountability to identify and manage the embedded financial and operational risks.

b. Risk Oversight Committee
The Risk Oversight Committee provides independent views from the business units and ensures effective implementation of risk management framework through regular reviews of the Parent Company's performance against approved tolerance for each risk indicator. The committee also monitors key and emerging risks as well as reviews and assesses the impact of business strategies, opportunities and initiatives on overall risk position.

c. Audit Committee
The Audit Committee through the Internal Audit Department provides independent assurance of robustness of processes and methodologies against practice.

d. Credit Committee
The Credit Committee manages the credit risk associated with counterparty borrowers and sets out objectives related to overall quality and diversification of the Group's portfolio.

e. Asset and Liability Committee (ALCO)
The ALCO oversees the management of liquidity risks and ensures that funds are properly allocated to the right product at the right price to ensure healthy net interest and operating margins. Loan pricing is set by the ALCO on a quarterly basis, taking into consideration market conditions, prevailing monetary policies, funding costs, liquidity position, and the Parent Company's overall risk appetite. ALCO also monitors available sources of funds under disrupted market conditions.

Risk Management Structure
The Parent Company's organizational structure includes the Risk Management Department (RMD), responsible for developing, recommending and implementing policies and strategies of Enterprise Risk Management (ERM). It is also in charge of periodically monitoring and reporting to management, regional TFSC Risk Management Group and the BOD through the Risk Oversight Committee, the state of the company-wide risk position and effectiveness of the ERM framework.

Risk Management Strategy
The Executive Committee establishes and oversees execution of business strategies and has the accountability to identify and manage the embedded risks. Business strategies and business plans are thus aligned with the risk appetite approved by the Risk Oversight Committee and BOD, defined in the form of risk tolerances for a set of selected key risk indicators. These plans are executed by management and are reviewed by the President. Quarterly performances and risks are reviewed together with the appropriate Board Committees.

Risk Monitoring and Reporting
All material events that may negatively impact the Parent Company's earnings, corporate value and reputation are identified and assessed for frequency, severity and causation. Both top down and bottom up risk assessment methodologies are done through the deployed processes and practical standards.

RMD oversees a formal process to monitor and report enterprise-wide risk exposures. These are discussed with business units and management. On a quarterly and on as needed basis, RMD and BOD Risk Oversight Committee review risk reports for significant trends.

Risk Control and Mitigation
As part of its market risk mitigation activities, the Parent Company uses derivatives to manage exposures resulting from changes in foreign currencies and appropriate hedging activities to manage its interest rate exposures. Credit risks are reduced through the use of chattel mortgages and insurance protection. Concentration risks are managed by setting exposure limits. Concentration reports are provided to management on a monthly basis and to various related committees on a quarterly basis. Limits approved by the Risk Oversight Committee and the BOD, undergo at least an annual review or as needed.

Operational risks are controlled and mitigated through the set-up of an appropriate organizational structure, supported by human resource allocation, staff training and education, combination of robust policies, procedures and standards, information technology and periodic performance measurement.

The Parent Company's risk management policies are summarized below:

Credit Risk

Credit risk is the risk that the Group suffers losses when a counterparty to a credit transaction fails to meet its financial obligation.

The Credit Committee oversees the management of credit risks. The Credit Review Unit under the RMD provides an objective appraisal of the credit approved loans and applications for potential or identified loan problems. It also ensures that the credit policies and procedures are adequate to meet the demands of the business. Its function also involves the review of the Parent Company's loan portfolio, including the development of a strategy to achieve its desired portfolio mix and risk profile based on a risk-adjusted return on capital. It also reviews and controls identified concentration of credit risks in order to manage the Parent Company's sensitivity to developments affecting a particular industry or geographic location. It also manages the Parent Company's credit risk rating systems which use a combination of quantitative and qualitative factors to assess the general credit worthiness and changes in credit quality of the prospective and existing borrowers, respectively.

Loan amounts that exceed the approval limit of the Credit Department head are brought up to the Credit Committee. Loan amounts that exceed the limit of Credit Committee are elevated to the Executive Committee and recommended to the BOD for approval.

All DOSRI loans are subject to approval of the BOD. All such loans are on commercial arm's length basis. BSP Circular No. 560 states that "the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates shall not exceed 10.00% of the net worth".

The credit policy manual defines the evaluation process in order to provide an objective assessment of credit worthiness of counterparties. The credit policy manual undergoes a minimum of annual review.

Investment grade pertains to cash in banks, deposited or invested in BSP and other banks based on a mark-to-market value exposure to each counterparty. For receivables financed and finance lease receivables using the credit rating system, investment grade pertains to receivables predicted as low risk; non-investment grade pertains to receivables predicted as normal to high risk.

Maximum exposure to credit risk
The tables below provide the analysis of the maximum exposure to credit risk of the Company's loans and receivables, excluding those where the carrying values reflected in the statement of financial position and related notes already represent the financial instrument's maximum exposure to credit risk, before and after taking into account collateral held or other credit enhancement.

	Consolidated/Parent Company			
	2026			
	Gross Maximum Exposure*	**Fair Value of Collateral**	**Net Exposure to Credit Risk**	**Financial Effect of Collateral or Credit Enhancement**
Receivables from customers				
Receivables financed	**₱18,199,552**	**₱28,929,139**	**₱623,848**	**₱17,575,704**
Finance lease receivables	**156,231,945**	**178,499,287**	**12,741,434**	**143,490,511**
	₱174,431,497	**₱207,428,426**	**₱13,365,282**	**₱161,066,215**

*Before allowance for credit losses

	Consolidated/Parent Company			
	2025			
	Gross Maximum Exposure*	Fair Value of Collateral	Net Exposure to Credit Risk	Financial Effect of Collateral or Credit Enhancement
Receivables from customers				
Receivables financed	₱16,255,967	₱29,042,682	₱176,006	₱16,079,961
Finance lease receivables	140,073,737	176,442,138	6,637,459	133,436,278
	₱156,329,704	₱205,484,820	₱6,813,465	₱149,516,239

*Before allowance for credit losses

The carrying values of the other financial assets represent the maximum exposure to credit risk as of March 31, 2026 and 2025.

Concentration of risks of financial assets with credit risk exposure
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Parent Company's performance to developments affecting a particular industry or geographic location. In order to avoid excessive concentrations of risk, the Parent Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Concentration by industry

An analysis of the Parent Company concentrations of credit risk for financial assets at the reporting date based on carrying amount is shown below:

	2026					
	Loans and Receivables	**Other Loans and Receivables**	**Residual Value**	**Loans and Advances to Banks***	**Derivative Assets**	**Total**
Community, social and personal activities	**₱63,822,260**	**₱149,161**	**₱152**	**₱–**	**₱–**	**₱63,971,573**
Wholesale and retail trade	**33,984,985**	**110,179**	–	–	–	**34,095,164**
Financial intermediaries	**6,404,586**	**91,649**	–	**6,672,680**	**1,526,141**	**14,695,056**
Transportation, storage and communication	**15,194,081**	**46,868**	–	–	–	**15,240,949**
Real estate, renting and business activities	**13,042,496**	**43,481**	–	–	–	**13,085,977**
Education	**10,878,989**	**25,274**	–	–	–	**10,904,263**
Manufacturing (various industries)	**9,884,461**	**41,006**	–	–	–	**9,925,467**
Hotels and restaurants	**9,116,036**	**38,542**	–	–	–	**9,154,578**
Construction	**5,364,054**	**20,915**	–	–	–	**5,384,969**
Agricultural, hunting and forestry	**3,950,007**	**6,402**	–	–	–	**3,956,409**
Electricity, gas and water	**2,282,600**	**5,417**	–	–	–	**2,288,017**
Mining and quarrying	**506,624**	**969**	–	–	–	**507,593**
Others	**-**	**-**	**166**	–	–	**166**
	174,431,179	**579,863**	**318**	**6,672,680**	**1,526,141**	**183,210,181**
Less: Allowance for credit and impairment losses	**1,812,775**	218	–	235	–	1,813,228
	₱172,618,404	**₱579,645**	**₱318**	**₱6,672,445**	**₱1,526,141**	**₱181,396,953**

** Comprised of Cash in banks and Due from BSP*

The above table presents the Parent Company's concentration of credit risk. As of March 31, 2026 the subsidiary's credit risk exposures pertain primarily to cash in banks and other receivables amounting to ₱4.76 million and ₱4.67 million, respectively. These are classified under the Financial Intermediaries and Community, Social and Personal Activities industries, respectively.

	2025					
	Loans and Receivables	Other Loans and Receivables	Residual Value	Loans and Advances to Banks	Derivative Assets	Total
Community, social and personal activities	₱59,043,532	₱35,755	₱152	₱–	₱–	₱59,079,439
Wholesale and retail trade	28,028,891	26,074	–	–	–	28,054,965
Education	10,693,908	3,845				10,697,753
Transportation, storage and communication	13,901,705	11,275	–	–	–	13,912,980
Real estate, renting and business activities	12,348,386	9,090	–	–	–	12,357,476
Manufacturing (various industries)	9,026,384	10,939	–	–	–	9,037,323
Financial intermediaries	5,913,983	45,215	–	5,938,619	1,255,109	13,152,926
Hotels and restaurants	7,119,949	4,018	–	–	–	7,123,967
Agricultural, hunting and forestry	3,294,338	2,603	–	–	–	3,296,941
Construction	4,623,489	3,915	–	–	–	4,627,404
Electricity, gas and water	1,786,471	812	–	–	–	1,787,283
Mining and quarrying	548,350	519	–	–	–	548,869
Others		-	166	–	–	166
	156,329,386	154,060	318	5,938,619	1,255,109	163,677,492
Less: allowance for credit and impairment losses	2,045,578	218	–	235	–	2,046,031
	₱154,283,808	₱153,842	₱318	₱5,938,384	₱1,255,109	₱161,631,461

** Comprised of Cash in banks, Due from BSP and SPURA*

Concentration by geographical location
The distribution of the Group's and Parent Company's financial assets by geographical location as of March 31, 2026 and 2025 follows:

	2026					
	Loans and Receivables	Other Loans and Receivables	Residual Value	Loans and Advances to Banks*	Derivative Assets	Total
Metro Manila	₱46,910,695	₱221,112	₱166	₱6,672,680	₱–	₱53,804,653
Luzon (except Metro Manila)	87,130,235	252,332	152	–	–	87,382,719
Visayas	24,085,721	39,847	–	–	–	24,125,568
Mindanao	16,304,528	66,572	–	–	–	16,371,100
Foreign	–	–	–	–	1,526,141	1,526,141
	174,431,179	579,863	318	6,672,680	1,526,141	183,210,181
Less: Allowance for credit and impairment losses	1,812,775	218	–	235	–	1,813,228
	₱172,618,404	₱579,645	₱318	₱6,672,445	₱1,526,141	₱181,396,953

* *Comprised of Cash in banks, Due from BSP and SPURA*
** *Comprised of Derivative assets*

The above table presents the Parent Company's concentration of credit risk. The Subsidiary's credit risk exposures pertain primarily to cash in banks and other receivables amounting to ₱4.76 million and ₱ 4.67 million, respectively, as of March 31, 2026. These exposures are concentrated in Metro Manila.

	2025					
	Loans and Receivables	Other Loans and Receivables	Residual Value	Loans and Advances to Banks*	Derivative Assets	Total
Metro Manila	₱40,901,765	₱67,514	₱166	₱5,938,619	₱–	₱46,908,064
Luzon (except Metro Manila)	81,017,893	63,290	152	–	–	81,081,335
Visayas	18,856,780	6,357	–	–	–	18,863,137
Mindanao	15,552,948	16,899	–	–	–	15,569,847
Foreign	–	–	–	–	1,255,109	1,255,109
	156,329,386	154,060	318	5,938,619	1,255,109	163,677,492
Less: Allowance for credit and impairment losses	2,045,578	218	–	235	–	2,046,031
	₱154,283,808	₱153,842	₱318	₱5,938,384	₱1,255,109	₱161,631,461

* *Comprised of Cash in banks, Due from BSP and SPURA*
** *Comprised of Derivative assets and Financial assets at FVOCI*

Credit quality
The credit quality of the financial assets was determined as follows:

- *Cash on hand and in banks, Due from BSP and SPURA* - Investment grade pertains to cash in banks, cash equivalents placed, deposited or invested in local banks from issuer with a credit rating of AAA, AA and A.

- *Receivables financed and finance lease receivables* - Using the credit rating system, investment grade pertains to receivables predicted as low risk; non-investment grade pertains to receivables predicted as normal to high risk; past due but not impaired pertains to receivables that are delinquent but are not subject to impairment; and past due and credit impaired pertains to receivables that are delinquent and non-performing. Allowance for credit and impairment losses is classified into investment and non-investment grade based on the credit rating system.

- *Other receivables* - Investment grade pertains to receivables predicted as low risk; non-investment grade pertains to receivables predicted as normal; past due but not impaired pertains to receivables predicted as medium risk; and past due and impaired are the receivable considered to be high risk and delinquent.

Credit quality per class of financial assets

The following tables provide information regarding the credit risk exposure of the Company by classifying financial assets according to the Group's and Parent Company's credit ratings of the counterparties.

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Cash in banks				
Investment grade	**₱2,995,525**	**₱–**	**₱–**	**₱2,995,525**
Due from BSP				
Investment grade	**3,685,133**	**–**	**–**	**3,685,133**
Receivables financed - net*			**–**	
Investment grade	**17,937,885**	**–**	**–**	**17,937,885**
Non-investment grade	**–**	**61,430**	**–**	**61,430**
Past due but not impaired	**–**	**53,270**	**–**	**53,270**
Past due and impaired	**–**	**–**	**146,968**	**146,968**
Finance lease receivables - net**				
Investment grade	**150,481,597**	**–**	**–**	**150,481,597**
Non-investment grade	**–**	**893,573**	**–**	**893,573**
Past due but not impaired	**–**	**1,339,348**	**–**	**1,339,348**
Past due and impaired	**–**	**–**	**3,517,109**	**3,517,109**
Receivables from clients				
Investment grade	**25,981**	**–**	**–**	**25,981**
Non-investment grade	**–**	**757**	**–**	**757**
Past due and impaired	**–**	**–**	**96,238**	**96,238**
Past due but not impaired	**–**	**7,414**	**–**	**7,414**
Receivables from employees				
Investment grade	**45,332**	**–**	**–**	**45,332**
Past due and impaired	**–**	**–**	**–**	**–**
Accrued interest receivable		**–**	**–**	**–**
Investment grade	**187**	**–**	**–**	**187**
Others		**–**	**–**	**–**
Investment grade	**408,745**	**–**	**–**	**408,745**
	₱175,580,385	**₱2,355,792**	**₱3,760,315**	**₱181,696,492**

** Net of Unearned finance income*
*** Net of Unearned lease income*

	2025			
	Stage 1	Stage 2	Stage 3	Total
Cash in banks				
Investment grade	₱2,534,508	₱–	₱–	₱2,534,508
Due from BSP				
Investment grade	2,689,111	–	–	2,689,111
SPURA			–	
Investment grade	715,000	–	–	715,000
Receivables financed - net*			–	
Investment grade	15,112,947	359	–	15,113,306
Non-investment grade	827,921	89,537	–	917,457
Past due but not impaired	–	89,396	–	89,396
Past due and impaired	–	–	135,807	135,807
Finance lease receivables - net**				
Investment grade	120,770,506	2,926	–	120,773,432
Non-investment grade	13,879,401	1,224,836	–	15,104,236
Past due but not impaired	–	1,205,445	–	1,205,445
Past due and impaired	–	–	2,990,624	2,990,625
Receivables from clients				
Investment grade	14,286	–	–	14,287
Non-investment grade	2,918	761	–	3,679
Past due but not impaired	–	100,768	–	100,768
Receivables from employees				
Investment grade	33,779	–	–	33,779
Past due and impaired	–	–	–	–
Accrued interest receivable		–	–	
Investment grade	788	–	–	788
Others		–	–	
Investment grade	758	–	–	758
	₱156,581,923	₱2,714,029	₱3,126,431	₱162,422,383

** Excludes Cash on hand*
*** Net of Unearned finance income*
**** Net of Unearned lease income*

The subsidiary’s credit risk exposure pertains to cash in bank and other receivables, which are not presented in the table above, amounting to ₱4.76 million and ₱4.68 million, respectively. These exposures are classified as investment grade.

Analysis of movement of gross carrying amounts

The credit quality by class of the Parent Company’s loans and receivables from customers (gross of allowance for credit losses) as of March 31, 2026 and 2025 follows:

	2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Receivables financed				
Gross carrying amount at April 1, 2025	**₱15,940,867**	**₱179,292**	**₱135,808**	**₱16,255,967**
New assets originated or purchased	**10,566,461**	**15,633**	**–**	**10,582,094**
Assets derecognized or repaid/recovered	**(3,412,977)**	**424,794**	**(2,271,610)**	**(5,259,793)**
Transfer to Stage 1	**88,278**	**(73,039)**	**(15,239)**	**–**
Transfer to Stage 2	**(137,507)**	**141,377**	**(3,870)**	**–**
Transfer to Stage 3	**(1,791,165)**	**(558,140)**	**2,349,305**	**–**
Accounts written off	**–**	**–**	**(17,906)**	**(17,906)**
Accounts written off - interest	**–**	**–**	**(2,887)**	**(2,887)**
	21,253,957	**129,918**	**173,600**	**21,557,474**
Unearned interest and discount	**(3,316,040)**	**(15,094)**	**(26,788)**	**(3,357,922)**
Gross carrying amount at March 31, 2026	**17,937,917**	**114,823**	**146,812**	**18,199,552**
Finance lease receivables:				
Gross carrying amount at April 1, 2025	**134,650,058**	**2,433,208**	**2,990,471**	**140,073,737**
New assets originated or purchased	**82,708,670**	**727,001**	**420,053**	**83,855,724**
Assets derecognized or repaid/recovered	**(31,933,172)**	**(1,392,350)**	**(665,946)**	**(33,991,468)**
Transfer to Stage 1	**871,096**	**(762,324)**	**(108,772)**	**–**
Transfer to Stage 2	**(2,159,805)**	**2,241,945**	**(82,140)**	**–**
Transfer to Stage 3	**(1,791,165)**	**(558,140)**	**2,349,306**	**–**
Accounts written off	**–**	**–**	**(466,072)**	**(466,072)**
Accounts written off - interest	**–**	**–**	**(101,378)**	**(101,378)**
	182,345,681	**2,689,340**	**4,335,522**	**189,370,543**
Unearned interest and discount	**(31,864,085)**	**(456,419)**	**(818,094)**	**(33,138,598)**
Gross carrying amount at March 31, 2026	**150,481,597**	**2,232,921**	**3,517,428**	**156,231,945**
Total loans and receivables from customers				
Gross carrying amount at April 1, 2025	**150,590,925**	**2,612,500**	**3,126,279**	**156,329,704**
New assets originated or purchased	**93,275,131**	**742,634**	**420,053**	**94,437,818**
Assets derecognized or repaid/recovered	**(35,346,149)**	**(967,556)**	**(2,937,556)**	**(39,251,261)**
Transfer to Stage 1	**959,374**	**(835,363)**	**(124,011)**	**–**
Transfer to Stage 2	**(2,297,312)**	**2,383,322**	**(86,010)**	**–**
Transfer to Stage 3	**(3,582,330)**	**(1,116,280)**	**4,698,612**	**–**
Accounts written off	**–**	**–**	**(483,979)**	**(483,979)**
Accounts written off – interest	**–**	**–**	**(104,265)**	**(104,265)**
	203,599,638	**2,819,258**	**4,509,122**	**210,928,017**
Unearned interest and discount	**(35,180,125)**	**(471,513)**	**(844,882)**	**-36,496,520**
Gross carrying amount at March 31, 2026	**₱168,419,514**	**₱2,347,744**	**₱3,664,240**	**₱174,431,497**

	2025			
	Stage 1	Stage 2	Stage 3	Total
Receivables financed:				
Gross carrying amount at April 1, 2024	₱13,938,078	₱210,074	₱131,260	₱14,279,412
New assets originated or purchased	9,139,031	34,515	12,800	9,186,346
Assets derecognized or repaid/recovered	(4,244,846)	(115,944)	(52,767)	(4,413,557)
Transfer to Stage 1	103,640	(83,690)	(19,950)	–
Transfer to Stage 2	(200,808)	210,007	(9,199)	–
Transfer to Stage 3	(57,988)	(53,522)	111,510	–
Accounts written off	–	–	(12,348)	(12,348)
Accounts written off - interest	–	–	(1,941)	(1,941)
	18,677,107	201,440	159,365	19,037,912
Unearned interest and discount	(2,736,240)	(22,148)	(23,557)	(2,781,945)
Gross carrying amount at March 31, 2025	15,940,867	179,292	135,808	16,255,967
Finance lease receivables:				
Gross carrying amount at April 1, 2024	121,403,641	2,780,856	3,423,297	127,607,794
New assets originated or purchased	70,853,495	783,528	374,497	72,011,520
Assets derecognized or repaid/recovered	(28,074,206)	(1,523,203)	(857,683)	(30,455,092)
Transfer to Stage 1	1,447,030	(1,217,136)	(229,894)	–
Transfer to Stage 2	(2,312,230)	2,430,808	(118,578)	–
Transfer to Stage 3	(1,164,774)	(432,070)	1,596,844	–
Accounts written off	–	–	(444,685)	(444,685)
Accounts written off - interest	–	–	(104,381)	(104,381)
	162,152,956	2,822,783	3,639,417	168,615,156
Unearned interest and discount	(27,502,898)	(389,575)	(648,946)	(28,541,419)
Gross carrying amount at March 31, 2025	134,650,058	2,433,208	2,990,471	140,073,737
Total loans and receivables from customers:				
Gross carrying amount at April 1, 2024	135,341,719	2,990,930	3,554,557	141,887,206
New assets originated or purchased	79,992,526	818,043	387,297	81,197,866
Assets derecognized or repaid/recovered	(32,319,052)	(1,639,147)	(910,450)	(34,868,649)
Transfer to Stage 1	1,550,670	(1,300,826)	(249,844)	–
Transfer to Stage 2	(2,513,038)	2,640,815	(127,777)	–
Transfer to Stage 3	(1,222,762)	(485,592)	1,708,354	–
Accounts written off	–	–	(457,033)	(457,033)
Accounts written off – interest	–	–	(106,322)	(106,322)
	180,830,063	3,024,223	3,798,782	187,653,068
Unearned interest and discount	(30,239,138)	(411,723)	(672,503)	(31,323,364)
Gross carrying amount at March 31, 2025	₱150,590,925	₱2,612,500	₱3,126,279	₱156,329,704

Collateral and other credit enhancements

The Parent 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.

The following table shows the fair value of collateral held against loans and receivables:

	2026	2025
Against neither past due nor impaired	**₱202,542,726**	₱200,942,314
Against past due and impaired accounts	**4,885,700**	4,542,506
	₱207,428,426	₱205,484,820

It is the Parent Company's policy to dispose assets acquired in an orderly fashion. The proceeds of the sale of the foreclosed assets classified as assets held for sale are used to reduce or repay the outstanding claim.

Liquidity Risk

Liquidity risk is the risk of encountering difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity of the Group's operations are managed with highest degree of accuracy, supported by sufficient, locally available, committed and uncommitted sources of funds for shorter periods and a sound and conservative funding plan with an appropriate internal authorization for longer periods. The funding structure is diversified as to financial instruments adopted, geographical markets approached and funding maturities in order to maintain stable access to low cost funds.

The ALCO oversees the management of liquidity risks. The Parent Company's Treasury Department has the primary responsibility for managing the Parent Company's sources of funding and is tasked with ensuring that the Parent Company has adequate liquidity at all times. As part of this function, the Treasury Department prepares an annual funding plan that places the highest priority on liquidity and diversity of funding structure. The Department also prepares an annual contingency funding plan based on stress scenarios which include inability to access the debt market for an extended period. As such, computation of the Key Risk Indicators and setting of appropriate limits, such as Days until Alternative Funding, Balance Sheet Liquidity Ratio, Short-Term, provides management the means to adopt measures that will strengthen its liquidity position.

The Parent Company's principal source of funding are borrowings from international and domestic banks amounting to ₱133.62 billion and ₱116.90 billion as of March 31, 2026 and 2025, respectively, with maturity periods ranging from 1 month to 5 years in 2026 and 2025. The Parent Company also issues bonds totaling to ₱16.59 billion and ₱12.37 billion as of March 31, 2026 and 2025, respectively with maturity periods ranging from 2 years to 5 years in 2026 and 2025.

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

Analysis of financial assets and liabilities by remaining contractual maturities

The following tables set forth the financial assets and liabilities based on undiscounted future cash flows of the Group and the Parent Company as of March 31, 2026 and 2025 into their relevant maturity groups based on the remaining period at reporting dates to their contractual maturities.

	Consolidated						
	2026						
	On demand	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 6 months	More than 6 months up to 12 months	Beyond 1 year	Total
Financial Assets							
Cash in banks	₱2,995,290	₱–	₱–	₱–	₱–	₱–	₱2,995,290
Due from BSP	1,441,133	2,244,233	–	–	–	–	3,685,366
SPURA	–	–	–	–	–	–	–
Receivables from customers							
Receivables financed	104,562	771,591	1,500,390	2,139,750	3,827,477	13,213,704	21,557,474
Finance lease receivable	2,035,798	6,024,220	10,777,732	15,728,740	29,597,358	125,206,695	189,370,543
Other receivables							
Receivables from clients	130,389	–	–	–	–	–	130,389
Receivables from employees	54	1,550	2,634	2,958	5,855	32,281	45,332
Accrued interest receivable	–	187	–	–	–	–	187
Other receivables	–	403,868	–	–	–	–	403,868
Derivative asset:							
Receive leg	–	31,647	66,177	4,823,952	3,320,956	12,320,885	20,563,617
Pay leg	–	40,482	97,372	4,434,793	3,148,173	12,116,520	19,837,340
	₱6,707,226	₱9,517,778	₱12,444,305	₱27,130,193	₱39,899,819	₱162,890,085	₱258,589,406
Financial Liabilities							
Loans payable							
Domestic Bank loans	₱–	₱3,671,622	₱5,872,513	₱8,587,871	₱19,089,442	₱79,912,762	₱117,134,210
Foreign Bank Loans	–	31,647	1,601,960	1,628,595	1,693,597	8,010,071	12,965,870
Fixed rate notes	–	1,514,885	1,040,420	1,173,781	1,925,128	9,689,905	15,344,119
Notes payable	–	1,451,058	3,605,961	3,270,964	2,307,172	940,325	11,575,480
Domestic Bond	–	73,214	–	73,214	146,429	5,368,188	5,661,045
Foreign Bonds	–	–	–	1,526,100	3,265,196	7,568,686	12,359,982
Accounts payable and other liabilities							
Accounts payable	–	1,202,416	–	–	–	–	1,202,416
Accrued interest payable and other expenses	–	1,388,993	101,278	102,074	220,970	–	1,813,315
Lease liabilities	–	–	–	32,554	2,312	47,456	82,322
Deposits on lease contracts	–	–	–	–	–	–	–
Derivative liability:							
Receive leg	–	–	1,599,991	–	1,582,030	1,581,270	4,763,291
Pay leg	–	–	1,542,301	–	1,518,116	1,516,919	4,577,336
	₱–	₱9,333,835	₱15,364,424	₱16,395,153	₱31,750,392	₱114,635,582	₱187,479,386

	Parent Company						
	2025						
	On demand	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 6 months	More than 6 months up to 12 months	Beyond 1 year	Total
Financial Assets							
Cash in banks	₱2,537,277	₱–	₱–	₱–	₱–	₱–	₱2,537,277
Due from BSP	2,689,111	–	–	–	–	–	2,689,111
SPURA	–	715,000	–	–	–	–	715,000
Receivables from customers	–	–	–	–	–	–	–
Receivables financed	–	799,862	1,388,324	2,023,224	3,549,381	11,277,121	19,037,912
Finance lease receivable	–	6,938,773	9,877,139	14,807,016	27,048,734	109,943,494	168,615,156
Other receivables	–	–	–	–	–	–	–
Receivables from clients	118,734	–	–	–	–	–	118,734
Receivables from employees	82	1,282	2,205	2,473	4,843	22,894	33,779
Accrued interest receivable	–	788	–	–	–	–	788
Other receivables	–	758	–	–	–	–	758
Derivative asset:							
Receive leg	–	50,214	2,835,305	4,204,152	6,957,961	20,647,346	34,694,978
Pay leg	–	93,604	2,802,794	3,967,161	6,475,786	19,686,606	33,025,951
	₱5,345,204	₱8,600,281	₱16,905,767	₱25,004,026	₱44,036,705	₱161,577,461	₱261,469,444
Financial Liabilities							
Loans payable							
Domestic Bank loans	₱–	935,364	4,078,919	9,372,624	16,156,287	77,714,521	108,257,715
Foreign Bank Loans	–	1,437,365	1,486,607	30,456	2,636,367	2,905,799	8,496,594
Fixed rate notes	–	1,360,341	114,148	206,195	3,789,900	9,816,701	15,287,285
Notes payable	–	1,654,152	3,369,848	2,394,145	2,597,044	308,591	10,323,780
Domestic Bond	–	–	–	–	–	–	–
Foreign Bonds	–	–	59,724	1,561,279	1,593,984	10,143,613	13,358,600
Accounts payable and other liabilities							
Accounts payable	1,782,120	227,039	–	–	–	–	2,009,159
Accrued interest payable and other expenses	–	96,195	104,758	97,942	175,212	699,102	1,173,209
Lease liabilities	–	8,838	–	9,028	45,550	41,198	104,614
Deposits on lease contracts	318	–	–	–	–	78,585	78,903
Derivative liability:							
Receive leg	–	16,917	58,208	98,028	173,368	10,219,566	10,566,087
Pay leg	–	35,901	84,609	124,461	249,000	10,784,907	11,278,878
	₱1,782,438	₱5,772,112	₱9,356,821	₱13,894,158	₱27,416,712	₱122,712,583	₱180,934,824

As of March 31, 2026, the financial assets of the Subsidiary Company consist of cash in bank of ₱4.76 million, trade receivables of ₱4.68 million and investment in promissory notes of ₱18.02 million which are all either on demand or due within one year.

As of March 31, 2026, the financial liabilities of the Subsidiary Company consist of accounts payable and other liabilities amounting to ₱2.98 million which are due within one year.

Market Risk
Market risk is exposure to changes in market rates that may adversely affect the Parent Company value and ability to meet obligations as they mature. Market risks cover interest rates 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 Parent Company has no trading portfolio.

The ALCO establishes and oversees the Parent Company's interest rate risk as part of the market risk management program. In considering interest rate exposures, the Parent Company measures its risk profile in terms of asset and debt/derivative notional size, asset yields and market rates, maturity profile, pre-payment and re-pricing characteristics. Interest rate risks exposures are evaluated using a variety of techniques and measures, each of which are based on projecting asset and liability cash flows under interest rate and market price scenarios.

Interest rate risk exposures are reported via portfolio hedge ratio. This tool highlights the level of gap in amounts in fixed rates of interest between assets and liabilities, as a measure of exposure to interest rate changes, the critical components of which are notional size, maturities and re-pricing profiles.

The Parent 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.

The table below demonstrates the sensitivity of net interest income (NII) using the earnings at risk (EAR) model. NII sensitivity was computed by calculating the changes in the banking book gaps assuming a parallel shift in the yield curve.

	2026		2025	
	+100 bps	**-100 bps**	+100 bps	-100 bps
Forecasted NI	**₱7,780**	**(₱7,780)**	₱6,612	(₱6,612)
Sensitivity of NII	**0.73%**	**(0.73%)**	1.38%	(1.38%)

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 Parent Company's foreign exchange risk results primarily from movements of the PHP against the USD with respect to USD-denominated financial assets (such as cash and cash equivalents) and USD-denominated financial liabilities (such as accounts payable and other liabilities). As of March 31, 2026 and 2025, the Parent Company has outstanding cross currency swaps (CCS) which were entered into to hedge the foreign currency risk of the foreign loans, presented in "Loans and bonds payable", (see Note 14). These hedges are accounted for as cash flow hedges. Effectively, the Parent Company converted the foreign loans into Philippine Peso-denominated fixed rate borrowings using the CCS agreements. Accordingly, the gains or losses arising from foreign currency risk on the outstanding foreign loans are expected to be offset by the changes in the value of the CCS agreements. As a result of the cash flow hedge, the overall impact of the foreign currency risk in the Parent Company is not material.

29. Offsetting of Financial Assets and Liabilities

The amendments to PFRS 7, *Financial Instruments: Disclosures,* require the Group 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:

Consolidated / Parent Company						
2026						
				Effects of remaining rights of set–off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
Financial instruments recognized attend 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]	Financial instruments	Fair value of financial collateral	Net exposure [c–d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
Cross-currency interest rate swaps	**₱1,526,141**	**₱–**	**₱1,526,141**	**₱–**	**₱–**	**₱1,526,141**
SPURA	–	–	–	–	–	–
	1,526,141	**–**	**1,526,141**	**–**	**–**	**1,526,141**
Financial liabilities						
Cross-currency interest rate swaps	**₱13,784**	**₱–**	**₱13,784**	**₱–**	**₱–**	**₱13,784**

Parent Company						
2025						
				Effects of remaining rights of set−off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
Financial instruments recognized attend 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]	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**	**₱–**	**₱1,255,109**	**₱263,306**	**₱–**	**₱991,803**
SPURA	**715,000**	**–**	**715,000**	**–**	**715,000**	**–**
	₱1,970,109	**₱–**	**₱1,970,109**	**₱263,306**	**₱715,000**	**₱991,803**
Financial liabilities						
Cross-currency interest rate swaps	**₱119,913**	**₱–**	**₱119,913**	**₱–**	**₱–**	**₱119,913**

30. Notes to Statements of Cash Flows

Noncash investing activities

Noncash investing activities pertain to transfer of repossessed vehicles classified as assets held for sale to property and equipment amounting to ₱24.17 million and ₱3.53 million in 2026 and 2025, respectively. It also includes foreclosure of repossessed vehicles classified as assets held for sale amounting to ₱7.51 billion and ₱6.00 billion in 2026 and 2025, respectively (see Note 9).

Changes in liabilities arising from financing activities

	March 31, 2025	**Net Cash flows**	**Foreign exchange movements, Mark-to-market**	**Amortization of debt issue cost and accretion of interest**	**Other noncash movements**	**March 31, 2026**
Loans payable	**₱140,646,780**	**₱16,526,898**	**₱1,230,010**	**₱487,342**	**₱–**	**₱158,891,030**
Derivatives designated as hedges*	**(1,135,196)**	**753,226**	**(1,130,387)**	**–**	**–**	**(1,512,357)**
Lease liability	**104,614**	**(114,773)**	**–**	**–**	**92,481**	**82,322**
Total liabilities from financing activities	**₱139,616,198**	**₱17,165,351**	**₱99,623**	**₱487,342**	**₱92,481**	**₱157,460,995**

	March 31, 2024	Net Cash flows	Foreign exchange movements, Mark-to-market	Amortization of debt issue cost and accretion of interest	Other noncash movements	March 31, 2025
Loans payable	₱129,951,039	₱9,472,472	₱789,235	₱434,034	₱–	₱140,646,780
Derivatives designated as hedges*	(1,422,943)	2,032,120	(1,744,373)	–	–	(1,135,196)
Lease liability	154,605	(88,163)	–	–	(38,172)	104,614
Total liabilities from financing activities	₱128,682,701	₱11,416,429	₱ (955,138)	₱434,034	(₱38,172)	₱139,616,198

	March 31, 2023	Net Cash flows	Foreign exchange movements, Mark-to-market	Amortization of debt issue cost and accretion of interest	Other noncash movements	March 31, 2024
Loans payable	₱114,589,135	₱14,104,516	₱870,699	₱386,689	₱–	₱129,951,039
Derivatives designated as hedges*	(1,434,167)	1,127,584	(1,116,360)	–	–	(1,422,943)
Lease liability	77,827	(96,020)	–	–	172,798	154,605
Total liabilities from financing activities	₱113,232,795	₱15,136,080	₱ (245,661)	₱386,689	₱172,798	₱128,682,701

**The cash flows of the derivatives designated as hedges are classified under the financing activities consistent with cash flows of the hedged item.*

The Group and the Parent Company classify interest paid as cash flows under operating activities.

31. **Supplementary Information Required Under Appendix Q-32 of Section 173-Q and Appendix to Section 901-N of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI)**

Presented below is the supplementary information required by BSP under Appendix Q-32 of Section 173-Q and Appendix to Section 901-N of the MORNBFI to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

A. Financial performance indicator
Basic ratios that measure the financial performance of the Parent Company follow:

	2026	2025
Return on average equity (ROE)	**6.01%**	8.85%
Return on average asset (ROA)	**0.72%**	1.07%
Net interest margin over average earning assets	**4.31%**	4.50%

ROE is calculated by dividing net income after tax by the average total capital accounts. The average total capital accounts are determined by averaging the balances at the end of the current and previous fiscal years. ROA is calculated by dividing net income after tax by the average total assets. The average total assets are determined by averaging the balances at the end of the current and previous fiscal years.

B. Capital instruments
As of March 31, 2026 and 2025, the Group's and Parent Company's capital instrument pertains to common stock amounting to ₱8.70 billion.

C. Total exposure measure
An analysis of concentrations of credit risk for loans and receivable (gross of allowance for credit losses) of the Group and Parent Company as of March 31, 2026 and 2025 are as follows:

	2026		2025	
	Amount	**%**	Amount	%
Other community and personal activities	**₱40,494,480**	**23.22%**	₱36,738,155	23.50%
Wholesale and retail trade	**33,984,985**	**19.48%**	28,028,891	17.93%
Social work activities	**23,327,780**	**13.37%**	22,305,377	14.27%
Transportation, storage and communication	**15,194,081**	**8.71%**	13,901,705	8.89%
Real estate, renting and business activities	**13,042,496**	**7.48%**	12,348,386	7.90%
Education	**10,878,989**	**6.24%**	10,693,908	6.84%
Manufacturing	**9,884,461**	**5.67%**	9,026,384	5.77%
Hotels and restaurants	**9,116,036**	**5.23%**	7,119,949	4.55%
Financial intermediaries	**6,404,586**	**3.67%**	5,913,983	3.78%
Construction	**5,364,054**	**3.08%**	4,623,489	2.96%
Agricultural, hunting and forestry, fishing	**3,950,007**	**2.26%**	3,294,338	2.11%
Electricity, gas and water	**2,282,600**	**1.31%**	1,786,471	1.14%
Mining and quarrying	**506,624**	**0.29%**	548,350	0.35%
	₱174,431,179	**100.00%**	₱156,329,386	100.00%

The BSP considers that concentration of credit exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio.

D. Breakdown of total loans as to security
All of the Group's and Parent Company's receivables from customers are secured by chattel mortgage. The following table shows the breakdown of secured receivables from customers as of March 31, 2026 and 2025:

	2026		2025	
	Amount	**%**	Amount	%
Secured by:				
Chattel mortgage	**₱18,199,553**	**10.40**	₱16,255,967	10.40
Contract of lease*	**156,231,626**	**89.60**	140,073,419	89.60
	₱174,431,179	**100.00**	₱156,329,386	100.00

**For leasing accounts, official receipt and certificate of registration are under the name of the Company; thus, ownership is retained by the Company until such time that accounts have been fully settled.*

E. Breakdown of total loans as to status
Generally, non-performing loans (NPLs) refer to loans whose principal and/or interest is unpaid for more than ninety (90) days after due date or after they have become past due in accordance with existing BSP rules and regulations. This shall apply to loans payable in lump sum and loans payable in quarterly, semiannual, or annual installments, in which case, the total outstanding balance thereof shall be considered nonperforming.

In the case of receivables that are payable in monthly installments, the total outstanding balance thereof shall be considered nonperforming when three (3) or more installments are in arrears.

The following table shows the breakdown of receivables from customer net of unearned interest and discount and excluding residual value of leased assets as to performing and non-performing as of March 31, 2026 and 2025:

	2026	2025
Performing loans		
Finance lease receivables	**₱152,714,517**	₱ 137,082,948
Receivables financed	**18,052,585**	16,120,160
	170,767,102	153,203,108
NPLs		
Finance lease receivables	**3,517,109**	2,990,471
Receivables financed	**146,968**	135,807
	3,664,077	3,126,278
Total	**₱174,431,179**	₱156,329,386

The following table shows the breakdown of NPLs as to security March 31, 2026 and 2025:

	2026		2025	
NPLs	**Amount**	**%**	Amount	%
Secured by:				
Chattel mortgage	**₱146,968**	**4.01**	₱135,807	4.34
Contract of lease*	**3,517,109**	**95.99**	2,990,471	95.66
	₱3,664,077	**100.00**	₱3,126,278	100.00

The Group and the Parent Company considered the loans as NPL, even if not considered impaired if any principal and/or interest is unpaid for more than ninety (90) days from the contractual due date.

F. Information on related party loans
Under MORNBFI Section 321-Q, the Group and the Parent Company should not directly or indirectly make a loan to any directors, officers, stockholders and related interests. As of March 31, 2026 and 2025, the Parent Company has no DOSRI account.

	2026		2025	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	**₱–**	**₱–**	₱–	₱–
Percent of DOSRI/Related Party loans to total loan portfolio	–	–	–	–
Percent of unsecured DOSRI/Related Party loans to total loan portfolio	–	–	–	–
Percent past due DOSRI/Related Party loans to total loan portfolio	–	–	–	–
Percent of non–performing DOSRI/Related Party loans to total loan portfolio	–	–	–	–

G. Aggregate amount of secured liabilities and asset pledged as security
As of March 31, 2026 and 2025, other than SPURA, the Parent Company did not pledge as security any of its assets and did not have secured liabilities.

H. Commitments and contingencies
As of March 31, 2026 and 2025, the Parent Company has derivative financial instruments with notional amount of ₱22.18 billion and ₱22.93 billion, respectively. There are no other contingencies and commitments arising from off-balance sheet items.

I. Other supplementary information applicable to Electronic Money Issuers (EMIs)
As of March 31, 2026 and 2025, the Parent Company's outstanding liabilities and borrowings with creditors are as follows.

	2026		2025	
	Outstanding Balance	**Number of Creditors**	Outstanding Balance	Number of Creditors
Domestic bank loans	**₱105,236,620**	**15**	₱96,251,157	14
Foreign bank loans	**11,795,675**	**3**	8,283,273	4
Fixed rate notes	**14,126,317**	**1**	13,787,950	1
Notes payable	**11,144,095**	**2,365**	9,958,699	2,066
Bonds payable	**4,952,937**	**1**	–	–
Foreign bonds	**11,635,386**	**1**	12,365,701	2
	₱158,891,030	**2,386**	₱140,646,780	2,087

The Parent Company has corollary business activities related to its electronic money operations. The Parent Company’s primary source of revenue is interest income derived from financing transactions.

The liquidity cover of the Parent Company for March 31, 2026, and 2025 are as follows:

	2026		2025	
	Amounts in USD	**Amounts in PHP**	Amounts in USD	Amounts in PHP
A. Deposits and Investments				
1. Bank Deposits	**USD–**	**₱2,992,156**	USD–	₱2,534,507
2. Government Securities	–	–	–	–
3. Others	–	–	–	–
B. E-Money Balances				
Types of E-money cards/Instruments				
1. E-money in Php	–	**14,626**	–	1,365
2. E-money in other currencies	–	–	–	–
C. Excess (Deficiency) of Liquidity Cover	**USD–**	**₱2,977,530**	USD–	₱2,533,142

The Parent Company's total volume and value of e-money transactions for March 31, 2026 and 2025 are as follows:

		2026	
	No. of Transactions	**Amounts in USD**	**Amounts in PHP**
A. E-Money Beginning Balance	–	**USD–**	**₱1,365**
B. INFLOWS			
Conversion to E-Money			
1. Conversion from cash centers (OTC/Outlets/Local Partners)	–	–	–
2. ATM/Mobile Banking/Internet Banking	**9,704**	–	**66,853**
3. Remco Partners Abroad	–	–	–
4. Pre-funding from local partners	–	–	–
5. Others	–	–	–
C. OUTFLOWS			
Conversion to Currency			
1. Conversion from cash centers (OTC/Outlets/Local Partners)	–	–	–
2. ATM/POS Withdrawals	–	–	–
3. Sweeping of E-Money Wallet/Account	–	–	–
4. Fund transfer from E-Wallet to Deposit Account	–	–	–
5. Others	**5,912**	–	**53,592**
D. NET INFLOW/(OUTFLOW)		–	**13,261**
E. E-Money Ending Balance		–	**14,626**
F. Additional Information			
Usage			
1. Payments to Merchants	**5,912**	–	**53,592**
2. Bills Payment	–	–	–
3. Transfers to Other Subscribers (P2P/W2W)	–	–	–
4. Others	–	–	–

		2025	
	No. of Transactions	Amounts in USD	Amounts in PHP
A. E-Money Beginning Balance	–	USD–	₱817
B. INFLOWS			
Conversion to E-Money			
1. Conversion from cash centers (OTC/Outlets/Local Partners)	–	–	–
2. ATM/Mobile Banking/Internet Banking	1,625	–	9,607
3. Remco Partners Abroad	–	–	–

(Forward)

	2025		
	No. of Transactions	Amounts in USD	Amounts in PHP
4. Pre-funding from local partners	–	–	–
5. Others	–	–	–
C. OUTFLOWS			
Conversion to Currency			
1. Conversion from cash centers (OTC/Outlets/Local Partners)	–	–	–
2. ATM/POS Withdrawals	–	–	–
3. Sweeping of E-Money Wallet/Account	–	–	–
4. Fund transfer from E-Wallet to Deposit Account	–	–	–
5. Others	982	–	9,059
D. NET INFLOW/(OUTFLOW)		–	548
E. E-Money Ending Balance		–	1,365
F. Additional Information			
Usage			
1. Payments to Merchants	982	–	9,059
2. Bills Payment	–	–	–
3. Transfers to Other Subscribers (P2P/W2W)	–	–	–
4. Others	–	–	–

32. Supplementary Information Required Under Revenue Regulations 15-2010

The Parent Company reported and/or paid the following types of taxes for the year ended March 31, 2026:

<u>Gross Receipts Tax</u>
The Parent Company is subject to GRT on its gross income from Philippine sources. GRT is imposed on interest, commissions and discounts from lending activities at 5.00% or 1.00%, depending on the remaining maturities of instruments from which such receipts are derived, and at 7.00% on non-lending fees and commissions, trading and foreign exchange gains and other items constituting gross income.

Details of the Parent Company's income and GRT accounts in 2026 are as follows:

	Gross Receipts	GRT
Income derived from lending activities	₱16,908,371	₱845,419
Other income	957,320	67,012
	₱17,865,691	₱912,431

<u>Taxes and Licenses</u>
For the year ended March 31, 2026, 'Taxes and licenses' account of the Parent Company consists of:

Gross receipt taxes	₱912,431
Documentary stamps taxes	96,100
Local taxes	38,052
Others	32,448
	₱1,079,031

Others include fringe benefits tax, Land Transportation Office registration and SEC registration fee.

Withholding Taxes

	Total Remittances	Balance
Expanded withholding taxes	₱339,378	₱41,173
Final withholding taxes	420,404	40,170
Withholding taxes on compensation and benefits	57,568	12,192
	₱817,350	₱93,535

Tax Assessment
As of July 2, 2026 the Parent Company has no pending tax assessment from the BIR.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Toyota Financial Services Philippines Corporation
32F, GT Tower
Ayala Ave. cor. HV Dela Costa St.
Makati City

We have audited the parent company financial statements of Toyota Financial Services Philippines Corporation (the Company) as at and for the fiscal year ended March 31, 2026, on which we have rendered the attached report dated July 2, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Company has two (2) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Alvin R. Lagrimas
Alvin R. Lagrimas
Partner
CPA Certificate No. 0134448
Tax Identification No. 400-496-026
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 134448-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
BIR Accreditation No. 08-001998-199-2025, December 9, 2025, valid until December 8, 2028
PTR No. 10765061, January 2, 2026, Makati City

July 2, 2026

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Toyota Financial Services Philippines Corporation
32F, GT Tower
Ayala Ave. cor. HV Dela Costa St.
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Toyota Financial Services Philippines Corporation and its subsidiary (the Group) as at and for the year ended March 31, 2026, and have issued our report thereon dated July 2, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Alvin R. Lagrimas
Alvin R. Lagrimas
Partner
CPA Certificate No. 0134448
Tax Identification No. 400-496-026
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 134448-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
BIR Accreditation No. 08-001998-199-2025, December 9, 2025, valid until December 8, 2028
PTR No. 10765061, January 2, 2026, Makati City

July 2, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Toyota Financial Services Philippines Corporation
32F, GT Tower
Ayala Ave. cor. HV Dela Costa St.
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Toyota Financial Services Philippines Corporation (the Parent Company) and its subsidiary (the Group) as at and for the year ended March 31, 2026 and the parent company financial statements of the Parent Company as at March 31, 2026 and 2025 and for each of the three years in the period ended March 31, 2026 and have issued our report thereon dated July 2, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements and parent company financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended March 31, 2026 and to the parent company financial statements as at March 31, 2026 and 2025 and for each of the three years in the period ended March 31, 2026 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Alvin R. Lagrimas
Partner
CPA Certificate No. 0134448
Tax Identification No. 400-496-026
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 134448-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2026 to 2030 financial statements
BIR Accreditation No. 08-001998-199-2025, December 9, 2025, valid until December 8, 2028
PTR No. 10765061, January 2, 2026, Makati City

July 2, 2026

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
MARCH 31, 2026

Part I

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE RELATED INFORMATION

FOR THE YEAR ENDED MARCH 31, 2026 AND 2025

	2026	2025
Total Audit Fees	**₱1,800**	₱1,385
Non-audit service fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**3,300**	18,468
Total Non-audit Fees	**3,300**	18,468
Total Audit and Non-audit Fees	**₱5,100**	₱19,853

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION

SUPPLEMENTARY SCHEDULE OF FINANCING COMPANY RATIOS

MARCH 31, 2026

	Consolidated	**Parent Company**	
	2026	**2026**	2025
a. Real estate investment	**₱–**	**₱–**	₱–
b. Total assets	**184,193,204**	**184,204,868**	165,475,241
c. Total receivables	**173,202,940**	**173,198,585**	154,437,967
d. Total shareholders' equity	**21,583,267**	**21,583,267**	20,406,889
e. DOSRI	**–**	–	–
f. Receivable from single corporation	**–**	–	–
Financing Company Ratios			
Real estate investment over total assets (a/b)	**0.00%**	**0.00%**	0.00%
Total receivables over total assets (c/b)	**94.03%**	**94.02%**	93.33%
DOSRI receivables over net worth (e/d)	**0.00%**	**0.00%**	0.00%
Receivable from single corporation over total receivables (f/c)	**0.00%**	**0.00%**	0.00%

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS RATIOS

MARCH 31, 2026

		Consolidated	Parent Company		
		2026	**2026**	2025	2024
a.	Total Cash and Cash Equivalents	**₱6,680,423**	**₱6,675,659**	₱5,941,153	₱8,082,250
b.	Current Assets	**65,087,082**	**65,077,255**	59,708,732	55,623,872
c.	Current Liabilities	**60,693,044**	**60,704,708**	50,947,042	49,995,589
d.	Average Shareholders' Equity	**20,995,077**	**20,995,077**	19,203,202	16,983,207
e.	Total Shareholders' Equity	**21,583,266**	**21,583,266**	20,406,888	17,999,515
f.	Average Total Liabilities	**153,839,147**	**153,844,979**	140,246,189	127,173,820
g.	Total Liabilities	**162,609,938**	**162,621,602**	145,068,356	135,424,021
h.	Average Total Assets	**174,834,224**	**174,840,056**	159,449,390	144,157,026
i.	Average Total Earning Assets	**165,380,283**	**174,840,056**	149,107,951	133,299,884
j.	Total Assets	**184,193,204**	**184,204,868**	165,475,244	153,423,537
k.	Interest Expense	**9,571,195**	**9,571,283**	8,644,961	6,792,465
l.	Income before Income Tax	**1,706,436**	**1,701,890**	2,396,641	2,528,241
m.	Net Income	**1,261,277**	**1,261,352**	1,700,072	1,849,396
n.	Net Interest Income	**7,135,924**	**7,135,833**	6,703,679	6,287,765
o.	Income before Interest Expense and Income Tax	**11,277,631**	**11,259,292**	11,041,602	9,320,706

Financial Soundness Indicators				
Liquidity Ratio (a/c)	**11.01%**	**11.00%**	11.66%	16.17%
Solvency Ratios				
Current Ratio (b/c)	**107.24%**	**107.20%**	117.20%	111.26%
Current Liabilities to Net Worth (c/e)	**281.20%**	**281.26%**	249.66%	277.66%
Debt-to-Equity Ratio (g/e)	**753.41%**	**753.46%**	710.88%	752.38%
Asset-to-Equity ratio (j/e)	**853.41%**	**853.46%**	810.88%	852.38%
Interest Rate Coverage Ratios (o/k)	**117.83%**	**117.64%**	127.72%	137.22%
Profitability Ratios				
Return on Assets (m/h)	**0.72%**	**0.72%**	1.07%	1.28%
Return on Equity (m/d)	**6.01%**	**6.01%**	8.85%	10.89%
Net Interest Margin (n/i)	**4.31%**	**4.08%**	4.50%	4.72%

Notes:

(1) Average balance is current year balance plus previous balance divided by two (note: current and previous years' balances pertain to March 31 year-end balances)

(2) Total Earning Assets pertain to loans and receivables net of unearned income

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended March 31, 2026

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION

32nd Floor, GT Tower International, 6813 Ayala Avenue corner H.V. Dela Costa Street, Makati City

(Amounts in thousands)

Unappropriated Retained Earnings, beginning of reporting period		**₱10,698,609**
Less: Deferred Tax Asset, beginning of the reporting period		**616,074**
Unappropriated Retained Earnings, beginning of reporting period available for dividend		**10,082,535**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		–
Share in changes in net assets of the subsidiary		75
Unappropriated Retained Earnings, as adjusted		**10,082,460**
Add/Less: Net Income (Loss) for the current year		**1,261,352**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		–
Share in net income of the subsidiary	–	**13,881**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		–
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		–
Adjusted Net Income/Loss		**1,247,471**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		–
Add: Category E: Adjustments related to relief granted by SEC and BSP		–
Add (Less): Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		–
Net movement of deferred tax asset not considered in the reconciling items in the previous categories	**86,746**	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction	**1,874**	
Subtotal		**88,620**
Total Retained Earnings, end of the reporting period available for dividend		**₱11,418,551**

Toyota Financial Services Philippines Corporation
Schedule A – Financial Assets
March 31, 2026
(Amounts in Thousands)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet*	Valued based on market quotation at end of reporting period	Income received and accrued

NONE TO REPORT

Toyota Financial Services Philippines Corporation
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
March 31, 2026
(Amounts in Thousands)

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non-Current	Balance at end of period

The Group has no receivables from directors, officers, employees, related parties and principal stockholders that did not arise from ordinary course of business.

Toyota Financial Services Philippines Corporation
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
March 31, 2026
(Amounts in Thousands)

Name of Debtor	Relationship	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non-Current	Balance at end of period
Toyota Insurance Services Philippines Corporation	Subsidiary	**₱–**	**₱305**	**₱**	**₱–**	**₱305**	**₱–**	**₱305**

Toyota Financial Services Philippines Corporation
Schedule D - Long-Term Debt
March 31, 2026
(Amounts in Thousands)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rate %	Maturity Date
Domestic Bonds	₱20 billion		₱5,000,000	5.77% to 5.94%	various
Foreign Bonds	$25 million		10,915,420	3.85% to 6.50%	various
Foreign Bank Loans	₱10 billion		11,235,375	5.30% to 6.78%	various
Total			₱27,150,795		

Toyota Financial Services Philippines Corporation
Schedule E - Indebtedness to Related Parties
(Long-term Loans from Related Companies)
March 31, 2026
(Amounts in Thousands)

Name of Related Parties [(i)]	Balance at beginning of period	Balance at end of period [(ii)]
Toyota Motor Credit Corporation	₱–	₱6,074,800
Toyota Motor Finance Netherlands	₱2,860,500	₱4,252,360

[(i)] The related parties named shall be grouped as in Schedule D. The information called shall be stated for any persons whose investments shown separately in such related schedule.

[(ii)] For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

Toyota Financial Services Philippines Corporation
Schedule F - Guarantees of Securities of Other Issuers
March 31, 2026
(Amounts in Thousands)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding (i)	Amount owned by person of which statement is filed	Nature of guarantee (ii)

None to Report

(i) Indicate in a note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
(ii) There must be a brief statement of the nature of the guarantee, such as “Guarantee of principal and interest”, “Guarantee of Interest”, or “Guarantee of Dividends”. If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

Toyota Financial Services Philippines Corporation
Schedule G - Capital Stock
March 31, 2026

(Absolute numbers of shares)

Title of Issue [i]	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties [ii]	Directors, officers and employees	Others [iii]
Common stock - ₱100 par value						
Authorized – shares	**90,000,000**					
Issued and outstanding		87,000,000	–	86,999,992	8	–

---

[i] Include in this column each type of issue authorized
[ii] Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.
[iii] Indicate in a note any significant changes since the date of the last balance sheet filed.

Toyota Financial Services Philippines Corporation
Schedule H – Schedule for Listed Companies with a Recent Offering of Securities to the Public
March 31, 2026
(Amounts in Thousand)

	Gross Proceeds as disclosed in the Final Prospectus	Expenditure Items	Net Proceeds as disclosed in the Final Prospectus	Actual Gross Proceeds	Actual Net Proceeds	Balance of the proceeds as of the reporting period

None to Report