

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
MALAGA FINANCIAL CORPORATION		72-1553309	
3 Name of contact for additional information		4 Telephone No. of contact	
JASNA PENICH		310-375-9000 EXT. 2013	
5 Email address of contact		6 Number and street (or P.O. box if mail is not delivered to street address) of contact	
JPENICH@MALAGABANK.COM		7 City, town, or post office, state, and ZIP code of contact	
2514 VIA TEJON		PALOS VERDES ESTATES	
8 Date of action		9 Classification and description	
DECEMBER 31, 2025		5% COMMON STOCK DIVIDEND	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
561046	N/A	MLGE	N/A

Part II **Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► On November 14, 2025 Malaga Financial Corporation ("Company") announced a 5% stock dividend. The dividend is payable on December 31, 2025 to shareholders of record as of December 19, 2025. Cash-in-lieu was paid on fractional shares based on the stock's market value at the close of business on December 19, 2025.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► Each shareholder will receive a 5% increase in the number of shares that they held on December 19, 2025. Company had 9,423,976 shares of record on December 19, 2025. Therefore, as a result of this 5% stock dividend an additional 471,012 shares will be issued on December 31, 2025 with the remaining 186.80 fractional shares paid in cash.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► On December 19, 2025 (record date) the market value of the Company's common stock was \$21.18 per share prior to the stock dividend paid. The change in basis to the individual shareholder as a result of this stock dividend would be calculated by taking the adjusted basis of the old stock (that is of the stock on which the dividend was distributed) and allocating it between the old and new stock on the date of distribution. This organizational action would result in a decrease per share basis and an increase in the number of shares held by each taxpayer.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

Internal Revenue Code sections 302 and 307

18 Can any resulting loss be recognized? ►

No resulting loss is recognized on the date of distribution to each shareholder.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►

The 5% stock dividend was issued to shareholders of record on December 19, 2025 and payable on December 31, 2025.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign
Here**

Signature ► Jasna Penich

Date ► 1/5/2026

Print your name ► JASNA PENICH

Title ► EVP/COO/CFO

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

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Check if
self-employed

Finals scores

Finals FIN ►

Firm's name

Firm's EIN