AMWSLAI AUDITED FINANCIAL STATEMENT

2025

AIR MATERIEL WING SAVINGS & LOAN ASSOCIATION, INC.

Financial Statements

For the Years Ended December 31, 2025 and 2024

(with report of Independent Auditor)

ACLAN AND CO. CPAS

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VCSR Commercial Center, Balibago
Sta. Rosa City, Laguna 4026
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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and Members
AIR MATERIEL WING SAVINGS & LOAN ASSOCIATION, INC.
(A Non-Stock Savings and Loan Association)
AMWSLAI Bldg Cor Boni Serrano & 18th Ave Murphy Cubao
Quezon City

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of AIR MATERIEL WING SAVINGS & LOAN ASSOCIATION, INC. (the "Association"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at December 31, 2025 and 2024, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required by the Bureau of Internal Revenue under Revenue Regulations No. 15-2010 and Bangko Sentral ng Pilipinas Circular No. 1075

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses and related party transactions in the notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and Bangko Sentral ng Pilipinas Circular No. 1075, respectively, is not a required part of the basic financial statements. Such information is the responsibility of the management of the Association. The information has been subjected to the auditing procedures applied in the 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.

ACLAN & CO. CPAS

AGNES JADE O. ACLAN
Partner
CPA Cert. No. 181133, Valid Until: 21 Aug 2026
BOA/PRC AN: (Individual) 9544/P-002, Valid Until: 07 Aug 2028
SEC AN: (Individual) 181133-SEC, Group C, valid to engage in the audit of 2023 to 2027 FS
BSP AN: (Individual) 181133-BSP, Group B, valid to engage in the audit of 2022 to 2026 FS
BOA/PRC AN: (Firm) 9544, Valid Until: 07 Aug 2028
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BSP AN: (Firm) 9544-BSP, Group B, valid to engage in the audit of 2022 to 2026 FS
BIR AN: 09-008001-001-2024, Valid Until: 07 Mar 2027
PTR No. 5237347, Valid Until: 31 Dec 2026, Sta Rosa City, Laguna
TIN 261-620-824

March 26, 2026
Sta Rosa City, Laguna

ACLAN AND CO. CPAS

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**REPORT OF THE INDEPENDENT AUDITOR
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
BUREAU OF INTERNAL REVENUE**

The Board of Trustees and Members
AIR MATERIEL WING SAVINGS & LOAN ASSOCIATION, INC.
(A Non-Stock Savings and Loan Association)
AMWSLAI Bldg Cor Boni Serrano & 18th Ave Murphy Cubao
Quezon City

We have audited the accompanying financial statements of AIR MATERIEL WING SAVINGS & LOAN ASSOCIATION, INC. (the "Association"), as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 26, 2026.

In compliance with Revenue Regulations V-20, we are stating that we are not related by consanguinity or affinity to the officers and any member of the Board of Trustees and Management of the Association.

ACLAN & CO. CPAS

AGNES JADE O. ACLAN
Partner
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March 26, 2026
Sta Rosa City, Laguna

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REPORT OF INDEPENDENT AUDITOR
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Trustees and Members
AIR MATERIEL WING SAVINGS & LOAN ASSOCIATION, INC.
(A Non-Stock Savings and Loan Association)
AMWSLAI Bldg Cor Boni Serrano & 18th Ave Murphy Cubao
Quezon City

We have examined the financial statements of AIR MATERIEL WING SAVINGS & LOAN ASSOCIATION, INC. (the "Association") as at and for the years ended December 31, 2025 and 2024, on which we have rendered the attached report dated March 26, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Association has zero (0) shareholders owning one hundred (100) or more shares each.

ACLAN & CO. CPAS

AGNES JADE O. ACLAN
Partner
CPA Cert. No. 181133, Valid Until: 21 Aug 2026
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PTR No. 5237347, Valid Until: 31 Dec 2026, Sta Rosa City, Laguna
TIN 261-620-824

March 26, 2026
Sta Rosa City, Laguna

AUDITED FINANCIAL STATAMENTS

AIR MATERIEL WING SAVINGSAND LOAN ASSOCIATION, INC.
(A Non-Stock Savingsand LoanAssociation)
STATEMENTS OFFINANCIALPOSITION
As at December31, 2025and 2024
(In Philippine Peso)

	NOTES	2025	2024
ASSETS			
Cash and cash equivalents	9	P4,540,148,592	P4 ,828,883,508
Cash- withdrawable share reserve	9	317,432,135	328,483,459
Loans and other receivables – net	10	18,674,218,316	18,681,428,038
Investment properties – net	11	27,387,362	26,883, 929
Property and equipment – net	12	779,454,879	754,322,121
Right of use assets – net	13,32	10,100,604	7,805,897
Net pension asset	31	11,867,204	-
Other assets	14	65,821,851	57,674, 914
TOTAL ASSETS		P24,426,430,943	P24,685,481,866
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Deposit liabilities	16	P2,883,532,109	P2 ,945,881,892
Accrued expenses	17	40,919,499	43,971, 935
Net pension liability	31	-	18,276, 969
Lease Liabilities	32	10,689,140	8,214,182
Other liabilities	18	2,129,624,955	2,009,384,584
		5,064,765,703	5,025,729,562
MEMBERS' EQUITY			
Capital contribution	21	14,456,369,125	14,894,331,794
Withdrawable share reserve	22	289,127,383	297,886,636
Surplus free	23	4,890,769,511	4,714,896,600
Other comprehensive loss	31	(370,381,4 12)	(343,143,359)
Other surplus reserve	24	95,780,633	95,780, 633
		19,361,665,240	19,659,752,304
TOTAL LIABILITIES AND MEMBERS' EQUITY		P24,426,430,943	P24,685,481,866

See Notes to the Financial Statements

AUDITED FINANCIAL STATAMENTS

AIR MATERIEL WING SAVINGSAND LOAN ASSOCIATION, INC.
(A Non-Stock Savingsand Loan Association)
STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31,2025 and 2024
(In Philippine Peso)

	NOTES	2025	2024
FINANCE INCOME	26	P2,764,973,342	P2 ,792,973,773
FINANCE COST	28	183,604,585	218,626,976
		2,581,368,757	2,574,346,797
OTHER INCOME	27	428,468,412	463,948,902
		3,009,837,169	3,038,295,699
OPERATING EXPENSES	29,30	1,202,399,705	1,114,134,889
NET INCOME BEFORE INCOME TAX		1,807,437,464	1,924,160,810
INCOME TAX EXPENSE	33	1,296, 985	1,331,442
NET INCOME		1,806,140,479	1,922,829,368
OTHER COMPREHENSIVE INCOME			
Remeasurement gains (losses) on defined benefit liability/plan asset	31	(27,238,053)	(28 ,747,974)
TOTAL COMPREHENSIVE INCOME		P1,778,902,426	P1 ,894,081,394

See Notes to the Financial Statements

AUDITED FINANCIAL STATAMENTS

AIR MATERIEL WING SAVINGS AND LOAN ASSOCIATION, INC.
(A Non-Stock Savings and Loan Association)
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
For the years ended December 31,2025 and 2024
(In Philippine Peso)

	NOTES	2025	2024
MEMBERS' CAPITAL CONTRIBUTION	21		
Balance, January 1		P14,894,331,794	P15,006,660,337
Deposits from capital contribution		933,811,062	1,138,208,493
Transferred from dividends declared		65,827,274	155,685,643
Withdrawals		(1,437,601,005)	(1, 406,222,679)
Balance, December 31		14,456,369,125	14,894,331,794
WITHDRAWABLE SHARES RESERVE	22		
Balance, January1		297,886,636	300,133,207
Excess on WSR requirement		(8,759,253)	(2,246,571)
Balance, December 31		289,127,383	297,886,636
SURPLUS FREE	23		
Balance, January 1		4,714,896,600	4,511,242,408
Profit		1,806,140,479	1,922,829,368
Excess on WSR requirement	2	8,759, 253	2,246,571
Addition to other surplus reserves	2	-	(12 ,956,632)
Dividends and other adjustment	2	(1,639,026,821)	(1, 708,465,115)
Balance, December 31	4	4,890,769,511	4,714,896,600
OTHER SURPLUS RESERVE			
Balance, January 1	24	95,780,633	82,824,
Addition to other surplus reserves		-	001
Balance, December 31		95,780,633	12,956,
			632
OTHER COMPREHENSIVE LOSS	31		95,780,
Balance, January1		(343,143,3 59)	633 (314,395,385)
Other comprehensive income (loss)		(27,238,053)	(28 ,747,974)
Balance, December 31		(370,381,4 12)	(343,143,359)
TOTAL MEMBERS' EQUITY		P19,361,665,240	P19,659,752,304

See Notes to the Financial Statements

AUDITED FINANCIAL STATAMENTS

AIR MATERIEL WING SAVINGS AND LOAN ASSOCIATION, INC.
(A Non-Stock Savings and Loan Association)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(In Philippine Peso)

	NOTES	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income before tax		**P1,807,437,464**	P1,924,160,810
Adjustments for:			
Finance cost	*28*	**183,604,585**	218,626,976
Provision for probable losses	*15*	**116,785,353**	143,886,546
Retirement benefits	*31*	**27,617,774**	33,352,346
Depreciation and amortization of leasehold improvements	*30*	**69,509,930**	62,254,196
Interest expense on lease liabilities	*30*	**899,263**	809,634
Impairment loss on investment properties	*30*	-	1,671,838
Gain on retirement of ROU Assets	*27*	-	(60,423)
Gain on sale of property	*27*	**(302,038)**	(1,364,681)
Operating cash flows before changes in working capital		**2,205,552,331**	2,383,337,242
Changes in the operating assets and liabilities			
Decrease (increase) in:			
Loans and receivables	*10*	**(110,922,812)**	143,224,336
Other assets	*14*	**(8,146,937)**	(5,925,351)
Increase (decrease) in:			
Deposit liabilities	*16*	**(1,156,156,427)**	(1,271,221,761)
Accrued expenses	*17*	**(3,052,436)**	1,915,201
Other liabilities	*18*	**120,240,371**	44,219,223
Cash generated from operations		**1,047,514,090**	1,295,548,890
Lease liabilities paid	*32*	**(4,633,841)**	(4,410,882)
Income tax paid	*33*	**(1,296,985)**	(1,331,442)
Retirement benefits contribution (payment)		**(85,000,000)**	(242,956,632)
Net cash flows from operating activities		**956,583,264**	1,046,849,934
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	*12*	**(91,377,142)**	(82,822,101)
Additions to investment properties	*11*	**(1,133,777)**	(9,527,975)
Proceeds from disposal of property and equipment	*12*	**1,124,514**	2,233,050
Proceeds from disposal of investment properties	*11*	**457,151**	3,501,761
Net cash flows used in investing activities		**(90,929,254)**	(86,615,265)

Forward

AUDITED FINANCIAL STATAMENTS

AIR MATERIEL WING SAVINGS AND LOAN ASSOCIATION, INC.
(A Non-Stock Savings and Loan Association)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(In Philippine Peso)

	NOTES	2025	2024
CASH FLOW FROM FINANCING ACTIVITIES			
Finance cost paid	*28*	**(183,604,585)**	(218,626,976)
Proceeds from capital contribution	*21*	**933,811,062**	1,138,208,493
Withdrawals of capital contribution	*21*	**(1,437,601,005)**	(1,406,222,679)
Dividends and other adjustment	*25*	**(478,045,722)**	(443,322,054)
Net cash flows used in financing activities		**(1,165,440,250)**	(929,963,216)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(299,786,240)**	30,271,453
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	*9*	**5,157,366,967**	5,127,095,514
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	*9*	**P4,857,580,727**	P5,157,366,967
COMPOSITION			
Cash and cash equivalents	*9*	**P4,540,148,592**	P4,828,883,508
Cash-withdrawable share reserve	*9*	**317,432,135**	328,483,459
Total		**P4,857,580,727**	P5,157,366,967

See Notes to the Financial Statements