



OUR SOCIAL IMPACT AND SUSTAINABILITY REPORT



# ABOUT *THIS REPORT*

As a responsible financial institution, we acknowledge our vital role in creating a sustainable future for our stakeholders, communities, and the environment.

This report provides a summary of our commitment to Environmental, Social and Governance (ESG) practices.

It will also provide insights into our sustainability performance, risk management approaches, and activities that support the development of Small and Medium Enterprises (SMEs) across the Philippines.

Our report includes disclosures aligned with the Sustainability Accounting Standards Board standards of the IFRS Foundation, and also makes reference to Global Reporting Initiative (GRI) standards 302 (Energy), 305 (Emissions) and 405 (Diversity and Equal Opportunity).

Through this report you will see the steps Esquire has taken and will continue to take on our journey towards continuous growth.

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# A LETTER FROM RAJAN UTTAMCHANDANI

Dear Stakeholders,

We are pleased to share Esquire Financing Inc.'s 2023 Sustainability Report, which showcases our dedication to SME finance and creating a positive influence. As we look back on that challenging year, I am incredibly proud of the progress we have made in supporting Filipino businesses and contributing to the economic development of our country.

EFI has always acknowledged the vital role that SMEs play in our economy.

These innovative businesses generate employment, fuel progress, and foster resilience. We are dedicated to supporting SMEs by offering customized financial solutions that drive their aspirations for growth. This became even more important with the arrival of the COVID-19 pandemic that disrupted lives and businesses. Even in the face of adversity, we stood by our commitment to SMEs. Our financial solutions became lifelines for SMEs navigating the storm.

## OUR COMMITMENT TO ESG PRINCIPLES

Recognizing the critical role of small and medium-sized enterprises (SMEs) in reviving the economy, EFI stepped forward as a true champion. Our unwavering commitment to ESG principles translated into tangible actions that empowered struggling businesses:

- **Supporting SMEs with Bridge Loans: Understanding the immediate cash flow crunch faced by SMEs, EFI introduced special bridge financing programs. These programs acted as a lifeline, helping businesses cover operational costs, bridge temporary revenue gaps, and adapt to the evolving market landscape.**
- **Adapting to Uncertainty: Flexible Repayment Options: Knowing that businesses were navigating unpredictable circumstances, EFI offered flexible repayment plans tailored to individual needs. This allowed SMEs to manage their cash flow more effectively and avoid loan defaults.**
- **Fast-Track Funding: Streamlined Application Process: Acknowledging the urgency for financial support, EFI streamlined the application process. This resulted in fast credit decisions and funding disbursement within days of approval, helping businesses stay afloat and pursue opportunities for recovery.**

Our business strategy and operations supports AmBisyon Natin 2040 which calls for economic growth that is relevant, inclusive and sustainable. We note that enterprise finance has been identified by the government as a priority sector having a direct impact on AmBisyon 2040.

We are also aligned with the UN Sustainable Development Goals (SDGs). Let me highlight how our work directly aligns with several of these goals:

- Goal 8: Decent Work and Economic Growth: By supporting SMEs, we contribute to job creation, economic stability, and poverty reduction. Every loan disbursed translates into livelihoods sustained and families uplifted.
- Goal 9: Industry, Innovation, and Infrastructure: Our financing solutions empower SMEs to invest in technology, modernize their operations, and enhance productivity. A thriving SME sector fuels overall economic progress.
- Goal 17: Partnerships for the Goals: Collaboration is at our core. We work closely with international financial institutions and local banks to amplify our impact.

As we face the challenges of a rapidly changing world, EFI remains steadfast in our mission. I invite you to explore this report, and welcome any feedback on how we can do better.

Sincerely,



Rajan Uttamchandani  
Chief Executive Officer



# ALL ABOUT *ESQUIRE FINANCING INC.*

Esquire Financing, Inc. (EFI) was established in 2011 with a clear focus on catering to the financing needs of SMEs. As a non-bank financing company, EFI has transformed the industry by making the loan application process quick and simple. Today, the company has over 250 employees serving 28,000 customers, and has emerged as the undeniable frontrunner in providing non-collateral loans for Filipino businesses.

We are duly licensed by the SEC with Registration Number CS201102284 and Certificate of Authority to Operate No. 102

# PRODUCTS & *SERVICES WE OFFER*



## **Non-collateralised Business Loans**

EFI caters to SMEs by offering loans without requiring them to pledge assets, making it easier for them to access capital. Loan sizes cater to a wide range of SME needs, with amounts ranging from PHP 100,000 to PHP 100,000,000.



## **Fast Processing for Quick Access to Capital**

Businesses can receive a credit decision within the same day or the next business day after submitting all required information.



## **Hassle-Free Processing**

Streamlined application process: EFI minimizes paperwork and simplifies the loan application process to reduce hassle for SMEs.



## **Tailored Business Loan Solutions**

Designed to meet the specific needs of each SME, considering their unique circumstances and growth goals, inclusive of flexible repayment plans, allowing businesses to manage their loan obligations and cash flow effectively.



## **Dedicated Account Managers:**

Personalized service and support are provided through dedicated account managers who assist SMEs in navigating the loan process and growing their operations.





# OUR APPROACH TO SOCIAL IMPACT AND SUSTAINABILITY

Our approach to sustainability is anchored on our vision, mission and values.

## VISION

*To empower entrepreneurs across the Philippines by providing integrated financial support and strategic expertise.*

## MISSION

*To Fuel the Dreams of entrepreneurs and SMEs with tailored financial solutions and expert guidance. By 2027, we aim to support 100,000 SMEs, contributing to their success and our nation's prosperity. Our journey is one of inspiration and nurturing business aspirations throughout the Philippines.*

## VALUES



### *Efficiency*

*We work as a team to promote an unparalleled customer experience to one and all.*



### *Flexibility*

*We create possibilities through open communication with all of our stakeholders, internally and externally.*



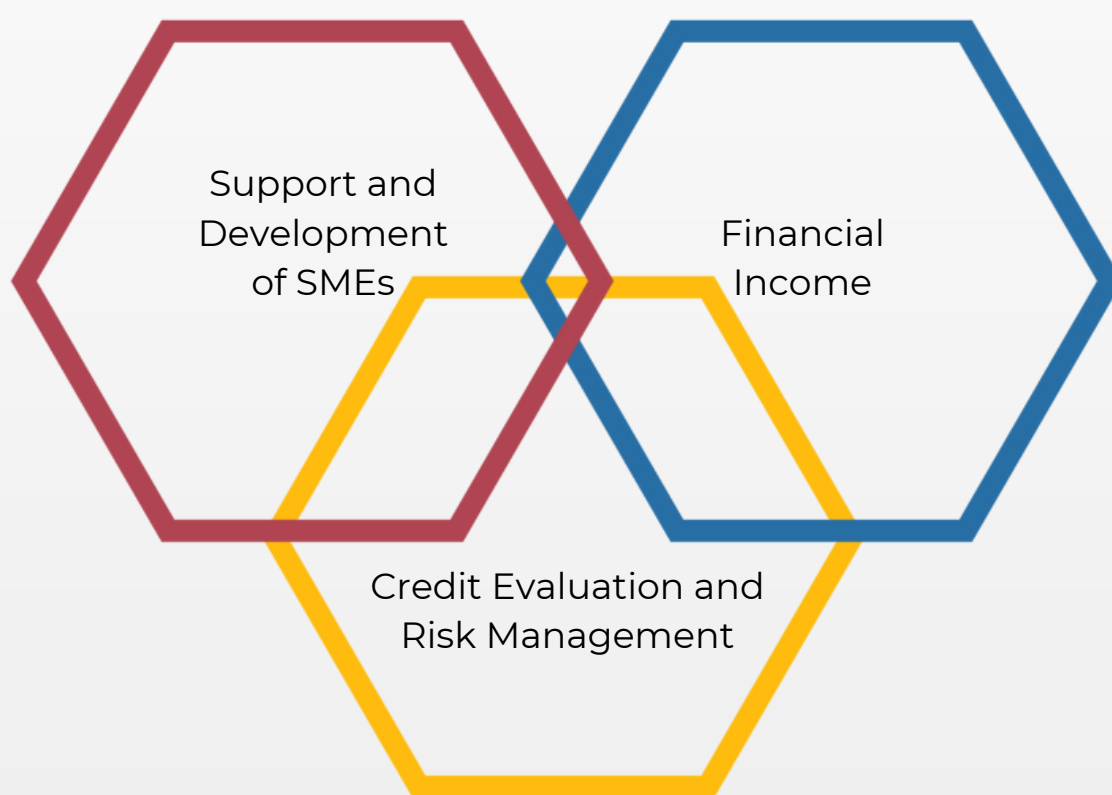
### *Integrity*

*Trust and honesty are the pillars of our organization, we ensure this is observed through all of our interactions.*



# THE IMPACT *WE AIM TO MAKE*

Our sustainability strategy focuses both on the positive impact we want to make on SMEs and the economy, and managing risks and opportunities for the business. Hence, at the core of our approach are risk management and credit evaluation.



Esquire Financing aims to:

- Increase positive impacts by aligning with sustainable development priorities.
- Minimize negative impacts through responsible business conduct and continuous due diligence.
- Sustainability is overseen by the Board of Directors and led by the Chief Executive Officer, with the objective of integrating sustainability in our core operations.

# THE MATERIALITY ASSESSMENT

We used the SASB Materiality Finder as a starting point for identifying material topics for disclosure. We also benchmarked against other financial institutions' sustainability disclosure practices to identify topics of most concern to investors and other stakeholders, and consulted senior management to confirm the final list of seven topics.

MATERIAL TOPIC	REMARKS
<b>CARING FOR OUR CUSTOMERS</b>	
FINANCIAL INCLUSION	This is essential to EFIs Mission and how it builds long term value and social capital.
DATA PRIVACY AND SECURITY	Given the amount of business and personal data that EFI holds on its customers, this topic is an essential responsibility of the company and a key operational risk to be managed.
<b>CARING FOR OUR BUSINESS AND OUR PEOPLE</b>	
BUSINESS ETHICS	This topic is about living out our values, in particular Integrity. It is also a key risk area to manage in order to protect the company's reputation.
RISK MANAGEMENT	This topic is core to protecting shareholder value and assessing how well positioned the company is to absorbing shocks arising from financial and economic stress.
WORKER WELFARE	This topic is aligned with our mission of fueling dreams of our team, and is about ensuring that we have an empowered workforce to drive business growth.
<b>MAKING A DIFFERENCE IN THE WORLD</b>	
INCORPORATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN LENDING PRACTICES	By considering ESG factors in its lending practices, EFI hopes to make a positive impact on the environment, society and the economy.
ENERGY AND EMISSIONS	Our biggest direct environmental impact is greenhouse gas emissions from our use of electricity and fuel for our vehicles. We are disclosing our emissions for the first time in order to set the baseline for future improvement.

Moving forward, we intend to deepen our materiality assessment by consulting stakeholders and assessing our positive and negative impact on them, to refine our list of disclosure topics

# CARING FOR *OUR CUSTOMERS*

## **FINANCIAL INCLUSION**

We believe that lending to SMEs plays a significant role in promoting financial inclusion in the Philippines. SMEs employ over 60% of the Philippine workforce, therefore boosting their competitiveness is vital to the Philippines' inclusive economic growth. Historically, SMEs have been underserved by mainstream financial institutions, so EFI's focus on SMEs with non-collateral loans fills this need. By providing loans to these businesses, lending institutions enable them to expand their operations, create jobs, and stimulate innovation and competitiveness.



## DREAMS WE HAVE FUELLED:

### *Pathway Technologies*

The construction industry often faces tension between progress and environmental impact. Pathway Technologies, a young company committed to sustainable infrastructure solutions, experienced this firsthand. Launched just weeks before the COVID-19 pandemic hit, they faced a major hurdle – securing funding to fulfill orders for their innovative solutions and keep the company afloat.

However, their dedication to sustainability didn't go unnoticed. Esquire Financing, recognizing Pathway Technologies' potential to revolutionize the construction landscape, stepped in to provide crucial financial support. This wasn't just a business decision; it was a statement about Esquire's commitment to ESG principles. By supporting a company prioritizing environmentally friendly practices, Esquire became more than just an investor – they became a partner in building a more sustainable future.

Pathway Technologies' story exemplifies the power of collaboration within the ESG framework. When financial institutions prioritize social and environmental responsibility alongside financial returns, they can create a ripple effect of positive change. This partnership between a forward-thinking company and a socially conscious financial institution paves the way for a future where sustainable construction practices are not just an option, but the standard. It's a future where innovation and financial support go hand-in-hand to build a more sustainable infrastructure for generations to come.



## DREAMS WE HAVE FUELLED:

### *Illo's*

Fueled by a heartwarming mission to bridge the gap between families and friends during the isolating early days of the pandemic, Illo's Party Trays sprouted from a home kitchen. But transforming this passion project into a thriving business required more than just delicious Filipino comfort food. Financial support was the missing ingredient.

Esquire Financing stepped in, recognizing the social impact woven into Illo's mission. This wasn't just about profit; it aligned perfectly with Esquire's commitment to Environmental, Social, and Governance (ESG) principles. By supporting a venture that fostered connection and community during a time of isolation, Esquire went beyond traditional financial metrics.

With Esquire's crucial funding, Illo's Party Trays was able to blossom. Their "Celebrate at Home" packages weren't just meals – they were experiences delivered to doorsteps, strengthening social bonds and bringing joy during a challenging time. But the impact extended far beyond heartwarming meals. Illo's commitment to supporting the local community translated into creating jobs and supporting local food suppliers, giving the economy a much-needed boost.

Furthermore, Illo's didn't forget the heroes on the frontlines. Through special Gourmet Party Boxes, they showed appreciation for the dedication and sacrifices of frontline workers. Illo's Party Trays transcended being just a food business; they became a beacon of community spirit and resilience. This collaboration between Illo's Party Trays and Esquire Financing serves as a powerful model for the future, demonstrating how financial institutions can invest in building a more connected, resilient, and thriving future for all.



# DATA

## *PRIVACY & SECURITY*

We understand that privacy and security are more than just legislative responsibilities; they are crucial to the trust our clients place in us. As a Personal Information Controller, we are committed to maintaining the greatest levels of data protection in compliance with the law and industry standards. Any privacy breach or data loss may result in fines, legal action, and financial losses for EFI.

Our Data Protection Officer, Carlo Castaneda, as well as our data processing systems, were duly registered with the National Privacy Commission for the year 2023. (Please confirm this)

Our Asset Management Policy governs the accessing, processing and disclosure of data and the use of information technology.

In 2023, we did not experience any data breaches reportable to the National Privacy Commission. Moving forward we plan to implement an Information Security Management System in accordance with ISO 27001.



# OUR BUSINESS *AND OUR PEOPLE*





## BUSINESS *ETHICS*

We take business ethics very seriously. Unethical business behavior by our company could expose us to legal action and loss of our social license to operate.

Our Employee Code of Discipline guides our people on ethical behavior and discipline, covering workplace behavior, dealings with customers, honesty, use of company assets, bribery and corruption, among others.

In August 2022, EFI issued a Whistleblowing Policy encouraging employees to report in good faith suspected or actual misconduct in the company without fear of retaliation.

In 2023, EFI did not experience any monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations. We hope to maintain our culture of compliance and ethical behavior through regular communication, training, and monitoring.



# RISK MANAGEMENT

Risk management is fundamental to the longevity and success of EFI. It helps ensure financial stability of the company, builds trust with clients, and allows for sustainable growth of the loan portfolio.

Esquire's Risk Management Department was established mid-2022 initially focused on the Operational Risk and Credit Risk Management of the Company. This is overseen by the Board of Directors and led by Senior Management.

We have created tools to assess risks and controls across the organization and assessed at periodic intervals to provide reasonable assurance to management that business objectives and its sustainability will be met. This helps in the early detection of risk exposures faced by the organization and assessment of mitigation strategies.

Our Money Laundering and Terrorist Financing Protection Program Manual prescribes control procedures to mitigate such risks and ensure compliance with applicable laws and regulations. It includes customer acceptance ("Know-Your-Customer") as well as transaction monitoring procedures.

As we continue to develop our risk management practices along with the growing size and complexity of the business, other risks concerning EFI's sustainability will also be addressed.





# EMPLOYEE WELFARE *AND DEVELOPMENT*

At EFI, our goal is to create a productive and enjoyable working environment for our employees. This approach not only supports the well-being of our team but also enhances overall productivity. Our Code of Discipline includes comprehensive policies designed to ensure a respectful, safe, and healthy workplace for everyone.

## FAIR WAGES AND POLICIES

Taking care of our employees means ensuring fair and just wages. We are fully compliant with Philippine labor standards and minimum wage law. It is our policy to not discriminate with respect to compensation, and seek to minimize differences between the genders, paying for performance and experience.

TITLE/YEAR	RATIO OF SALARY OF WOMEN TO MEN	
	2022	2023
Assistant	1.02	0.98
Associate	0.99	0.96
Officer	0.91	0.92
Manager	0.98	0.98
Assistant Vice President	1.81	1.81

## EMPLOYEE TRAINING AND DEVELOPMENT

Investing in our company's workforce is essential. Employee training and development maintains our company's competitiveness by ensuring it stays updated with the latest developments and innovations in our sector.

In 2023, our company increased its investment in employee development and it initiated monitoring of the training programs offered to our employees. In general, female employees utilized 1676.25 training hours, while male utilized 1135.25 hours.

	# OF EMPLOYEES	UNITS
<b>TOTAL TRAINING HOURS PROVIDED TO EMPLOYEES</b>		1676.25 Hours
FEMALE EMPLOYEES	115 EMPLOYEES	1135.25 Hours
MALE EMPLOYEES	69 EMPLOYEES	541 Hours

## HEALTH AND SAFETY FOR OUR EMPLOYEES

Ensuring the health and safety of our employees is a top concern for our company. Standard policies and procedures have been established to direct responses to health and safety incidents, including emergencies like fires, earthquakes and unforeseen situations. Health and safety reminders are routinely communicated to our employees through email postings and other established communication channels within our company.



# EMPOWERING *THE PEOPLE*

Beyond our direct employees, we also aim to empower our Sales Partners and Affiliates to create wealth for them.



## AMBASSADOR FOR SUCCESS

Ambassadors for Success isn't just another financial inclusion program. It incorporates Environmental, Social, and Governance (ESG) principles to create a lasting positive impact. Brand ambassadors build relationships with clients, guiding them through the loan process while earning commissions based on successful loan releases. This incentivizes them to effectively support clients. But it goes beyond just money. The program offers free weekly training, promoting financial literacy and empowering individuals with economic opportunities. Loans themselves can be geared towards eco-friendly businesses or sustainable practices, fostering environmental responsibility. By emphasizing ethical lending practices and transparent commission structures, Ambassadors for Success ensures a responsible approach. In essence, the program empowers individuals, promotes sustainability, and contributes to a brighter financial future, all wrapped up in a single initiative.





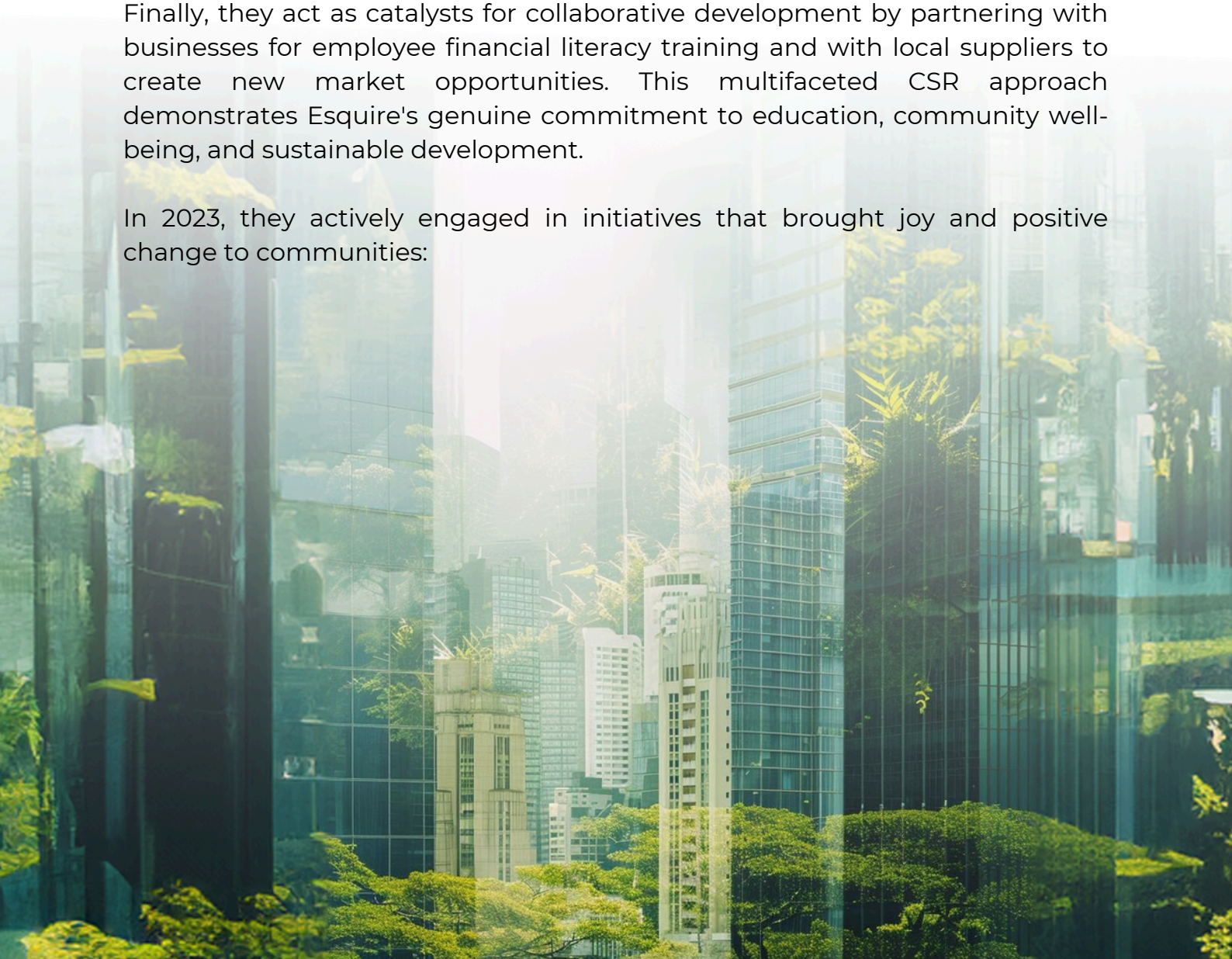
# CORPORATE SOCIAL *RESPONSIBILITY*

Esquire Financing weaves social responsibility into their core mission. Recognizing their success hinges on healthy communities, they champion education through scholarships and early childhood development programs.

Esquire fosters long-term partnerships, collaborating with local organizations on infrastructure, healthcare, and environmental initiatives.

Finally, they act as catalysts for collaborative development by partnering with businesses for employee financial literacy training and with local suppliers to create new market opportunities. This multifaceted CSR approach demonstrates Esquire's genuine commitment to education, community well-being, and sustainable development.

In 2023, they actively engaged in initiatives that brought joy and positive change to communities:



WE SUPPORT:

## *Empowering Payatas Youth*

Empowering Payatas Youth: Partnering with U! Happy, Esquire's CSR team organized a fun-filled event for children in the Payatas community. Educational games, creative activities, and a magic show fostered learning and entertainment.



WE SUPPORT:

## *The Haribon Foundation*

Alongside the Haribon Foundation, Esquire volunteers participated in a coastal cleanup at the Las Piñas-Parañaque Wetland Park. This initiative removed trash and contributed to a cleaner environment.



## WE SUPPORT:

### *Kythe*

Esquire partnered with Kythe to bring joy to young patients at the National Children's Hospital. Through a fun-filled event, they supported Kythe's mission of inspiring hope and creating a culture of care.



## WE SUPPORT:

### *Gawad Kalinga*

Esquire Financing Inc. has worked alongside partner Arnold Mckenzie who has been an educator all of his life as well as a pillar of support to students of international schools across the country. Through this partnership Esquire is able to support the full educational program of approximately 120 - 130 children yearly.



# MAKING A DIFFERENCE *IN OUR COMMUNITY*

Incorporating ESG factors into our lending practices fostering our long-term profitability as a business by managing reputational and compliance risk, while contributing positively to society and the environment.

We have embedded ESG factors in the way we do business, through our Environmental and Social Management System (ESMS), which is designed to be aligned with the International Finance Corporation's performance standards and good market practices. Our ESMS policy details due diligence procedures for environmental and social risks and legal compliance, including screening business activities to be financed against an exclusion list. It also prescribes standard environmental and social clauses to be included in loan agreements.

This reduces the risk that EFI finances activities detrimental to the environment or violating human rights, in line with the precautionary principle and the UN Guiding Principles on Business and Human Rights.



# ENERGY AND *EMISSIONS*

The Philippines, despite being a relatively low emitter of greenhouse gases (GHGs), faces immense impacts from climate change. It is our hope that our loans to SMEs will help finance the climate change adaptation and abatement efforts. Meanwhile, it is also important for us to be as energy efficient as we can so that we minimize our carbon dioxide emissions in our core operations.



## OUR ENERGY CONSUMPTION

With the opening of the Savya Financial Center in 2024, a green office building powered by renewable energy, we hope to be able to reduce our energy intensity and carbon footprint. Future opportunities for reducing our emissions also includes the gradual replacement of our fleet with hybrid and electric vehicles. Our medium term goal is to be able to measure financed emissions and other Scope 3 emissions in addition to our Scope 1 and 2 emissions.

The table below shows increasing energy consumption and resulting carbon dioxide emissions, as the economy recovered from the pandemic and our business volume increased.

ENERGY CONSUMPTION	2020	2021	2022	2023
DIESEL [LITRES]	14,689.04	20,384.35	25,165.87	25,297.32
GASOLINE [LITRES]	6,728.79	10,845.33	11,840.63	11,2350.00
ELECTRICITY [kWh]	85,743.41	107,428.11	116,172.28	118,052.00
<b>EMISSIONS</b>				
SCOPE ONE FROM DIESEL AND GASOLINE [tCO <sub>2</sub> e]	51.38	75.35	88.86	87.85
SCOPE 2-0 FROM ELECTRICITY [tCO <sub>2</sub> e]	61.07	76.51	82.74	84.08
TOTAL [tCO <sub>2</sub> e]	<b>112.45</b>	151.85	171.60	171.93





**A FINANCIAL**  
*SNAPSHOT 2023*

# A FINANCIAL SNAPSHOT 2023

## New Clients

**2023: 2,356 (Up 66%)**  
2022: 1,416 (Up 102%)  
2021: 701

## Transactions

**2023: 9,956 (Up 34%)**  
2022: 7,451 (Up 35%)  
2021: 5,500

## Employees

**2023: 206 (Up 20%)**  
2022: 172 (Up 9%)  
2021: 160

## FINANCIALS IN [PHP MILLIONS]

## Revenues

**2023: 3,289 (Up 25%)**  
2022: 2,636 (Up 19%)  
2021: 2,215

## Operating Income

**2023: 2,532 (Up 32%)**  
2022: 1,922 (Up 13%)  
2021: 1,697

## Net Income

**2023: 1,596 (Up 48%)**  
2022: 1,075 (Up 33%)  
2021: 809

## Financing Receivables

**2023: 8,820 (Up 3%)**  
2022: 8,545 (Up 15%)  
2021: 7,416

## Loan Loss Coverage

**2023: 120%**  
2022: 133%  
2021: 126%

## Total Assets

**2023: 20,858 (Down 4%)**  
2022: 21,789 (Up 21%)  
2021: 18,060

## Total Liabilities

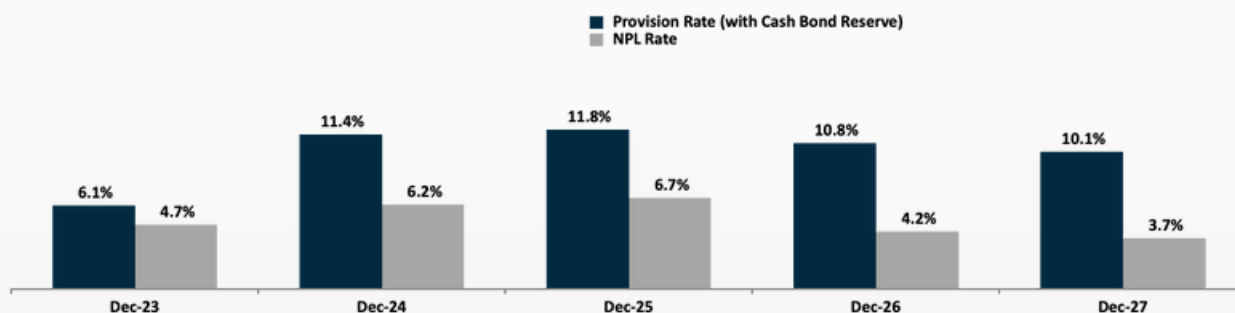
**2023: 9,156 (Down 22%)**  
2022: 11,680 (Up 29%)  
2021: 9,025

## Total Equity

**2023: 11,702 (Up 16%)**  
2022: 10,109 (Up 12%)  
2021: 9,036

# A QUALITY LOAN BOOK WITH A DIVERSIFIED PORTFOLIO

Esquire's loan quality has recovered back to pre-pandemic levels. Esquire's gross NPL above 90 days but below 365 days decreased from 6.7% in December 2021 to 3.7% in December 2023 (assuming all loans that are above 365 days past due are fully written off).



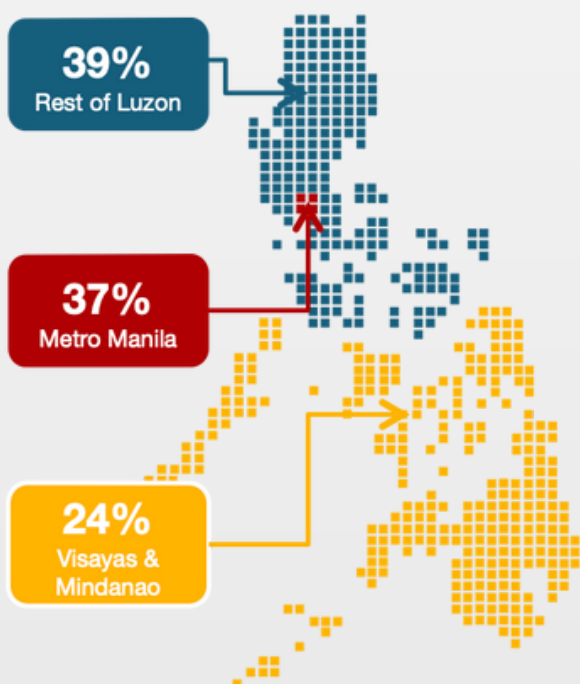
Note:

1. Provision Rate is calculated by taking the provision amount (including the unutilized cash bond reserve amount) after write off of loans that are more than 365 days past due divided by the gross loan book assuming NPL >365 DPD are written off.

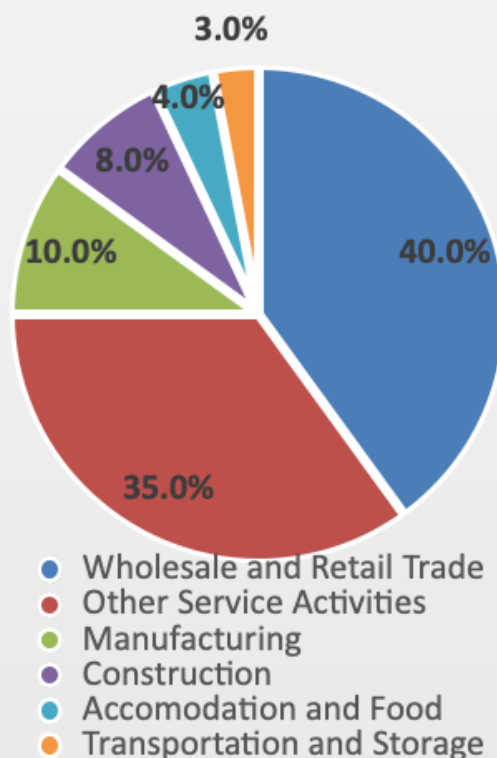
2. NPL Rate is calculated by taking the loans > 90 DPD (excluding NPL > 365 DPD) divided by the gross loan book assuming NPL >365 DPD are written off.

- PHP 1.1 million average loan per customers and PHP 1.1 million average loan per disbursement minimizes concentration risk
- Esquire focuses on lending to cash-generative SMEs which are in resilient business sectors
- Esquire has a well-diversified loan portfolio across industry and region

## Esquire's Loan Portfolio by Region



## Esquire's Loan Portfolio by Industry



# A CONSERVATIVE BALANCE SHEET

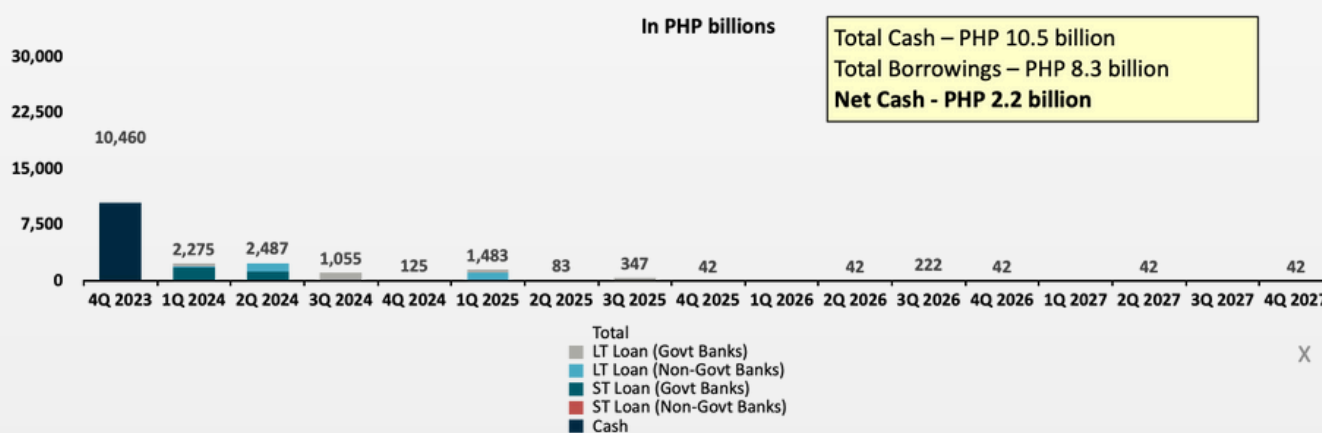
## Cost Ratios as of December 2023

DEBT TO EQUITY – 0.7X

NET DEBT TO EQUITY – (0.2)X

EQUITY TO TOTAL ASSETS – 56%

## Debt Maturity Profile as of 31 December 2023



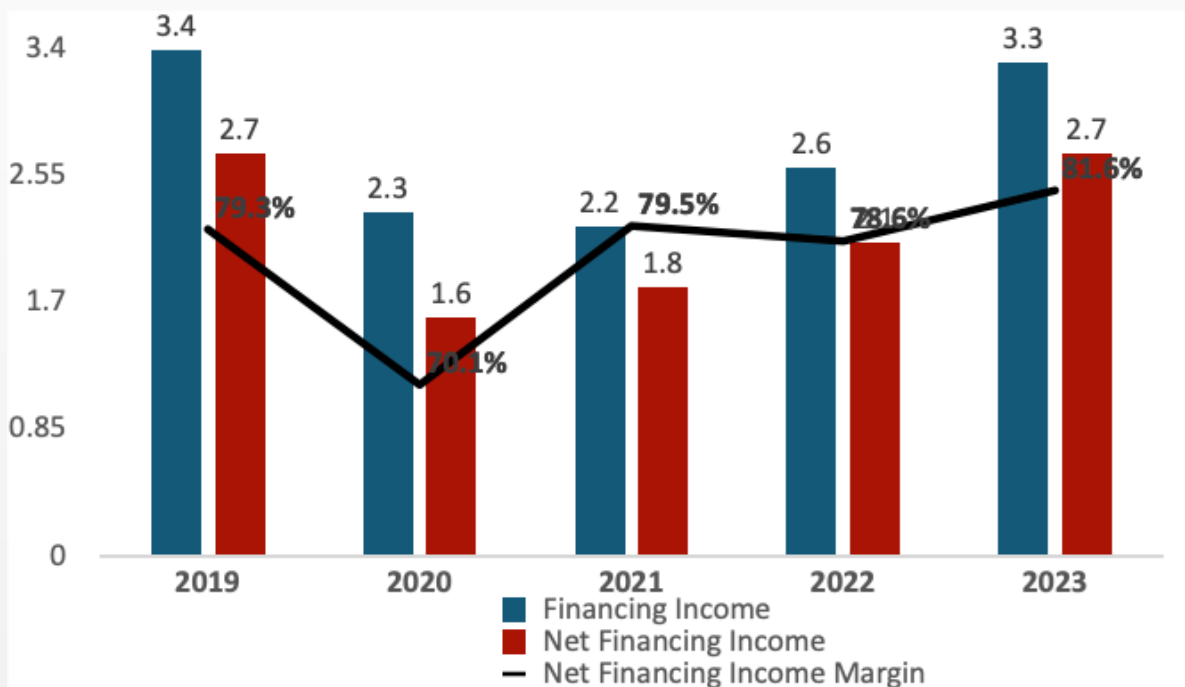
As of 31 December 2023, Esquire has a net cash position of PHP 2.1 billion and undrawn short-term bank lines of PHP 5.4 billion, putting it in a good position to continue growing its loan book for 2024 and 2025.

Esquire continues to be focused on optimizing its debt maturity profile by terming out short-term loan payables and using excess cash on balance sheet to repay maturing loan payables.

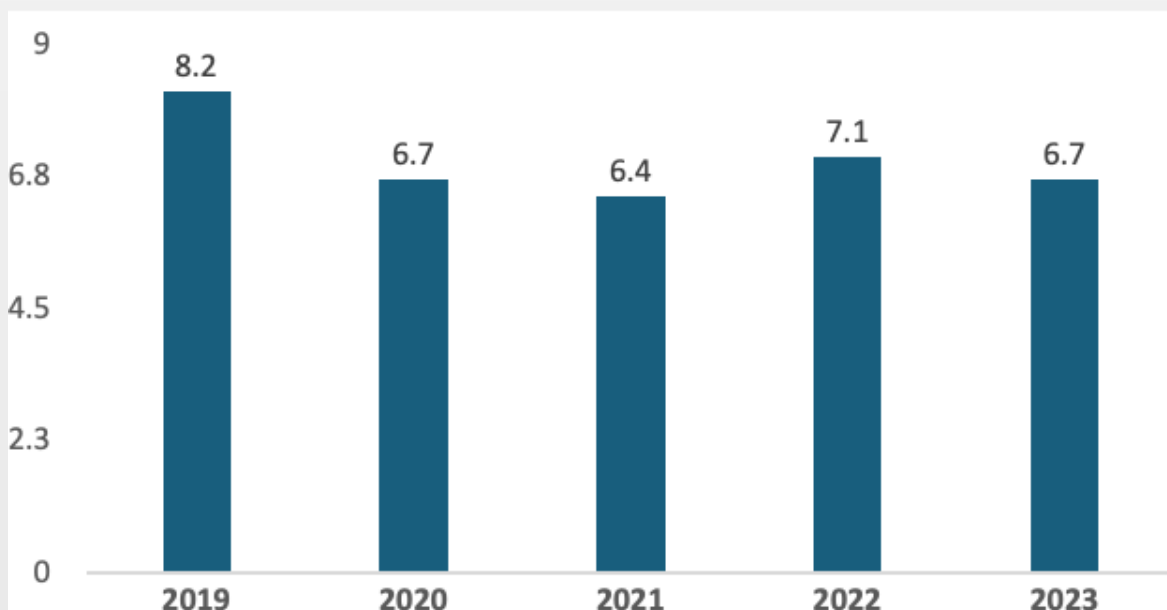
# HIGHLY ATTRACTIVE *FINANCIAL PERFORMANCE*

EFI has already exceeded pre-pandemic Net Financing Margins and has continued to prudently grow the loan book.

**Financing Income and Net Financing Income (in PHP billion)**



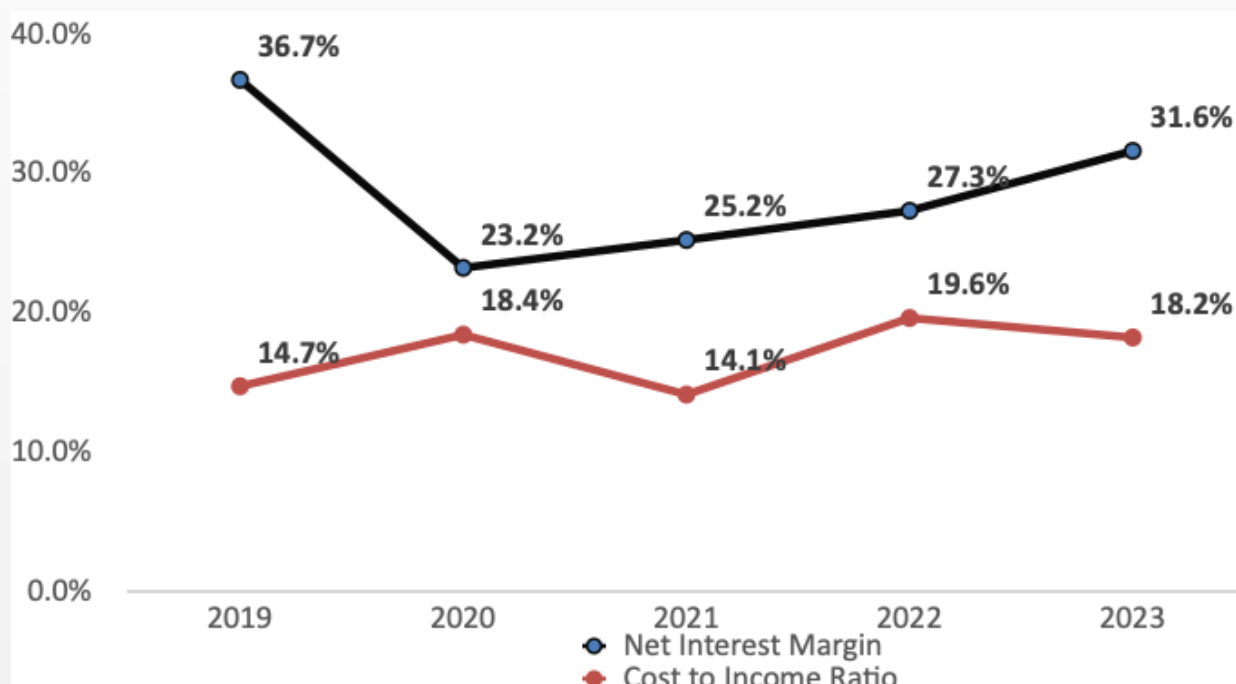
**Net Loan Book in PHP Billion**



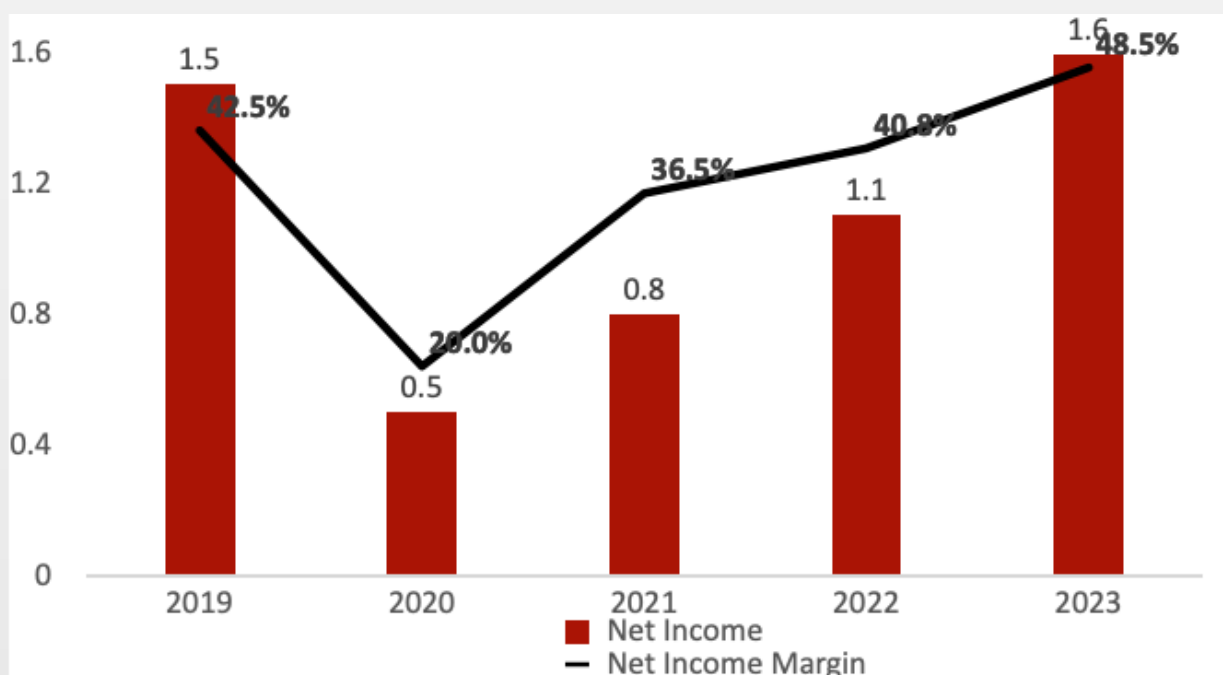
# HIGHLY ATTRACTIVE *FINANCIAL PERFORMANCE*

Controlled costs, and expanding net interest margins have driven the expansion of Net Income and Net Income Margins in 2023

**Net Interest Margin and Cost-to-income Ratio(1)**



**Net Income (in PHP billion)**



# ESQUIRE FINANCING INC.

## STATEMENTS OF FINANCIAL POSITION

### DECEMBER 31, 2023

	Note	2023	2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	P10,459,780,053	P11,363,899,892
Finance receivables - current portion	9	7,895,378,580	8,451,272,427
Due from related parties	21	720,000	394,485,286
Other current assets	13	98,633,139	19,624,394
<b>Total Current Assets</b>		<b>18,454,511,772</b>	<b>20,229,281,999</b>
<b>Non-current Assets</b>			
Finance receivables - net of current portion	9	923,556,750	93,800,847
Financial assets at fair value through other comprehensive income (FVOCI)	10	500,000,000	500,000,000
Property and equipment	11	347,679,555	325,935,817
Investment properties	12	161,835,300	167,654,381
Deferred tax asset - net	23	449,789,892	450,750,350
Other non-current assets	13	20,275,995	21,965,595
<b>Total Non-current Assets</b>		<b>2,403,137,492</b>	<b>1,560,106,990</b>
		<b>P20,857,649,264</b>	<b>P21,789,388,989</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	14	P328,558,098	P308,381,469
Income tax payable		116,616,799	100,401,854
Cash bond reserve	9	386,622,484	163,545,965
Loans payable - current portion	15	5,930,695,352	5,356,620,624
<b>Total Current Liabilities</b>		<b>6,762,492,733</b>	<b>5,928,949,912</b>
<b>Non-current Liabilities</b>			
Loans payable - net of current portion	15	2,382,136,797	5,745,833,333
Retirement liability	22	10,970,191	5,579,906
<b>Total Non-current liabilities</b>		<b>2,393,106,988</b>	<b>5,751,413,239</b>
<b>Total Liabilities</b>		<b>9,155,599,721</b>	<b>11,680,363,151</b>
<b>Equity</b>			
Capital stock	16	424,736,842	424,736,842
Additional paid-in capital	16	511,192,104	511,192,104
Convertible perpetual instrument	17	1,200,000,000	1,200,000,000
Retirement benefit reserve	22	(3,442,628)	(125,920)
Retained earnings:			
Appropriated	16	5,000,000,000	5,000,000,000
Restricted	16	3,886,095,304	2,313,699,998
Unappropriated		683,467,921	659,522,814
<b>Total Equity</b>		<b>11,702,049,543</b>	<b>10,109,025,838</b>
		<b>P20,857,649,264</b>	<b>P21,789,388,989</b>

See Notes to the Financial Statements.

# ESQUIRE FINANCING INC.

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023

	Note	2023	2022
<b>FINANCING INCOME</b>			
Interest income calculated using effective interest rate	8, 9, 21	P3,245,513,462	P2,593,189,033
Other fees		43,610,494	42,553,822
<b>FINANCING INCOME</b>		<b>3,289,123,956</b>	<b>2,635,742,855</b>
<b>FINANCING AND OTHER COSTS</b>	18	<b>(797,107,315)</b>	<b>(754,422,540)</b>
<b>NET FINANCING INCOME</b>		<b>2,492,016,641</b>	<b>1,881,320,315</b>
<b>OTHER INCOME</b>		<b>40,141,602</b>	<b>40,561,652</b>
<b>TOTAL OPERATING INCOME</b>		<b>2,532,158,243</b>	<b>1,921,881,967</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	19	<b>(599,465,891)</b>	<b>(653,057,114)</b>
<b>INCOME BEFORE INCOME TAX</b>		<b>1,932,692,352</b>	<b>1,268,824,853</b>
<b>INCOME TAX EXPENSE</b>	23	<b>(336,351,939)</b>	<b>(194,005,547)</b>
<b>NET INCOME</b>		<b>1,596,340,413</b>	<b>1,074,819,306</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
Item that will never be reclassified subsequently to profit or loss			
Remeasurement loss on retirement benefit obligation - net of deferred tax	22	(3,316,708)	(1,256,346)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P1,593,023,705</b>	<b>P1,073,562,960</b>

See Notes to the Financial Statements.



# OUR COMMITMENT *TO SUSTAINABLE PROGRESS*

As we conclude this sustainability report, we reaffirm our unwavering commitment to integrating sustainable practices into every facet of our operations. Our dedication to environmental stewardship, social responsibility, and transparent governance is not just a strategic priority but a fundamental aspect of who we are as an organization. We will continue to hold ourselves accountable, measure our progress, and engage with stakeholders to ensure that we meet and exceed our sustainability goals. Together, we are confident in our ability to drive meaningful, long-term impact and build a resilient future for generations to come.

