

COVER SHEET

OFFICE FILE

17514

S.E.C. Registration Number

RIZAL COMMERCIAL BANKING

CORPORATION

(Company's Full Name)

6819 AYALA AVENUE CORNER GIL

PUYAT AVENUE MAKATI CITY

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

GEORGE GILBERT G. DELA CUESTA

Contact Person

894-95-59

Company Telephone Number

PRELIMINARY INFORMATION STATEMENTS 2018

12 31

Month Day
Fiscal Year

FORM TYPE

06

Month Day
Annual Meeting

GSED

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

B31

Total No. Of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

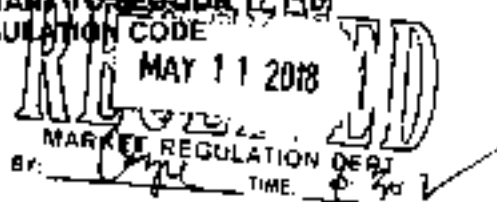
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Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM IS
INFORMATION STATEMENT PURSUANT TO REGULATION TC 130
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box.

- ☒ Preliminary Information Statement
☐ Definitive Information Statement

2. Name of Registrant as specified in its charter: Rizal Commercial Banking Corporation

3. Province, Country or other jurisdiction of incorporation or organization: Philippines

4. SEC Identification Number 17514

5. BIR Tax Identification Code: 320-000-599-760

6. Address of principal office: Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave. cor. Sen. Gil J. Puyat Avenue, Makati City
 Postal Code 0727

7. Registrant's telephone number, including area code: (632) 894-9000

8. Date, time and place of the meeting of the security holders: June 25, 2018, 4:00 P.M., Alfonso Sycip Executive Lounge, 47th Floor, RCBC Plaza, Yuchengco Tower, 6819 Ayala Avenue corner Sen. Gil Puyat Avenue, Makati City . . .

9. Approximate date on which the Information Statement is first to be sent or given to security holders: May 31, 2018

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding</u>
Common	(as of April 30, 2018) 1,399,916,397

11. Are any or all of registrant's securities listed on the Philippine Stock Exchange? Yes ☒ No ☐

A. GENERAL INFORMATION

1. Date, Time and Place of Meeting of Security Holders

Date	:	June 25, 2018
Time	:	4:00 P.M.
Place	:	Alfonso Sycip Executive Lounge 47 th Floor, Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue Makati City
Complete mailing address of Principal office	:	21 st Floor, RCBC Plaza Tower II 6819 Ayala Avenue corner 333 Sen. Gil J. Puyat Avenue Makati City
Approximate date on which the Information Statement is first to be sent or given to security holders	:	May 31, 2018

**WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

2. Dissenter's Right of Appraisal

There are no matters or proposed actions as specified in the attached Notice of Annual Stockholders' Meeting that may give rise to a possible exercise by shareholders of their appraisal rights or similar right as provided in Title X of the Corporation Code of the Philippines. However, if at any time after this Information Statement has been sent out, an action (which may give rise to exercise of appraisal right) is proposed at the Annual Stockholders' Meeting, any stockholder who wishes to exercise such right and who voted against the proposed action must make a written demand within thirty (30) days after the Annual Stockholders' Meeting.

Under Title X of the Corporation Code, shareholders dissenting from and voting against the following corporate actions may demand payment of the fair value of their shares as of the day prior to the date on which the vote was taken for such corporation action: (i) amendment to the Bank's articles and by-laws which has the effect of changing or restricting the rights of any shareholder or class of shares; or authorizing preferences in any respect superior to those of outstanding shares of any class; (ii) sale, lease, mortgage or other disposition of all or substantially all of the Bank's assets; (iii) merger or consolidation; (iv) investment of corporate funds in another corporation or business or for any purpose other than its primary purpose; and (v) extension or shortening of term of corporate existence.

The appraisal right may be exercised by any shareholder who shall have voted against the proposed corporate action, by making a written demand on the Bank within thirty (30) days after the date on which the vote was taken for payment of the fair market value of such shareholder's shares. The failure to make demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Bank shall pay the dissenting shareholder, upon surrender of the certificate(s) representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director or officer of the Bank and, to the best knowledge of the Bank, no associate of a director or officer of the Bank has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the corporate actions to be acted upon at the Annual Stockholders' Meeting, other than election to office of the director.

None of the directors of the Bank has informed the Bank of his intention to oppose any of the corporate actions to be acted upon at the Annual Stockholders' Meeting. Moreover, all directors and management of the Bank act in the best interest of the Shareholders and there have been no adverse findings of conflict of interest or insider trading involving any director or management in the past 2 years.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

Class of Voting Securities: As of April 30, 2018, 1,399,916,397 Common shares and 267,887 Preferred shares are outstanding, and are entitled to be represented and vote at the Annual Stockholders' Meeting. Each share is entitled to one vote.

Record Date: Only stockholders of record as of May 24, 2018 shall be entitled to notice and vote at the meeting.

Manner of Voting: The By-Laws of the Bank provides that the election shall be by ballots, and that every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name in the stock and transfer books of the Bank at the time the books were closed and said stockholder may vote such number of shares for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. Provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him, as shown in the books of the Bank, multiplied by the whole number of directors to be elected; and Provided, that no stock declared delinquent by the Board of Directors for unpaid subscriptions shall be voted. The votes shall be verified and tabulated by Punongbayan and Araullo, which is an independent third party.

Security Ownership of Certain Record Owners of more than 5% (as of March 31, 2018)

(1) Title of Class	(2) Name, address of record owner and relationship with issuer	(3) Name of Beneficial Owner and Relationship with Record Owner	(4) Citizenship	(5) Number of Shares Held	(6) Percent
Common	Pan Malayan Management & Investment Corporation Address: 48/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City Relationship with Issuer: RCBC is a subsidiary of PMMIC	Pan Malayan Management & Investment Corporation <i>The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.</i>	Filipino	594,248,091*	42.45%

Common	Cathay Life Insurance Co. LTD Address: No. 296 Ren Ai Road Sec. 4 Taipei R.O.C. (Taiwan) 10633 Relationship with Issuer: Stockholder	Cathay Life Insurance Co.Ltd. <i>The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.</i>	Non-Filipino	326,929,297	23.55%
	International Finance Corporation (IFC) & IFC Capitalization (Equity) Fund, L.P. Address: 2121 Pennsylvania Avenue, NW Washington, DC 20433 USA Relationship with Issuer: Stockholder	International Finance Corporation (IFC) <i>The records in the possession of the Bank show that the beneficial ownership of this company belongs to the shareholders of record of said company. The Bank has not been advised otherwise.</i>	Non-Filipino	107,875,642	7.71%

*Combined Direct and Indirect Shares of PMMIC

The participants under PCD owning more than 5% of the voting securities (common) are (as of March 31, 2018):

Name	Shares	% of Total
RCBC Securities, Inc.	150,196,781	10.73%
The Hongkong and Shanghai Bank	400,865,003	28.63%

Security Ownership of Certain Record Owners of more than 5% (as of March 31, 2018)

Title of Class	Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizen-ship	No. of Shares	Percent
Preferred	None				

Security Ownership of Foreigners (as of April 30, 2018)

Title of Class	Shares	% of Total
Common	474,038,048	33.86
Preferred	0	0.00

Security Ownership of Management (as of March 31, 2018)

Title of Class	Name of Beneficial Owner/ Position	Amount and Nature of Beneficial Ownership "a" "b"	Citizen-ship	Percent of Class
a. Board of Directors:				
Common	Helen Y. Dee	Chairperson P4,380.00 "r" P10,112,410.00 "b"	Filipino	0.07%
Common	Cesar E. A. Virata	Director/ Corporate Vice-Chairman P1,670 "r" P1,000,000.00 "b"	Filipino	0.01%
Common	Gil A Buenaventura	President and CEO P50.00 "r"	Filipino	0.000%

Common	Amb. Lilia R. Bautista	Director	P50.00 "r"	Filipino	0.000%
Common	Florentino M. Herrera III	Director	P3,150.00 "r" P31,520.00 "b"	Filipino	0.000%
Common	Adelita A. Vergel De Dios	Director	P10.00 "r"	Filipino	0.000%
Common	John Law	Director	P10.00 "r"	French	0.000%
Common	Tze Ching Chan	Director	P10.00 "r"	Chinese	0.000%
Common	Richard G.A. Westlake	Director	P10.00 "r"	New Zealander	0.000%
Common	Gabriel S. Claudio	Director	P10.00 "r"	Filipino	0.000%
Common	Vaughn F. Montes	Independent Director	P50.00 "r"	Filipino	0.00%
Common	Yuh-Shing Peng	Director	P10.00 "r"	R.O.C. (Taiwan)	0.000%
Common	Armando M. Medina	Independent Director	P1,950.00 "r"	Filipino	0.000%
Common	Melito S. Salazar Jr.	Independent Director	P10.00 "r"	Filipino	0.000%
Common	Juan B. Santos	Independent Director	P50.00 "r"	Filipino	0.00%
b. Senior Management:					
Common	Evelyn Nolasco	Senior Vice President	27,000.00 "b"	Filipino	0.00%
c. Directors & Principal Officers (as a Group)			P11,182,350.00		0.08%

"r" refers to registered ownership and "b" refers to beneficial ownership.

Changes in Control: At present, there is no arrangement known to the Bank which may result in a change in control.

Voting Trust Holders of 5% or More: There are no shareholdings holding any Voting Trust Agreement or any such similar agreement.

5. Directors and Executive Officers

(a) Nominees for Independent Directors:

- i. Mr. Armando M. Medina
- ii. Mr. Juan B. Santos
- iii. Amb. Lilia R. Bautista
- iv. Mr. Melito S. Salazar, Jr.
- v. Atty. Adelita A. Vergel De Dios
- vi. Mr. Gabriel S. Claudio
- vii. Mr. Vaughn F. Montes

(b) Nominees for Directors:

- i. Ms. Helen Y. Dee
- ii. Mr. Cesar E.A. Virata
- iii. Mr. Gil A. Buenaventura
- iv. Mr. Tze Ching Chan
- v. Mr. Richard Gordon Alexander Westlake
- vi. Mr. John Law
- vii. Mr. Yuh-Shing (Francis) Peng
- viii. Atty. Florentino M. Herrera

Mr. Eduardo S. Lopez, Jr., a stockholder who is not in any way related to the nominees, nominated to the Board the re-election of Mr. Armando M. Medina, Mr. Juan B. Santos, Amb. Lilia R. Bautista, Mr. Melito S. Salazar, Jr., Atty. Adelita A. Vergel De Dios, Mr. Gabriel S. Claudio, and Mr. Vaughn F. Montes as Independent Directors.

The Corporate Governance Committee composed of four (4) members, three (3) of whom are independent directors, reviews and evaluates the qualifications of all persons to be nominated to the Board as well as those to be nominated to other positions requiring appointment by the Board of Directors, i.e. with the ranks of Assistant Vice-Presidents and higher. The Corporate Governance Committee is composed of Atty. Adelita A. Vergel De Dios as the Chairperson; and Mr. Gabriel S. Claudio, Mr. Yuh-Shing (Francis) Peng, and Mr. Vaughn F. Montes as Members. The Directors will be nominated and elected in accordance with SAC Rule 38.

All the nominated directors comply with all the qualifications required of a director mentioned under Sections X141.2 (for director) of the Manual of Regulations for Banks (MOAB) and do not possess any of the disqualifications mentioned under Sections X143.1 (for director) of the MOAB.

Likewise, pursuant to the Code of Corporate Governance, all the directors have satisfied the required number of attendance in board meetings, as well as in their respective Committees.

The Directors shall hold office for one (1) year and until their successors are elected and qualified.

The Independent Directors, Mr. Armando M. Medina, Mr. Juan B. Santos, Amb. Lilia R. Bautista, Mr. Melito S. Salazar, Jr., Atty. Adelita A. Vergel De Dios, Mr. Gabriel S. Claudio, and Mr. Vaughn F. Montes have each always possessed the qualifications and none of the disqualifications of an independent director. The Certification of Independent Director of each of the foregoing Independent Directors is attached.

(c) Directors:

<u>Directors</u>	<u>(Age)/ Citizenship</u>	<u>Position/Period which they have served</u>
Helen Y. Dee	(74)/ Filipino	Board Chairperson (June 25, 2007 to present) Director (March 25, 2005 to present)

<u>Company</u>	<u>Position</u>
Hydee Management & Resources, Inc.	Chairperson/President
RCBC Savings Bank	Chairperson
House of Investments, Inc.	Chairperson
Mapua Information Technology Center, Inc.	Chairperson
Malayan Insurance Co. Inc.	Chairperson/Director
Malayan Insurance Co. (HK) Ltd.	Chairperson/Director
Pan Malayan Realty Corp.	Chairperson
RCBC Leasing and Finance Corporation	Director / Chairperson
RCBC Land, Inc.	Director
Tameena Resources, Inc.	Chairperson & CEO
Landev Corp	Chairperson
Hi-Eisal Pharmaceuticals, Inc.	Chairperson
Manila Memorial Park Cemetery, Inc.	Chairperson
La Funeraria Paz Sucar	Chairperson/Director
Mijo Holdings, Inc.	Chairman/President
Xamdu Motors, Inc.	Chairperson
Promotions Personalized, Inc.	Chairperson
Dee Yu Corporation	Chairperson
Silver Falcon Insurance Agency, Inc.	Chairperson
Shayamala Corporation	Chairperson

Pan Malayan Management & Investment Corp.	Chairperson/Director
Philippine Long Distance Telephone Company	Director
Petro Energy Resources Corp.	Chairperson and Director
Petrowind Energy Inc.	Chairperson
MICO Equities, Inc.	Chairperson/Director
AY Holdings, Inc.	Chairperson/Director
AY Foundation, Inc.	Chairperson/Trustee
A.T. Yuchengco, Inc.	Chairperson
Yuchengco Center	Chairperson
Pan Malayan Express	Chairperson/Director
Isuzu Philippines, Inc.	Director
Honda Cars Philippines, Inc.	Director
Philippine Integrated Advertising Agency, Inc.	Director
Sunlife Grepa Financial Inc.	Chairperson/Director
Honda Cars Kalookan	Director
Mapua University	Chairperson/Trustee
Philippine Business for Education, Inc.	Board Member Trustee
EEL Corporation	Board Member
GPL Holdings	President
Mora Management, Inc.	President
YGC Corporate Services, Inc.	Chairperson/Director/President
RCBC Realty Corporation	Chairperson/Director
Luisita Industrial Park Corporation	Director
Y Realty Corporation	Director
E.T. Yuchengco, Inc.	Chairperson/Director
Malayan Colleges Laguna, Inc.	Trustee
Malayan High School of Science, Inc.	Chairperson
Malayan Colleges Mindanao (A Mapua School), Inc.	Chairperson
Luis Miguel Foods	Director

Cesar E.A. Virata

(87)
Filipino

Director (1995 to present)
Corporate Vice-Chairman (June 22, 2000
to present)

Company	Position
ATAR VI Property Holding Company, Inc.	Chairman & Director
RCBC Realty Corp.	Director
RCBC Bankard Services Corporation	Chairman/ Director
RCBC Land, Inc.	Chairman/ Director
ALTO Pacific Company, Inc.	Chairman / Director
Malayan Insurance Co., Inc.	Director
RCBC Savings Bank	Director
Luisita Industrial Park Corporation	Vice-Chairman/ Director
Lopez Holdings Corp.	Independent Director
Cavitex Holdings, Inc.	Chairman/ Director
YGC Corporate Services, Inc.	Director
Niyog Properties Holdings, Inc.	Director
Business World Publishing Corp.	Vice-Chairman/ Director
Belle Corporation	Independent Director
City and Land Developers, Inc.	Independent Director

AY Foundation, Inc	Trustee
Malayan University (Operating under Mapua Institute of Technology)	Trustee
Micah Quality Property Development Corporation	Director
World Trade Center Management, Inc.	Director
Yuchengco Center	Trustee

Gil A. Buenaventura

(65)/
Filipino

Director, President and CEO (effective July 1, 2016)

Company	Position
RCBC Capital Corporation	Director
RCBC Leasing and Finance Corporation	Vice Chairman
RCBC Rental Corporation	Director
Merchants Savings and Loan Association, Inc.	Chairman
RCBC Savings Bank	Vice Chairman
RCBC Forex Brokers Corporation	Chairman
Asian Bankers Association	Member
Niyog Property Holdings, Inc.	Director
Makati Business Club	Member
De La Salle Philippines School System	Member of the Investment Committee
Bankers Association of the Philippines	Member
Gab Realty Incorporated	Director and Treasurer

Tze Ching Chan

(61)/
Chinese

Director (November 28, 2011 to present)

Company	Position
AFFIN Bank Berhad	Non-Executive Director
The Bank of East Asia, Limited	Senior Adviser
The Community Chest of Hong Kong	Member, Board of Directors
CVC Capital Partners	Senior Adviser
East Asia Futures Limited	Non-Executive Director
East Asia Securities Company Limited	Non-Executive Director
Hong Kong Exchanges and Clearing Limited	Independent Non-Executive Director
Hong Kong Institute of Bankers	Honorary Advisory Vice President
Hong Kong Polytechnic University	Chairman of Council
Hong Kong Red Cross	Council Member
Hong Kong Securities Clearing Company Limited	Member, Disciplinary Appeals Committee
Mongolian Mining Corporation	Independent Non-Executive Director
Portofino (165) Limited	Director
Prasac Microfinance Institution Limited (Cambodia)	Chairman
Financial Reporting Council	Member
The Hong Kong Tourism Board	Member
Executive Committee of the Investor Education Centre, Securities and Futures Commission	Member
Standing Commission on Civil Service Salaries and Conditions of Service	Member
Standing Committee on Judicial Salaries and Conditions of Service	Member

Richard G.A. Westlake(66)/
New Zealander

Director (October 1, 2014 to present)

Company	Position
Westlake Governance Limited, Wellington, New Zealand	Managing Director and Founder
Careerforce Industry Training Organisation Limited, New Zealand	Independent Chairman
Dairy Goat Co-operative (NZ) Limited, New Zealand	Independent Director and Chair of Finance & Audit Committee
Westlake Consulting Limited, New Zealand	Owner

John Law(67)/
French & Taiwanese
(dual citizen)

Director (April 27, 2015 to present)

Company	Position
Oliver Wyman	Senior Advisor, Greater China
Far East Horizon Ltd.	Director
BNP Paribas (China) Ltd.	Director
Khan Bank (Mongolia)	Director
Foremost Groups	Independent Non-Executive Director

**Yuh-Shing (Francis)
Peng**(46)/
Taiwanese

Director (April 27, 2015 to present)

Company	Position
Cathay United Bank	Executive Vice President, Overseas Management Department and Global Transactions Business

**Atty. Florentino M.
Herrera III**(66)/
Filipino

Director (August 30, 2016 to present)

Company	Position
Herrera Techankoo & Cabrera Law Offices	Founding Partner
Amica Corporation	Director/Chairman/President
Andorra Holdings, Inc.	Director/Chairman/President
Bedarra Holdings, Inc.	Director/Chairman/President
Bellagio Properties, Inc.	Director/Chairman/President
Bellcore Holdings Corporation	Director/Chairman/President
Bellendorf Peak Resources, Inc.	Director/Chairman/President
Domain Property Ventures, Inc.	Director/Chairman/President
Dunes and Eagle Land Development Corp.,	Director/Chairman/President
Econolink Investments, Inc.	Director/Chairman/President
Filgrow Ventures Corporation	Director/Chairman/President
Formana Resources Corporation	Director/Chairman/President
Genshare Holdings Corporation	Director/Chairman/President
HunterValley Resources, Inc.	Director/Chairman/President
Ipiweer Properties, Inc.	Director/Chairman/President

Masocha Resources Corporation	Director/Chairman/President
Medlinks Resources, Inc.	Director/Chairman/President
Pomona Properties, Inc.	Director/Chairman/President
Pergamon Resources Corporation	Director/Chairman/President
Regent Resources, Inc.	Director/Chairman/President
Saville Resources Corporation	Director/Chairman/President
Seabright Resources, Inc.	Director/Chairman/President
Shindig, Inc.	Director/Chairman/President
Vassra Holdings, Inc.	Director/Chairman/President
Viking Star Ventures, Inc.	Director/Chairman/President
Websphere Resources, Inc.	Director/Chairman/President
911 Alarm, Inc.	Director/Chairman
Media Star Holding Corporation	Director/Chairman
Civil Ventures & Development Condominium Corp.	Director/Chairman
San Juanico Property Ventures	Director/Chairman
Mantrade Development Corporation	Director/Vice-Chairman
Aeropartners, Inc.	Director/President
Nabasan Subic Development Corporation	Director/President
Marilag Corporation	Director/Vice-President/Treasurer
La Regalade, Inc.	Director/Corporate Secretary
Melira Realty, Inc.	Director/Corporate Secretary
Armada Capital, Inc.	Director/Treasurer
North Point Resources, Inc.	Director/Treasurer
Asian Alliance Holdings & Development Corporation	Director
Beneficial Life Insurance Company, Inc.	Director
Canlubang Golf & Country Club, Inc.,	Director
FMF Development Corporation	Director
GEOGRACE Resources Philippines	Director
Philippine Airlines, Inc.	Director
Stargate Media Corporation	Director
United Coconut Chemicals, Inc.	Director
Rizal Commercial Banking Corporation	Director
Lufthansa Technik Philippines, Inc.	Director
Allianz-PNB Life Insurance Inc.	Corporate Secretary
BOC Holdings Corporation	Corporate Secretary
Grassroots Film Production & Distribution, Inc..	Corporate Secretary
MacroAsia Corporation	Corporate Secretary
Medtecs International Corporation Ltd.	Corporate Secretary
Medtex Corporation	Corporate Secretary
Medtecs Materials Technology Corporation	Corporate Secretary
Corsica Resources, Inc.	Treasurer
Fontalloro Resources, Inc.	Treasurer
Long Trail Holding, Inc.	Treasurer
Mountain Links Corporation	Treasurer

The Bank is compliant with SEC Memorandum Circular No. 4, Series of 2017 on the term limit of independent directors. It provides that an Independent director shall serve for a maximum cumulative term of nine years, and that the reckoning period for the cumulative nine-year term is 2012. All Independent Directors set forth below have served for less than nine (9) years reckoned from 2012.

Armando M. Medina

(68)/
Filipino

Independent Director (February 26, 2003 to present)

Company	Position
RCBC Capital Corp.	Independent Director
RCBC Savings Bank	Independent Director
Malayan Insurance Co.	Independent Director

Juan B. Santos

(79)/
Filipino

Independent Director (November 2, 2016 to present)

Company	Position
First Philippine Holdings Corporation,	Independent Director
Sun Life Grepe Financial, Inc.,	Independent Director
Alaska Milk Corporation	Independent Director
Philippine Investment Management (PHINMA), Inc.;	Independent Director
Coca-Cola FEMSA Philippines	Member Board of Advisors
East-West Seeds Co., Inc.	Member Board of Advisors
Dualtech Training Center Foundation, Inc.,	Chairman, Board of Trustees
St. Luke's Medical Center	Trustee
Marsman-Drysdale Group of Companies	Consultant
Mitsubishi Motor Philippines Corporation	Member Advisory Board
AMUNDI (Singapore)	Advisory Board
Golden Spring Group Ltd (Singapore)	Independent Director
House of Investments, Inc.	Independent Director
East-West Seed ROH Limited (Bangkok, Thailand)	Independent Director

Melito S. Salazar, Jr.

(68)/
Filipino

Independent Director (June 27, 2016 to present)

Company	Position
Quickminds Corporation	Chairman and President
Omnipay, Inc.	Chairman
Manila Bulletin	Columnist
Philippine Normal University System	Regent
Concepcion Industrial Corporation	Independent Director
Yanmar Philippines	Independent Director
TECO Philippines	Independent Director
Philippines First Insurance Corporation	Independent Director
Sun Life Prosperity GS Funds, Inc.	Independent Director
Sun Life of Canada Prosperity Balanced Fund, Inc.	Independent Director
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.	Independent Director
Sun Life of Canada Prosperity Philippine Stock Index Fund	Independent Director

Sun Life Prosperity Wellspring Fund	Independent Director
Sun Life Prosperity Voyager Fund	Independent Director
Sun Life Prosperity Achieve 2038 Fund	Independent Director
Sun Life Prosperity Achieve 2048 Fund	Independent Director
Chamber of Commerce of the Philippine Islands	Director and Vice- President

Atty. Adellia A. Vergel De Dios (71)/
Filipino Independent Director (June 27, 2016 to present)

<u>Company</u>	<u>Position</u>
RCBC Savings Bank	Independent Director
Center for Excellence in Governance, Inc.	Member, Board of Trustees
Center for Family Advancement, Inc.	Member, Board of Trustees
Center for School Governance, Inc.	President / Member, Board of Trustees

Amb. Lilia R. Bautista (62)/
Filipino Independent Director (July 25, 2016 to present)

<u>Company</u>	<u>Position</u>
RFM Corporation	Independent Director
Transnational Diversified Group, Inc.	Independent Director
Lopez Holdings, Inc.	Independent Director
CIBI Foundation	Trustee
Pamantasan ng Lungsod ng Maynila	Professor
Philippine Judicial Academy	Professional Lecturer
Philja Development Center	Director
(National Group) Permanent Court of Arbitration	Member
St. Martin de Porres Charity Hospital	Trustee and Legal Counsel
Jose Rizal University	Dean, Law School

Gabriel S. Claudio (63)/
Filipino Independent Director (July 25, 2016 to present)

<u>Company</u>	<u>Position</u>
Philippine Amusement & Gaming Corporation	Member, Board of Directors
Ginebra San Miguel, Incorporated	Member, Board of Directors
Risk & Opportunities Assessment Management	Vice Chairman/Member, Board of Directors
Conflict Resolution Group Foundation (CORE)	Member, Board of Directors
Toby's Youth Sports Foundation	Member, Board of Directors

Vaughn F. Montes, Ph.D. (67)/
Filipino Independent Director (September 26, 2016 to present)

<u>Company</u>	<u>Position</u>
Parents for Education Foundation (PAREF)	Trustee
PAREF Southridge School for Boys	Chairman and President
PAREF Westbridge School for Boys	Trustee
PAREF Northfield School for Boys	Trustee

Foundation for Economic Freedom	Trustee
Center for Family Advancement	President
Center for Excellence in Governance	Director
Institute for Corporate Directors	Teaching Fellow – Corporate Governance
Asian Development Bank Technical Assistance Grant on Public Private Partnerships Program	National Consultant on Public Private Partnerships Risk Management to Department of Finance
Asian Development Bank Technical Assistance Grant on Public Private Partnerships Program	National Consultant on Public Private Partnerships Risk Management to the National Economic Development Authority / Public Private Partnership Center

(d) Executive Officers:

Senior Executive Vice-Presidents

BANCOD, Redentor C.	Group Head	Office of the Group Head – ITSSG
	Chief of Staff	Office of the President & Chief Executive Officer
DEVERAS, John Thomas G.	Head, Strategic Initiatives	Office of the President & Chief Executive Officer
	Group Head	Office of the Group Head - Asset Management & Remedial
LUY, Chester Y.	Group Head	Office of the Group Head – Treasury Group

Executive Vice-Presidents

AGUILAR, Michelangelo R.	Group Head	Office of the Group Head – Conglomerates and Global Corporate Banking
DE JESUS, Michael Q.	Group Head	Office of the Group Head – National Corporate Banking
LATINAZO, Rommel S.	President and Chief Executive Officer	RCBC Savings Bank (Secoded)
LIM, Ana Luisa S.	Group Head	Office of the Group Head - Operational Risk Management
VEGAMORA, Edel Mary G.	Chief Audit Executive / Group Head	Office of the Group Head – Internal Audit

First Senior Vice-Presidents

AHMAD, Jamal	Group Head	Office of the Group Head - Corporate Risk Management Services
CALASANZ, Simon Javier A.	President and Chief Executive Officer	RCBC Bankard Services Corporation (Secoded)
DELA CUESTA, George Gilbert G.	Group Head / Corporate Secretary	Office of the Group Head – Legal Affairs Group and Corporate Secretariat
DIOKNO, Jonathan C.	Group Head	Office of the Group Head – Retail Banking Group

FERRER, Lourdes Bernadette M.	Group Head	Office of the Group Head – Trust & Investments Group
FLORENTINO, Gerald Q.	President	RCBC Securities, Inc. (Seconded)
GO, John P.	Segment Head	Chinese Banking Segment II
LOPEZ, Margarita B.	Group Head	Office of the Group Head – Digital Banking & Operations
MARANAN, Remedios M.	Special Asst. to RBG Head for Business Controls	Retail Banking Group
MATSUMOTO, Yasuhiro	Segment Head	Global and Ecozone Segment
NARCISO, Emmanuel T.	Group Head	Office of the Group Head – Global Transaction Banking
ORSOLINO, Reynaldo P.	Segment Head	Emerging Corporates Segment
PEDROSA, Alberto N.	Segment Head	Investment & Markets Trading
SANTIAGO, Bennett Clarence D.	Group Head	Office of the Group Head – Credit Management Group
SUBIDO, Rowena F.	Group Head	Office of the Group Head – Human Resources Group

Senior Vice-Presidents

ALVAREZ, Ma. Christina P.	Group Head	Office of the Group Head – Corporate Planning Group
BILAOS, Lalaine I.	Division Head	Local Corporate Banking Segment Division II
BUENAFLOR, Enrique C.	Segment Head	Global Transaction Banking
CANLAS, Karen K.	Division Head	Wealth Management Division 2
CAPINA, Brigitte B.	Regional Sales Director	South Metro Manila Regional Office
CHUA, Arsenio L.	Regional Sales Director	North Metro Manila Regional Office
CONTRERAS, Claro Patricio L.	Division Head	Remedial Management
CORONEL, Elizabeth E.	Segment Head	Conglomerates & Strategic Corporates Segment
CRUZ, Antonio Manuel E. Jr.	OIC, Segment Head	Chinese Banking Segment I
ERMITA, Edwin, R.	Bank Security Officer	Office of the President & Chief Executive Officer
ESTACIO, Benjamin E.	Regional Service Head	Mindanao Service Region
INDITA, Eriqo C.	National Sales Director	Retail Banking Group
LUMAIN, Jonathan Edwin F.	Chief Technology Officer	Office of the Group Head - ITTSG
MACASAET, Vivien L.	Division Head	Management Services Division
MADONZA, Florentino M.	Group Head	Office of the Group Head – Controllershship Group
MANAGO, Jane N.	Group Head	Office of the Group Head - Wealth Management
MENDOZA, Jose Jayson L.	Division Head	Provincial Division – National Corporate Banking Group
MIRAL, Gerardo G.	Head of Consumer Lending Group	RCBC Savings Bank (Seconded)
NATIVIDAD, Maria Cecilia F.	Group Head	Office of the Group Head – Marketing Group

NOLASCO, Evelyn	Division Head	Asset Disposition
PAPILLA, Loida, C.	Division Head	Asset Management Support Division
PEJO, Arsilito A.	Regional Sales Director	Visayas Regional Office
PO, Honorata V.	Regional Sales Director	South Luzon Regional Office
QUIGUE, Nancy J.	Regional Service Head	Metro Manila Service Region
RAMOS, Elsie S.	Division Head	Legal Services
REYES, Arion B.	Segment Head	Large Local Corporate Segment
REYES, Ismael S.	Segment Head	Retail Banking Marketing Segment
REYES, Steven Michael T.	Segment Head	Commercial Trading and Sales
RODRIGO, Ma. Rosanna M.	Regional Sales Director	North Luzon Regional Office
RODRIGUEZ, Joseph Colin B.	Treasurer	RCBC Savings Bank (seconded)
SANTOS, Raoul V.	Division Head	Investment Services Division
SELIRIO, Libertine A.	Division Head	Global & Ecozone Segment – Division 1
SO, Johan C.	Division Head	Local Corp. Banking Segment Division 1
TABUENA, Cecilia E.	Segment Head	Local Corporate Banking Segment – Division II
TINIO, Ma. Angela V.	Segment Head	Commercial and Small Medium Enterprises Banking Segment
TIRADO, Gianni Franco D.	Regional Sales Director	Mindanao Region
TOMAS, Juan Gabriel R. IV	Division Head	Customer Services & Support Segment
USON, Raul Martin D.	Segment Head	Branch Services Support Segment
VALDES, Emmanuel Mari K.	Division Head	Deposit Product & Promotion Division
VALENA, Teodoro Eric D., Jr.	IT Head	Office of the Group Head - ITSSG

Four of the Directors and most of the Executive Officers mentioned herein have held their positions for at least five (5) years.

There are no compensation arrangements for members of the Board of Directors other than the per diem and dividends provided under Article V, Section 8, and Article XI, Section 2, respectively, of the Bank's Revised By-Laws. Key executives also receive long term bonuses earned over a 5-year period, the amount of which is tied directly to shareholder value, profitability and enterprise value.

(e) Significant Employees: There is no person other than the entire human resources as a whole, and the executive officers, who is expected to make a significant contribution to the Bank.

(f) Family Relationships: None of the Bank's Directors are related to one another or to any of the Bank's executive officers.

(g) Legal Proceedings:

In the normal course of operations of the Bank, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, tax assessments, etc., which are not reflected in the accompanying financial statements. Management does not anticipate losses from these transactions that will adversely affect results of operations.

In the opinion of Management, the suits and claims arising from the normal course of operations of the Bank that remain unsettled, if decided adversely, will not involve sums that would have a material effect on Bank's financial position or operating results.

Global Steel Philippines (SPV-AMC), Inc. ("GSPI") and Global Ispat Holdings (SPV-AMC), Inc. ("GIHI")

In October 2008, Global Steel Philippines (SPV-AMC), Inc. and Global Ispat Holdings (SPV-AMC), Inc. (collectively, "Global Steel"), which purchased the Iligan Plant assets of the National Steel Corporation ("NSC Plant Assets") from the Liquidator (as defined in the Asset Purchase Agreement ("APA") dated September 1, 2004) in 2004, initiated arbitration proceedings with the Singapore International Arbitration Center ("SIAC") seeking damages on account of the failure of the Liquidator and the Secured Creditors (as also defined in the APA), including the Bank and RCBC Capital, to deliver the NSC Plant Assets free and clear from liens and encumbrance, purportedly depriving Global Steel of the opportunity to use the NSC Plant Assets to secure additional loans to fund the operations of the NSC Steel Mill Plant and upgrade the same.

On May 9, 2012, the SIAC Arbitral Tribunal rendered a partial award in favor of Global Steel in the amounts of (a) US\$80.00 million, as and by way of lost opportunity to make profits and (b) ₱1,403.00 million, representing the value of the undelivered billet shop land measuring 3.41 hectares (the "Lost Land Claim"). On appeal, and on July 31, 2014, the Singapore High Court set aside the partial award. On March 31, 2015, the Singapore Court of Appeals rendered a decision which affirmed the earlier decision of the Singapore High Court but held that the Liquidator and Secured Creditors are still required to deliver to Global Steel clean title to the NSC Plant Assets.

The Bank's total exposure in connection with the obligation to transfer clean title to the NSC Plant Assets to Global Steel is approximately ₱209,121,055.18 in terms of estimated property taxes and transfer costs due on the NSC Plant Assets, as a result of the Philippine Supreme Court's affirmation of the ruling that all pre-closing taxes on the NSC Plant Assets are deemed paid. On the other hand, the Bank has a receivable from Global Steel in the amount of ₱485.50 million. The Bank has fully provisioned the receivable, which is classified in the books of the Bank as Unquoted Debt Securities Classified as Loans ("UDSCL") with zero net book value. The Bank's exposure, however, may be varied depending on whether the Iligan City's assessment of the post-closing taxes will be sustained as valid (including those imposed on non-operational machineries).

Notwithstanding the finality of the Philippine Supreme Court's ruling on the pre-closing taxes, on October 19, 2016, the City of Iligan foreclosed on National Steel Corporation properties after issuing a Notice of Delinquency against National Steel Corporation, seeking to collect the taxes covering the period 1999 to 2016. In an order dated April 4, 2017, the Makati City Regional Trial Court (a) nullified the public auction of the NSC Plant Assets, among others, (b) enjoined any and all real property tax collection actions against the National Steel Corporation until the decision dated October 7, 2011, which held that the National Steel Corporation pre-closing taxes have been paid, is fully executed and National Steel Corporation's remaining tax liabilities are correctly computed. The Local Government Unit ("LGU") and the Iligan City Treasurer, among others, moved for reconsideration of this order. To date, the matter remains pending.

Verotel Merchant Services B.V. ("VMS")

In 2011, Verotel Merchant Services B.V. ("VMS"), a Dutch corporation, and Verotel International Industries, Inc. ("VII"), a Philippine corporation civilly sued the Bank, Bankard Grupo Mercarse Corp., CNP, Worldwide, Inc. and several individuals before the Los Angeles Superior Court for various causes of action including fraud, breach of contract and accounting, claiming that VII and its alleged parent company, VMS, failed to receive the total amount of US\$1.50 million, which the defendants allegedly misappropriated. VMS is an internet merchant providing online adult entertainment and online gambling, in addition to the sale of pharmaceuticals over the internet. Following an initial jury verdict in favor of VMS, and a series of subsequent motions and a reduction of monetary damages awarded to VMS, the Bank/Bankard filed their Notice of Appeal with the California Court of Appeals on July 11, 2016. On October 2, 2017, the Bank/Bankard filed their Revised Opening Brief on their appeal of the verdict with the California Court of Appeals. On March 28, 2018, the Bank/Bankard was advised of the filing of VMS's Combined Respondents' Brief and Cross-Appellants' Opening Brief.

RCBC Securities Case

In December 2011, RCBC Securities ("RSEC") initiated the filing of a criminal case for falsification against its former agent, Mary Grace V. Valbuena ("Valbuena"), who carried out certain questionable transactions with her own personal clients. Since then, RSEC has filed additional criminal and civil cases, including charges of violations of Batas Pambasa Big. 22 ("BP 22"), against the aforesaid former agent. On November 17, 2016, the Metropolitan Trial Court of Makati City, Branch 66, convicted Valbuena of the crime of BP 22. Valbuena proposed to pay RSEC ₱30.00 million, payable in five years, in settlement of all the claims against her, which RSEC refused. Valbuena's appeal is now submitted for resolution, without prejudice to any settlement between the parties.

In May 2012, the Capital Markets Integrity Corporation ("CMIC") conducted an investigation on the complaint filed by Francisco Ken Cortes against RSEC. On July 3, 2015, the CMIC issued a Resolution of even date dismissing the complaint filed by Mr. Cortes. In October 2015, the CMIC affirmed the dismissal of Mr. Cortes' complaint with the denial of his Motion for Reconsideration dated 21 July 2015. Mr. Cortes did not file any appeal before the SEC en banc, so that the dismissal of his complaint is now final and executory.

In September 2014, Carlos S. Palanca IV ("Palanca") and Cognatio Holdings, Inc. ("Cognatio") likewise filed a complaint against RSEC with the CMIC, even as Cognatio's earlier complaint dated December 30, 2013 against RSEC, its former Vice President for Operations/Chief Finance Officer, its former Compliance Officer and Valbuena, is pending with the Enforcement and Investor Protection Department of the Securities and Exchange Commission ("EIPD-SEC") ("SEC Cognatio Case"). In its decision letter dated December 4, 2014, the CMIC dismissed the complaint on the ground of prescription and res judicata. Consequently, Palanca/Cognatio respectively appealed the case to the SEC en banc, which granted the appeals of Palanca/Cognatio and reversed the CMIC's decision. In turn, RSEC appealed the SEC en banc's reversal of the CMIC decision to the Court of Appeals. On October 27, 2017, the Court of Appeals granted RSEC's Petition for Review and reinstated the CMIC decision, ruling that Palanca/Cognatio committed willful and deliberate forum shopping. Palanca/Cognatio's Motion for Reconsideration, which RSEC has opposed via its Comment/ Opposition dated February 22, 2018, is currently pending resolution. The SEC Cognatio Case remains pending with the EIPD-SEC.

On February 22, 2013, Stephen Y. Ku ("Ku") filed a complaint against RSEC with the Regional Trial Court of Makati, Branch 149 (the "Makati Trial Court"), praying, among others, for the return of his shares of stock and cash payments which he claims to have turned over to Valbuena. On May 20, 2013, RSEC sought the dismissal of the complaint on the ground of non-payment of the correct

filing fees and failure to state a case of action, which was, however, denied by the Makati Trial Court. Aggrieved, RSEC filed a Petition for Certiorari with the Court of Appeals on November 22, 2013, which was given due course. In the Decision dated October 9, 2014, the Court of Appeals sustained RSEC's position and ordered the dismissal of the complaint pending before the Makati Trial Court on the ground of lack of jurisdiction. In a Petition for Review dated September 15, 2015, Ku sought the reversal of the ruling of the Court of Appeals, and as an alternative, prayed to be allowed to re-file his Complaint sans docket fees. The case remains pending with the Supreme Court.

Poverty Eradication and Alleviation Certificates (PEACe) Bonds

In October 2011, the Bank before the Court of Tax Appeals questioning the 20.00% final withholding tax on PEACe Bonds by the Bureau of Internal Revenue ("BIR"). The Bank subsequently withdrew its petition and joined various banks in their petition before the Philippine Supreme Court on the same matter. Notwithstanding the pendency of the case and the issuance of a Temporary Restraining Order by the Philippine Supreme Court, the Bureau of Treasury withheld ₱199.00 million in October 2011 from the Bank on the interest on its PEACe bonds holdings. The amount was recognized as part of Loans and Receivables account in the statements of financial position. On January 13, 2015, the Philippine Supreme Court nullified the 2011 BIR Rulings classifying all bonds as deposit substitutes and ordered the Bureau of Treasury to return the 20.00% final withholding tax it withheld on the PEACe Bonds on October 18, 2011. On March 16, 2015, the Bank and RCBC Capital filed a Motion for Clarification and/or Partial Reconsideration, seeking clarification to exclude from the definition "deposit substitutes" the PEACe Bonds since there was only one lender at the primary market, and subsequent sales in the secondary market pertaining to a sale or assignment of credit, which is not subject to withholding tax. The Bank and RCBC Capital also sought partial reconsideration to the ruling that should the PEACe Bonds be considered as deposit substitutes, the BIR should collect the unpaid final withholding tax directly from RCBC Capital/Code Non-Governmental Organization ("NGO"), or any lender or investor, as withholding agents, since there was no interest earned and collection of the withholding tax, if at all, has already prescribed.

In a Resolution dated October 5, 2016, the Supreme Court of the Philippines partially granted the Bank and RCBC Capital's Motion for Clarification and/or Partial Reconsideration, stating that (a) to determine whether the securities newly issued and sold by the Bureau of Treasury should be treated as "deposit substitutes", the phrase "at any one time" in relation to "20 or more lenders" should be reckoned at the time of their original issuance, (b) this interpretation, at any rate, cannot be applied retroactively since this would prejudice the Bank and RCBC Capital which relied in good faith on the rulings/opinions of the BIR that the transaction in issue is exempted from any final withholding tax, and (c) such being the case, the PEACe Bonds cannot be treated as deposit substitutes.

On April 11, 2017, the Bank received a copy of the Entry of Judgment stating, among others, that the Decision dated January 13, 2015 and the Resolution dated August 16, 2016, which partially granted the Motion for Clarification and/or Partial Reconsideration filed by the Bank and RCBC Capital, became final and executory on October 20, 2016. The Bureau of Treasury has settled ₱196,930,961.35 of the Bank's claim. The balance of ₱1,844,591.47, which is the subject of a deed of assignment in favor of the Bank (by a rural bank which has since been placed under liquidation), is the subject of discussion with the Philippine Deposit Insurance Corporation and Bureau of Treasury.

Applicability of RR 4-2011

On March 15, 2011, the Bureau of Internal Revenue issued Revenue Regulations No. 4-2011 ("RR 4-2011") which prescribed that for income tax reporting purposes, banks and other financial institutions must (a) report costs and expenses either under Regular Banking Unit ("RBU") or FCDU/Expanded FCDU ("EFCDU") or Offshore Banking Unit ("OBU") if specifically identified as such; or (b) allocate such cost and expenses, which cannot be specifically identified, based on percentage share of gross income earnings of a unit. The BIR, however, issued assessment notices to banks and other financial institutions for delinquency income tax for alleged non-intra-unit allocation of costs and expenses to exempt income and income subjected to final tax within RBU and within FCDU.

On April 6, 2015, the Bank and other member-banks of the Bankers Association of the Philippines ("BAP") ("Petitioners"), filed a Petition for Declaratory Relief with Application for Temporary Restraining Order ("TRO") and/or Writ of Preliminary Injunction with the Regional Trial Court of Makati ("Makati Trial Court"), wherein the Petitioners assailed the validity of RR 4-2011 on the ground, among others, that (a) RR 4-2011 violates the Petitioners' substantive due process rights; (b) it is not only illegal but also unfair; (c) that it serves as a deterrent to banks to invest in capital market transactions to the prejudice of the economy; and (d) it sets a dangerous precedent for the disallowance of full deductions due to the prescribed method of allocation.

On April 8, 2015, the Makati Trial Court issued a TRO enjoining the BIR from enforcing RR 4-2011. Also, on April 27, 2015, Makati Trial Court issued a Writ of Preliminary Injunction enjoining the BIR from enforcing, carrying out, or implementing in any way or manner RR 04-2011 against the Bank and other BAP member banks, including the issuing Preliminary Assessment Notice or Final Assessment Notice against them during the pendency of the litigation, unless sooner dissolved.

On June 10, 2015, Makati Trial Court issued a Confirmatory Order stating that the TRO and Writ of Preliminary Injunction also prohibits the BIR from ruling or deciding on any administrative matter pending before it in relation to the subject revenue regulations and insofar as the Bank and other BAP member banks are concerned. The pre-trial conference of the case began on August 2, 2016, and continued to August 3, 2017. During the hearing on August 3, 2017, in lieu of trial for the resolution of the case, the Makati Trial Court directed the parties to file their respective Memorandum on September 15, 2017. As of October 5, 2017, the parties have submitted their respective Memorandum.

Alleged Unauthorized Transfer of funds – Bank of Bangladesh

In February 2016, there was an alleged unauthorized transfer of funds from the Bank of Bangladesh to four accounts in the Bank, which were eventually transferred to various accounts outside of the Bank. In August 2016, the Monetary Board approved the imposition of supervisory action on the Bank to pay the amount of ₱1.00 billion in relation to the completed special examination. There may be other cases arising from these events. The Bank has fully recognised the BSP's ₱1.00 billion fine as part of miscellaneous expenses in its 2016 Consolidated Statements of Profit or Loss, and it has paid this penalty in full ahead of the August 2017 deadline set by the BSP. The Bank's payment of the penalty did not affect its ability to perform its existing obligations or unduly hamper its operations.

On November 18, 2016, the AMLC filed a criminal complaint against current and former employees of the Bank in relation to the BOB Incident with the Department of Justice (DOJ). The AMLC alleged that Raul Victor B. Tan, Ismael S. Reyes, Brigitte R. Capria, Nestor O. Pineda, Romualdo S. Agarrado and Angela Ruth S. Torres violated Section 4(f) of R.A. No. 9160, as amended ("AMLA"),

in connection with the BOB Incident. The AMLC alleged that each of the named persons performed or failed to perform an act, which facilitated the crime of money laundering, particularly the remittance and eventual withdrawal of US\$81.00 million from certain accounts maintained at the Bank.

On March 27, 2017, current Bank employees Ismael S. Reyes, Brigitte R. Capiña and Romualdo S. Agarrado and former Bank employees Raul Victor B. Tan and Nestor O. Pineda filed affidavits contesting, among other things, their culpability and the existence of several required elements to the charges alleged by the AMLC. Between May and July 2017, the AMLC and the aforementioned individuals filed various affidavits and manifestations in connection with the charges. In a Resolution dated February 5, 2018, the newly assigned DOJ investigating prosecutor found probable cause against Raul Victor B. Tan, et al., and recommended the filing of the corresponding Information against them. On March 22, 2018, Raul Victor B. Tan, Ismael S. Reyes, Brigitte R. Capiña, and Romualdo S. Agarrado timely filed their Motion for Reconsideration on the aforementioned Resolution.

On March 8, 2016, William S. Go, an existing client of the Bank and in another Business Center, and the Bank, filed criminal charges against (a) Maia Santos-Deguito, the former Branch Manager of the Makati Jupiter Business Center, and (b) Angela Ruth S. Torres, the former Senior Customer Service Officer of the Makati Jupiter Business Center, with the Office of the City Prosecutor of the Makati City ("OCP-Makati"). The criminal complaints alleged that the two former employees: (a) falsified bank documents in order to open fictitious U.S. Dollar and Peso denominated accounts in the name of William S. Go DBA Centurytex Trading, which were used in the transfer/conversion of US\$81.00 million subject of the BOB Incident, and (b) Angela Ruth S. Torres committed perjury when she executed the affidavit identifying William S. Go as the person who allegedly received the ₱20.00 million withdrawn from his fictitious Peso account on February 5, 2016. The OCP-Makati found probable cause to charge Maia Santos-Deguito with several counts of falsification. On the other hand, while the OCP-Makati dismissed the charges of falsification against Angela Ruth S. Torres, but it found probable cause to charge her for perjury. The criminal cases against Maia Santos-Deguito and Angela Ruth Torres are currently pending before the Makati Metropolitan Trial Court. The Bank has several other ongoing criminal cases or petitions for review currently pending in relation to actions that it has initiated against former Bank employees in relation to the BOB Incident.

There are no known trends, demands, and commitments, events, or uncertainties that will have a material impact on the Bank's operational performance and ability to service obligations.

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely would have a material effect on its financial position or operating results.

(h) Non-Involvement in Certain Legal Proceedings:

To the knowledge and/or information of the Bank, the nominees for election as Directors of the Bank, its present members of the Board of Directors or its Executive Officers, are not, presently or during the last five (5) years, involved or have been involved in any legal proceeding decided adversely affecting/involving themselves, and/or their property before any court of law or administrative body in the Philippines or elsewhere.

No director has resigned or declined to stand for re-election to the board of directors since the date of the annual meeting of security holders because of disagreement with the Bank on any matter relating to the Bank's operations, policies or practices.

To the knowledge and/or information of the Bank, none of the following events has occurred with respect to the nominees for election as Directors of the Bank, its present members of the Board of Directors, its Executive Officers, underwriters, or control persons during the last five (5) years:

- a. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b. Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

(i) Certain Relationships and Related Transactions:

The Bank is a member of the Yuchengco Group of Companies (YGC). The Yuchengco family, primarily through Pan Malayan Management and Investment Corporation (PMMIC), is the largest shareholder. As of March 2018, PMMIC owned 473,963,631 certificated shares, approximately 33.86% of the Bank's issued and outstanding common shares. Total shareholdings comprising both certificated and scripless shares amount to 594,248,081, approximately 42.45% of the Bank's issued and outstanding common shares.

The Bank and its subsidiaries, in the ordinary course of business, engage in transactions with entities within the YGC. The Bank adheres to the policy that transactions with related parties are conducted at arm's length with any consideration paid or received by the Bank or any of its subsidiaries in connection with any such transaction being on terms no less favorable to the Bank than terms available to any unconnected third party under the same or similar circumstances, and the same has been institutionalized in the Bank's Policy on Related Party Transactions (the "Policy").

In May 2016, the Board approved the revised Policy on Related Party Transactions following BSP's issuance of Circular No. 895 or Guidelines on Related Party Transactions on December 14, 2015. The said policy adopted the definition of "related party transactions" under the circular. Thus, "related party transactions" are transactions or dealings with related parties of the Bank, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited, to the following:

- On- and off-balance sheet credit exposures and claims and write-offs;
- Investments and/or subscriptions for debt/equity issuances;
- Consulting, professional, agency and other service arrangements/contracts;
- Purchases and sales of assets, including transfer of technology and intangible items (e.g. research and development, trademarks and license agreements);
- Construction arrangements/contracts;

- Lease arrangements/contracts.
- Trading and derivative transactions;
- Borrowings, commitments, fund transfers and guarantees;
- Sale, purchase or supply of any goods or materials; and
- 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.

The term "related parties" under the Bank's policy is broader in scope as includes members of the Advisory Board and consultants of the Bank.

The Bank constituted the Related Party Transactions Committee and RPT Management Committee to review and approve, as the case may be, related party transactions.

The Related Party Transactions Committee is a board-level committee that reviews material related party transactions to ensure that the terms are no less favorable to the Bank than terms available to any unconnected third party under the same or similar circumstances. A transaction is considered "material" if it involves an amount of at least P10,000,000.00, or the transaction requires Board approval such as in the case of DOSRI loans and other credit transactions. Material related party transactions are approved by the Board and subsequently presented to the stockholders at the Annual Stockholders Meeting for confirmation.

Transactions below the materiality threshold of P10,000,000.00 are reviewed and approved by the RPT Management Committee composed of Group Heads of the following units, or their respective designates:

1. Controllership Group
2. Operations Group
3. Corporate Risk Management Services ("CRISMS") Group
4. Retail Banking Group
5. Corporate Planning Group

Transactions approved by the RPT Management Committee are confirmed by the Board of Directors.

The Bank observes the following limits on exposures to related parties other than DOSRI, subsidiaries and affiliates:

	INDIVIDUAL	AGGREGATE
LOANS / CREDIT	SBL	50% of Capital
OTHER CONTRACT	None	10% of Capital

For DOSRI, subsidiaries and affiliates, the limits set by regulations are strictly observed.

Breaches in the foregoing limits are reportable to the Board of Directors with the decision of the Board to accept the exposure or to take steps to address the breaches, as may be necessary, duly documented in the minutes of the meeting.

Under BSP Circular No. 895, Banks are required to submit a report on material exposures to related parties, which shall include the material RPTs of their non-bank financial subsidiaries and affiliates within 20 calendar days after the end of the reference quarter.

Details of the Bank's major related party transactions in 2017 are described below:

- The total amount of Parent Company DOSRI loans was at P553 million as of end December 2016 and was at P509 million by end of December 2017.
- RCBC and certain subsidiaries engage in trade of investment securities as counterparties to the transaction. Those transactions are priced similar to transactions with other counterparties outside the Group and there are no unsettled transactions as of the end of each reporting period.
- RCBC's and certain subsidiaries' retirement funds covered under their defined benefit post-employment plan maintained for qualified employees are administered and managed by RCBC's and RSB's Trust Departments in accordance with the respective trust agreements covering the plan. The retirement fund neither provides guarantee or surety for any obligation of the Group nor its investment in its own shares of stock covered by any restriction and liens.
- RCBC and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RCBC Realty Corporation (RRC). Rental expense incurred by the Group related to this lease arrangements is included as part of Occupancy and Equipment-related account in the statements of profit or loss. RCBC's lease contract with RRC is effective until December 31, 2020 after it was renewed in 2015 for another five years. The outstanding payable on the lease contract is presented as part of Accounts payable under Other Liabilities account in the 2017 and 2018 statements of financial position. The related outstanding payable is unsecured, noninterest-bearing and payable in cash on demand.
- RCBC entered into sublease agreements with certain subsidiaries which occupy several floors of RCBC Plaza. Rental income by RCBC related to the sublease arrangements is included as part of Rentals under the Miscellaneous income account in the statements of profit or loss. The outstanding receivable on the lease contracts is presented as part of Accounts receivable under Loans and Receivables account in the statements of financial position. The related outstanding receivable is unsecured, noninterest-bearing and payable in cash on demand. Management believes that the receivables on the sublease agreements are fully recoverable.
- In October 2013, RCBC and RSB entered into a lease agreement covering certain office and parking spaces of RSB Corporate Center at a monthly rental fee of P7. The monthly rental payments are subject to an escalation rate of 5% annually effective in 2014 up to the 5th year of the lease term. The lease is for a period for five years which shall end in October 2018 and renewable as may be agreed by the parties. The outstanding receivable on the lease contract is presented as part of Accounts receivable under Loans and Receivables account in the statements of financial position. The related outstanding receivable is unsecured, noninterest-bearing and payable in cash on demand. Management believes that receivable from the lease contract is fully recoverable.
- RCBC has a Service Agreement (the Agreement) with RBSC, wherein RBSC shall provide RCBC with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operation of RCBC's credit card business. The total service processing fees incurred by RCBC is recognized as part of the Service and processing fees under the Miscellaneous Expenses account in the statements of profit or loss. The outstanding payable related to the service agreement is presented as part of Accounts payable under Other Liabilities account in the statements of financial position. The related outstanding payable is unsecured, noninterest-bearing and payable in cash on demand.

Transactions which are considered to have no material impact on the financial statements as the amounts paid represent less than five percent (5%) of total assets:

- The Bank entered into a Memorandum of Agreement with HI, a member of the YGC, for the procurement of outsourcing services. Under the agreement, HI is the Bank's sole

representative in negotiating the terms of the contracts with selected suppliers or service providers for the procurement of certain outsourcing services, primarily IT related services. The agreement stipulated that HI would not charge fees for its service except for its share in the savings generated from suppliers and service providers. Moreover, HI is obligated to ensure that the contracts they initiate do not prejudice the Bank in any way and that the Bank does not pay more than the cost of buying the items without aggregation.

Transactions with subsidiaries which are eliminated in the consolidated financial statements are as follows:

- The Bank has service agreements with RCBC Savings Bank (RSB) and Bankard Inc. (now RBSC) for the in-sourced internal audit services. The Bank provides full-scope audit services to RSB and limited audit services to Bankard Inc., specifically IT audit, operations audit and financial statements review. Also, the Bank has formalized the service agreements for the internal audit services being provided to subsidiaries namely: RCBC Capital Corp., RCBC Securities, Inc., RCBC Forex Brokers Corp., Merchant Savings and Loan Association, Inc. (Rizal Microbank), RCBC Leasing and Finance Corporation and Niyog Property Holdings, Inc.
- The Bank has a service agreement with RCBC Forex Brokers Corporation (RCBC Forex) for in-sourced services, to be rendered by the following business units: 1) business and operational risk, 2) compliance, 3) internal audit, 4) information technology, and 5) human resources. The services shall be limited to: compliance with relevant laws, rules and regulations, market, liquidity, and operational risk management, internal audit, information technology, review of salary and processing of payroll on a bi-monthly basis, and implementation of exclusive succession planning, human resources information system and database administration and organization of training programs.
- The Bank has a service agreement with RCBC Forex and RSB for the referral of money service business customers to RCBC Forex, to facilitate the purchase and/or sale of foreign currencies. The services to be rendered are relative to account opening and compliance with customer identification regulatory requirements.

The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries which is eliminated during consolidation, and regular banking transactions (including purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances), all of which are at arms' length and conducted in the ordinary course of business.

The Bank does not have any transactions with promoters within the past five (5) years. The Bank does not have transactions with parties that fall outside the definition of related parties under SFAS/PAS No. 24, but 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 other, more clearly independent parties on an arm's length basis.

The foregoing information is correlated with the information in Note 28 of the Audited Financial Statements annexed to this Information Statement (please see Notes to Financial Statements, Annex "B-1").

6. Compensation of Directors and Executive Officers

Executive Compensation:

Information as to the aggregate compensation paid or accrued during the last three fiscal years to the Bank's Chief Executive Officer and four other most highly compensated executive officers follows (in thousand pesos):

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES			
Names	Principal Position	Aggregate Compensation (net of Bonuses)	Bonuses
2018 Estimate			
Gil A. Buenaventura	President & Chief Executive Officer	74,104	55,063
Redentor C. Bancod	Senior Executive Vice President		
John Thomas G. Deveras	Senior Executive Vice President		
Chester Y. Luy	Senior Executive Vice President		
Rommel S. Latinazo	Executive Vice President		
2017 Actual			
Gil A. Buenaventura	President & Chief Executive Officer	65,870	48,945
Redentor C. Bancod	Senior Executive Vice President		
John Thomas G. Deveras	Senior Executive Vice President		
Chester Y. Luy	Senior Executive Vice President		
Rommel S. Latinazo	Executive Vice President		
2016 Actual			
Gil A. Buenaventura	President & Chief Executive Officer	45,728	14,582
Redentor C. Bancod	Senior Executive Vice President		
John Thomas G. Deveras	Senior Executive Vice President		
Michaelangelo R. Aguilar	Executive Vice President		
Emmanuel T. Narciso	First Senior Vice President		
Officers and Directors as a Group Unnamed			
2018 Estimate		2,318,608	1,085,180
2017 Actual		2,060,985	964,604
2016 Actual		1,889,554	580,200

Profit Sharing Bonus:

The members of the Board of Directors, the Advisory Board, the Executive Committee and the Officers of the Bank are entitled to profit sharing bonus as provided for in Section 2 Article XI of the By-Laws of the Bank.

Likewise, the members of the Board of Directors and the Advisory Board are entitled to per diem for every meeting they attended. For the years 2017 and 2016, total per diem amounted to P10.005 Million and P10.667 Million, respectively.

The above-named executive officers and directors, and all officers and directors as a group, do not hold equity warrants or options as the Bank does not have any outstanding equity warrants or options.

7. Independent Public Accounts

Punongbayan and Araullo (P&A) acts as the Independent auditor of RCBC, RCBC Savings Bank, RCBC Forex Brokers Inc., and RCBC Leasing and Finance Corporation since 2006, of RCBC Capital since 2003, of Merchants Savings and Loan Association, Inc. since 2008 and of RCBC JPL since 2009.

In connection with the audits of the Bank's financial statements for the two (2) most recent years ended December 31, 2017 and 2016, there were no disagreements with P&A on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedure.

P&A has been the independent external auditor of the Bank beginning with the audited financial statements (AFS) for the year ended December 31, 2005 and they will be recommended for re-appointment at the scheduled annual stockholders' meeting. For period 2005-2009 Mr. Leonardo Cuaresma, Jr. was the handling/signing partner of the Bank. Mr. Cuaresma, Jr. was replaced by Mr. Romualdo V. Murcia III as the handling/signing partner in 2010 and 2011. Mr. Murcia was replaced by Mr. Benjamin P. Valdez in 2012 and 2013. Starting 2014, Ms. Maria Isabel E. Comedia has been the handling/signing partner of the Bank.

Representatives of P&A are expected to be present at the stockholders' meeting and will have the opportunity to make a statement if they desire to do so and will be available to answer appropriate questions.

The Members of the Audit and Compliance Committee are as follows: Mr. Melito S. Salazar, Jr. as Chairman, and Atty. Adelita A. Vergel De Dios and Vaughn F. Montes as Members.

The Bank is in compliance with the SRC Rule 68 (3)(b)(iv).

8. Compensation Plans – Not Applicable

9. ISSUANCE AND EXCHANGE OF SECURITIES

9. Authorization or Issuance of Securities Other than for Exchange – Not applicable

10. Modification or Exchange of Securities – Not applicable

11. Financial and Other Information

- a. **Financial statements meeting the requirements of SRC Rule 68, as amended**
Please see Annex "B" (include Supplementary Schedules required by SRC Rule 68-
Please see Annex "B-2")
- b. **Management's Discussion and Analysis (MD & A) or Plan of Operation**
Please see Annex "A"
- c. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**
None.
- d. **A statement as to whether or not representatives of the principal accountants for the current year and for the most recently completed fiscal year:**
Representatives of Punongbayan & Araullo are expected to be present at the stockholders' meeting and will have the opportunity to make a statement if they desire to do so and will be available to answer appropriate questions.

12. Mergers, Consolidations, Acquisitions and Similar Matters – Not applicable

13. Acquisition or Disposition of Property – Please see Note 13 and 14 of the attached Audited Financial Statements in Annex B

14. Restatement of Accounts – None.

D. OTHER MATTERS

15. Action with Respect to Reports

The Management Report, as set forth in the Annual Report, and the Minutes of the previous stockholders' regular meeting held on June 27, 2017 and special stockholders' meeting held on January 29, 2018 will be submitted for stockholders' approval.

Approval of the Annual Report constitutes a ratification of the Bank's performance during the previous fiscal years as contained in the Annual Report.

Approval of the June 27, 2017 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during said meeting, such as: (a) 2016 annual report and audited financial statements, (b) ratification of actions and proceedings of the Board of Directors, different Committees and Management during the year 2016, (d) confirmation of significant transactions with DOSRI and related parties, (e) election of directors, and (f) appointment of external auditor. Approval of the January 29, 2018 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during said meeting, particularly: (a) increase in authorized capital stock through an increase in authorized common shares from 1.4 Billion to 2.6 Billion, and (b) amendment of Article Seventh of the Articles of Incorporation to reflect the increase in authorized capital stock.

The corporate acts of the Board of Directors, different Committees and Management that are subject to ratification are those made from the date of the last annual stockholders' meeting (June 27, 2017) up to the date of the meeting (June 25, 2018), including those made during the special stockholders' meeting on January 29, 2018. These include, among others, those that involve day-to-day operation, administration and management of the corporate affairs such as approval of loans, restructuring of past due accounts, sale of ROPOAs, appointment/resignation of directors/officers, sanctions/disciplinary measures imposed to erring officers/employees, and authority to file criminal/civil complaints.

16. Matters Not Required to be Submitted – Not applicable

17. Amendment of Charter, By-Laws or Other Documents

Among the matters approved by the stockholders during the January 29, 2018 special stockholders' meeting is the amendment of the Articles of Incorporation for the purpose of increasing the Authorized Capital Stock through an increase in the Authorized Common Shares from 1.4 Billion to 2.6 Billion.

The proposal to increase the Authorized Common Shares to 2.6 Billion from 1.4 Billion (with par value of Php10.00 per share) is due to a projected 16% increase in Risk Weighted Assets in 2018 over the forecast end-2017 level. The Bank will need to raise capital within 2018 so as not to fall below the minimum capital thresholds. The amendment of the Articles of Incorporation will allow the increase of the Bank's Authorized Capital Stock which, in turn, will enable the Bank to prepare for future capital raising activities.

Article Seventh of the Articles of Incorporation will be amended to reflect the increase in Authorized Common Shares to 2.6 Billion from 1.4 Billion (with par value of Php10.00 per share).

The Bank is in the process of securing BSP and SEC approval of the foregoing.

Pursuant to the duly delegated authority to amend or repeal (or adopt new) By laws, as set forth under Resolution No. 06-00 issued by the stockholders representing at least 2/3 of the outstanding capital stock in the Annual Stockholders' Meeting held on June 22, 2000), the Board of Directors, in a meeting held on July 31, 2017, duly approved the amendment of Articles I and XI of the Bank's

By-Laws to reflect the correct and current address of the Head Office of the Bank and to set the parameters for the distribution and computation of profit sharing.

The BSP has given its approval for the foregoing amendments to the By-laws. The Bank is awaiting SEC approval.

18. Other Proposed Action – Not applicable

19. Voting Procedures

The vote required for election or approval.

In the election of Directors, the fifteen (15) nominees with the greatest number of votes will be elected Directors.

In the other proposals or matters submitted to a vote, a vote of the majority or super majority, as the case may be, of the shares of the capital stock of the Bank present in person or represented by proxy at the meeting is necessary for approval of such proposals or matters.

The method by which votes will be counted

Each shareholder may vote in person or by proxy the number of shares of stock standing in his name on the books of the Bank. Each share represents one vote. Voting shall be by balloting. An independent third party, Punongbayan & Araullo, shall validate and count the votes to be cast.

No director has informed the Bank of any intention to oppose the matters to be taken up in the annual meeting.

20. Update on the Company's Pre-emptive/Stock Rights Offering

In connection with the stock rights offering approved by the Board of Directors on January 29, 2018, the Bank has a pending application with the Philippine Stock Exchange for the listing of up to 540.00 million shares of common stock (Rights Shares) with a par value of ₱10.00 per share. The Bank intends to source all of the Rights Shares from the increase in the authorized capital stock of the Bank. The request for endorsement and application for increase in authorized capital stock has been submitted to the BSP and the SEC, respectively. The pending documents required by the BSP and the SEC, all of which can only be prepared and finalized after the Offer Period, will be filed with the BSP and the SEC immediately after the Offer Period. The SEC's approval for the increase in authorized capital stock is expected after the completion of the Rights Offer.

The Rights Shares will be issued after approval by the SEC and the issuance of the Certificate of Approval of Increase in Capital Stock and Certificate of Filing of Amended Articles of Incorporation. Subscription payments received will be applied as paid in capital for the increase in authorized capital stock and thereafter will be used to enable the Bank to (i) comply with the minimum capital thresholds required by the BSP and support the growth in the risk assets of the Bank over the next three years; and (ii) to support the increase in the Bank's authorized capital stock taking into consideration the required minimum subscribed and paid-up capital for such increase as prescribed by the Corporation Code.

E. OTHER CERTIFICATIONS

Attached is the written certification by the Corporate Secretary on directors and officers working with the government as Annex "C." Attached as Annex "D" to "D-5" are the Certifications of Independent Directors. Attached as Annex "E" is the Undertaking of the Corporate Secretary to submit the Certification of Independent Director Atty. Adelita A. Vergel De Dios once available.

SIGNATURES

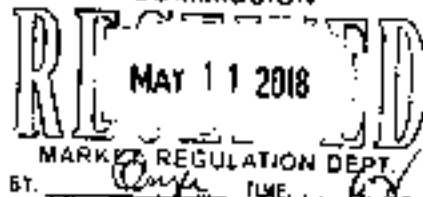
After reasonable inquiry and to the best of my knowledge and belief, I certify that the information given in this Information Statement is true, complete and correct. This Statement is signed in the City of Makati on May 11, 2018.

RIZAL COMMERCIAL BANKING CORPORATION

By:


GEORGE GILBERT G. DEDA CUESTA
Corporate Secretary

NOTICE OF MEETING



Dear Stockholder

Please be advised that the Annual Stockholders' Meeting of the Bank will be held on ~~June 25, 2018~~ at the Alfonso Sycip Executive Lounge, 47th Floor, Yuchengco Tower, RCBC Plaza, Ayala Ave., cor. Gil Puyat Ave., Makati City at 4:00 P. M., for the purpose of considering and acting on the following matters:

1. Proof of Due Notice of the Meeting
2. Determination of the Presence of Quorum
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on June 27, 2017
4. Approval of the Annual Report and the Audited Financial Statements for 2017
5. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year 2017
6. Confirmation of significant transactions with DOSRI and related parties
7. Election of Directors
8. Appointment of External Auditor
9. Such other matters as may properly come before the meeting
10. Open Forum

Enclosed is a copy of the Information Statement pursuant to Section 20-IS of the Securities Regulation Code.

Only stockholders of record at close of business on May 24, 2018 will be entitled to vote at the meeting or any adjournment thereof.

We are not soliciting your proxy. However, you may attend the meeting by submitting a duly-accomplished proxy substantially in the the form attached hereto to the Corporate Secretary through the following address not later than 5:00 P.M. of June 14, 2018.

The validation of proxies shall be held on June 18, 2018 at 2:00 pm at the Office of the Corporate Secretariat

Corporate Secretariat Unit
21st Floor, RCBC Plaza, Tower II
6819 Ayala Avenue corner
Sen. Gil J. Puyat Avenue, Makati City

May 11, 2018 Makati City, Metro Manila, Philippines.


GEORGE GILBERT G. DELA CUESTA
Corporate Secretary



PROXY

KNOW ALL MEN BY THESE PRESENTS:

That I, _____, a shareholder of the RIZAL COMMERCIAL BANKING CORPORATION (the "Corporation"), a domestic corporation, do hereby nominate, constitute and appoint _____, with full power of substitution and delegation, as the proxy, of the undersigned to represent and vote all shares registered in my name on the books of Corporation, or owned by me at the Annual Meeting of Stockholders on June 25, 2018 of said Corporation, and any adjournment/s thereof, as fully to all intents and purposes as I might or could do if present and acting in my person, hereby ratifying and confirming any and all acts which my said attorney and proxy may do in or upon any and all matters which may properly come before any said meeting, or any adjournment or adjournments thereof, upon the proposals enumerated below.

In case of absence of _____ and any substitute proxy designated by him at the said meeting, the undersigned hereby grants the Chairman of the meeting chosen accordance with the Corporation's By-Laws or, in case of his absence the President of the Corporation, full power and authority to act as alternate proxy of the undersigned at such meeting.

The proxy/substitute proxy/alternate proxy, as the case may be, shall vote subject to the instructions indicated below and the proxy/substitute proxy/alternate proxy, as the case may be, is authorized to vote in his discretion upon other business as may properly come before the Annual Meeting of Stockholders and any adjournments or postponements thereof. Where no specific instruction is clearly indicated below, the proxy/substitute proxy/alternate proxy, as the case may be, shall vote and shall be deemed authorized to vote "FOR" with respect to Proposal 1 to 6 and "FOR ALL" with respect to Proposal 7

PROPOSALS AND VOTING INSTRUCTIONS

Management recommends a 'FOR' vote for Proposals 1 to 6, and a 'FOR ALL' vote for Proposal 7

	FOR	AGAINST	ABSTAIN
1. Approval of the Minutes of the Annual Meeting of the Stockholders held on June 27, 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the Annual Report and the Audited Financial Statements for 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Confirmation of Significant Transactions with DOSRI and Related Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Appointment of Punongbayan & Araullo as External Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Election of Directors 15 Directors (8 Regular Directors and 7 Independent Directors):

- | | |
|--|------------------------------------|
| a. Ms. Helen Y. Dee | i. Mr. Armando M. Medina |
| b. Mr. Cesar E.A. Virata | j. Mr. Juan B. Santos |
| c. Mr. Gil A. Buenaventura | k. Amb. Lilia R. Bautista |
| d. Mr. Tze Ching Chan | l. Mr. Melito S. Salazar, Jr. |
| e. Mr. Richard Gordon Alexander Westlake | m. Atty. Adelita A. Vergel De Dios |
| f. Mr. John Law | n. Mr. Gabriel S. Claudio |
| g. Mr. Yuh-Shing (Francis) Peng | o. Mr. Vaughn F. Montes |
| h. Atty. Florentino M. Herrera | |

For All

☐

Withhold For All

☐

Exceptions

☐

Exceptions:

- | | | |
|----------|----------|----------|
| a. _____ | f. _____ | k. _____ |
| b. _____ | g. _____ | l. _____ |
| c. _____ | h. _____ | m. _____ |
| d. _____ | i. _____ | n. _____ |
| e. _____ | j. _____ | o. _____ |

The stockholder may withhold authority to vote for any or some nominee(s), by marking the exception box and writing the name(s) of such nominee(s) on the space provided above. If the stockholder designates exception(s), the number of shares to be distributed to each of the remaining nominees must be indicated on the spaces provided above.

The stockholder can either (a) vote for all of the nominees, in which case the stockholder's total votes will be split and cast equally among the nominee(s); (b) withhold his vote for all of the nominees, or (c) vote only for some and not all of the nominees, in which case the stockholder's total votes will be distributed and cast as indicated by the stockholder in the spaces provided above. If the stockholder does not indicate the number of shares to be distributed among the remaining nominees who are not named on the spaces for exceptions above, then the stockholder's total votes will be split and cast equally among the remaining nominees. The total number of votes which a stockholder may cast is equal to fifteen (15) times the number of shares of common stock and voting preferred stock held as of the Record Date.

This proxy shall be valid for the Annual Meeting of Stockholders of the Corporation on June 25, 2018 unless sooner withdrawn by me through notice in writing delivered to the Corporate Secretary. In case I shall be present at the meeting, this proxy stands revoked.

IN WITNESS WHEREOF, I, the undersigned shareholder, have executed this proxy at _____ this _____ day of _____, 2018.

(Signature Over Printed Name)

- ☐ Stockholder
☐ Authorized Representative
of Stockholder

****PLEASE SEE NEXT PAGE****

Date: _____, 2018

PLEASE SEE REVERSE SIDE FOR ADDITIONAL INFORMATION AND INSTRUCTIONS

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RECEIPT

Received from RCBC one (1) envelope containing the following:

- ✓ Notice of Annual Meeting of Stockholders on June 25, 2018 and Information Statement (CD Format)
- ✓ Proxy Form
- ✓ Reply Envelope
- ✓ 2017 Annual Report

Received By: _____
(Signature Over Printed Name)

Date: _____

GENERAL INFORMATION AND INSTRUCTIONS

1. Submission of Proxy

- (a) The proxy form must be completed, signed and dated by the stockholder or his duly authorized representative, and received at the principal office and mailing address of the Company not later than **5:00 P.M. of June 14, 2018**
- (b) If the proxy is given by one or more joint owners of shares of stock of the Company, the proxy form must be signed by all of the joint owners.
- (c) If the shares of stock of the Company are owned in an "and/or" capacity, the proxy form must be signed by either one of the registered owners.
- (d) If the proxy is given by a holder of shares of stock of the Company that is a corporation, association, partnership or unincorporated entity, the proxy form must be accompanied by a certification signed by a duly authorized officer, partner or representative of such corporation, association, partnership or unincorporated entity, to the effect that the person signing the proxy form has been authorized by the governing body or has the power pursuant to the By-Laws, constitutive documents or duly approved policies of such corporation, association, partnership or unincorporated entity, for such purpose.
- (e) A proxy given by a broker or dealer in respect of shares of stock of the Company carried by such broker or dealer for the account of a customer must be supported by a sworn certification that the same is given with the express prior authorization of such customer.
- (f) If any customer of a broker or dealer who is the beneficial owner of shares of stock of the Company executes a sub-proxy, the broker or dealer shall certify that the signature on the sub-proxy is the true and genuine signature of its customer.

2. Revocation of Proxy

A holder of shares of stock of the Company who has given a proxy has the power to revoke it by written instrument duly signed and dated, which must be received at the Company's principal office and mailing address not later than **5:00 P.M. of June 22, 2018**. A proxy is also considered suspended if an individual stockholder attends the meeting in person and expresses his intention to vote in person for the duration of said meeting, and shall continue to be in full force and effect thereafter.

3. *Validation of Proxy*

The validation of proxies will be held on **June 18, 2018** at **2:00 pm** at the Office of the Corporate Secretary. Validation of proxies will be done by the Corporate Secretary and persons designated by the Corporate Secretary who shall be under his supervision and control, in accordance with the procedure and guidelines set out in the Company's By-Laws and Section 11(b) of the SRC Rule 20.



RIZAL COMMERCIAL BANKING CORPORATION

AGENDA

ANNUAL MEETING OF THE STOCKHOLDERS

DATE : 25 June 2018

TIME : 4:00 P. M.

PLACE : Alfonso Sycip Executive Lounge
47th Floor, RCBC Plaza
Yuchengco Tower
Ayala Ave. cor. Gil Puyat Ave
Makati City

1. Proof of the Due Notice of the Meeting
2. Determination of the presence of a Quorum
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on June 27, 2017
4. Approval of the Annual Report and the Audited Financial Statements for 2017
5. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year 2017
6. Confirmation of significant transactions with DOSRI and related parties
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Open Forum
11. Adjournment

**RATIONALE AND EXPLANATION
FOR AGENDA ITEMS REQUIRING SHAREHOLDERS' APPROVAL**

1. Proof of Due Notice of the Meeting

Rationale/ Explanation:	Only stockholders of record as of May 24, 2018 shall be entitled to notice and vote at the meeting. The notice of the meeting, which shall contain, in addition to the date, hour and place of such meeting, a statement of the matters to be taken up at such meeting, shall be delivered personally or by registered mail, with return card, postage prepaid, at least fifteen (15) business days prior to the date thereof, addressed to each stockholder at his address appearing on the books of the Corporation in accordance with Article IV, Section 1 (c) of the Amended By-Laws of the Corporation.
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2. Determination of the presence of a Quorum

Rationale/ Explanation:	Quorum shall consist of stockholders owning the majority of the subscribed capital stock represented in person or by proxy. The Corporate Secretary shall declare whether or not a quorum exists for the Annual Stockholders Meeting.
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3. Approval of the Minutes of the Annual Meeting of the Stockholders held on June 27, 2017

Rationale/ Explanation:	Approval of the June 27, 2017 Minutes of the Annual Meeting of the Stockholders constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during said meeting, such as, (a) 2016 annual report and audited financial statements, (b) ratification of actions and proceedings of the Board of Directors, different Committees and Management during the year 2016, (c) confirmation of significant transactions with DOSRI and related parties, (d) election of directors, and (e) appointment of external auditor;
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A vote representing majority of stockholders represented and eligible to vote during the meeting is required to pass a resolution on this matter.

4. Approval of the Annual Report and the Audited Financial Statements for 2017

Rationale/ Explanation:	Approval of the Annual Report constitutes a ratification of the Bank's performance during the previous fiscal years as contained in the Annual Report. The Annual Report will contain the results of the operation of the Company during the year 2017. The financial statements as of December 31, 2017 will also be presented and endorsed for approval by the Board of Directors and the Audit Committee. The Audited Financial Statements for 2017 will be attached to the Definitive Information Statement and is incorporated in the Bank's SEC 17-A (Annual Report) submitted to the Securities and Exchange Commission (SEC) and available on the Bank's website.
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A vote representing majority of stockholders represented and eligible to vote during the meeting is required to pass a resolution on this matter.

5. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year 2017

**Rationale/
Explanation:** The corporate acts of the Board of Directors, different Committees and Management that are subject to ratification are those made from the date of the last annual stockholders' meeting (June 27, 2017) up to the date of the meeting (June 25, 2018). These include, among others, those that involve the day-to-day operation, administration and management of the corporate affairs such as approval of loans, restructuring of past due accounts, sale of ROPQAs, appointment/ resignation of directors/ officers, sanctions/disciplinary measures imposed to erring officers/employees, authority to file criminal/civil complaints

A vote representing majority of stockholders represented and eligible to vote during the meeting is required to pass a resolution on this matter.

6. Confirmation of Significant Transactions with DOSRI and Related Parties

**Rationale/
Explanation:** Significant transactions with DOSRI and related parties for the year 2017 include: loans and deposit liabilities; trading of investment securities; lease with RCBC Realty Corporation; lease with RCBC Savings Bank (RSB); agreement with House of Investments for the procurement of outsourcing services; service agreements with RCBC Savings Bank and Bankard Inc. (now RBSC); service agreements with RCBC Capital Corp., RCBC Securities, Inc., RCBC Forex Brokers Corp., Merchant Savings and Loan Association, Inc. (Rizal Microbank), RCBC Leasing and Finance Corporation and Niyog Property Holdings, Inc.; and the administration and management of some of the subsidiaries' retirement funds. The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries, and regular banking transactions (such as purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances). Details of said related party transactions are disclosed in the Bank's SEC 17-A Report which is also available on the Bank's website.

In accordance with BSP Circular No. 895 dated December 14, 2015, which requires the Bank's stockholders to confirm by majority vote, the Bank's significant transactions with DOSRI and related parties, the above-mentioned significant transactions are presented to the stockholders for confirmation.

7. Election of Directors

**Rationale/
Explanation:** The By-Laws of the Bank allows all shareholders, including minority stockholders, the right to nominate candidates for the Board of Directors. Nominees for election as members of the Board of Directors of RCBC, including nominees for election as independent Directors, as well as their profiles will be provided in the Definitive Information Statement.

A vote representing majority of stocks represented and eligible to vote during the meeting is required to pass a resolution on this matter.

8. Appointment of External Auditor

Rationale/ Explanation:	The Audit and Compliance Committee will screen and endorse to the stockholders the appointment of a selected qualified SEC-accredited auditing firm as external auditor of ACBC for the year 2018, including their proposed remuneration. The profile of the external auditor will be provided in the Definitive Information Statement.
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A vote representing majority of stocks represented and eligible to vote during the meeting is required to pass a resolution on this matter.

9. Other Matters

Rationale/ Explanation:	Other matters that may have arisen after the Notice of Meeting and Agenda have been sent out, or those raised throughout the meeting may be presented to the stockholders for consideration. Stockholders may also propose to consider such other relevant matters or issues.
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10. Open Forum

Rationale/ Explanation:	The Chairman shall also open the floor for comments and questions by stockholders. -
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11. Adjournment

ANNUAL REPORT ACCOMPANYING INFORMATION STATEMENT REQUIRED UNDER SRC RULE 17.1 (b)

(A) Audited Consolidated Financial Statements

The Audited Financial Statements of the Bank as of December 31, 2017 are contained in the latest annual report sent to security holders at the Annual Stockholders' meeting on June 25, 2018. They are also attached to the Information Statement.

(B) Management Discussion and Analysis of Financial Conditions and Results of Operations (2015-2017) and Plan of Operation

2015

Philippine GDP growth in 2015 was at 5.8%, slower vs. 6.1% in 2014, but still among the fastest growing economies, not only in ASEAN, but in the whole of Asia, amid improved economic and credit fundamentals, such as favorable demographics (i.e. demographic sweet spot or majority of the population reached working age in 2015), relatively low interest rates that continued to spur more investments and overall economic growth, as fundamentally supported by benign inflation amid low prices of crude oil and other global commodities. Continued growth in OFW remittances, BPO revenues, and foreign tourist revenues continued to support consumer spending, which accounted for about 69.3% of the Philippine economy in 2015. The ASEAN Economic Integration started in end-2015 and is expected to lead to greater economic growth, going forward.

Philippine GNP growth (2015) was at 5.4%, slower compared to 5.8% in 2014.

In terms of industrial origin, Services (57% of GDP) grew by 6.7%, faster than 5.9% in 2014, among the major contributors to economic growth. Industry (33.5% of GDP) grew by 6%, slower vs. 7.9% in 2014, amid slower growth in exports due to the global economic slowdown. Agriculture (9.5% of GDP) grew by 0.2%, slower vs. 1.6% in 2014 after El Nino in the early part of 2015 and typhoon in the latter part of the year.

In terms of expenditure shares, the major contributors to the country's economic growth in 2015 were: Consumer Spending (69.3% of GDP) at 6.2%, faster vs. 5.4% in 2014, Investments (23.5% of GDP) at 13.6%, faster vs. 5.4% in 2014, and Government Spending (10.4% of GDP) at 9.4%, faster vs. 1.7% in 2014. However, Exports (46.8% of GDP) grew by at 5.5% in 2015, slower vs. 11.3% in 2014 amid the slower global economic growth, especially in China, the world's second biggest economy.

Philippine economic growth remained resilient by growing for 68th straight quarter, despite the slower global economic growth brought about by the slowdown in China, recession in Japan, risk of recession, deflation in the Euro zone, and increased global market volatility. Softer global economic growth also supported the drop in world oil prices by at least 30% in 2015 amid increased US crude oil supplies due to shale production, decreased global oil demand, and increased crude oil production. The Philippines, which imports almost all its oil, benefited from this in terms of lower inflation and reduced import bill.

The US economy, the world's biggest, continued to recover in 2015, fundamentally supporting the decision of the US Federal Reserve to increase key monetary interest rates by 0.25 basis points on December 16, 2015. This resulted partly to some volatility in the global financial markets.

China, the world's second largest economy and among the biggest importers of commodities, has experienced slower economic growth. This partly led to the devaluation of yuan in August 2015, which partly triggered the global market sell-off. The resulting lower prices of crude oil and other

global commodities may have benefited the Philippines, which imports almost all of its oil, but partly led to increased global market volatility.

The local economy was partly supported by the continued growth in OFW remittances, sustained strong growth in the BPO industry, still relatively low interest rates compared to recent years that spurred greater economic activity, pick up in manufacturing, continued growth in tourism, and rollout of more infrastructure/PPP projects.

Inflation averaged 1.4% in 2015, sharply lower compared to 4.1% in 2014, below the 2%-4% target range of the Bangko Sentral ng Pilipinas (BSP), largely due to the continued decline global crude oil/commodity prices. Inflation reached a record low of 0.4% in October 2015.

The 91-day Treasury bill yield ended 2015 at 1.836%, up from 1.416% in 2014, and significantly up from a record low of 0.001% in end-2013, but still considered relatively low compared to recent years.

Key Philippine interest rates in the secondary market, as measured by the PDST yields, were mostly higher in 2015, with short-term tenors ended the year above 2%, with an increase of 0.29-0.49 percentage points for the year, while long-term tenors went up by at least 0.50 percentage points. The 3-month PDST-R2 yield was at 2.67% as of end-2015, higher by 0.29 percentage points for the year.

The BSP maintained its key overnight interest rates in 2015 at 4.00% for its key overnight borrowing rate, from the record low of 3.50% in end-2013. The also BSP maintained its SDA rate in 2015 at 2.50%, from the record low of 2.00% in end-2013.

Interest rates still considered relatively low compared to recent years, despite the uptick in 2015, and still translated to relatively low borrowing costs that encouraged greater economic activities in terms of creating new businesses and the expansion of existing businesses. This could also have spurred greater demand for loans/borrowings, amid improved economic and credit fundamentals for the country recently and the corresponding need to service the financing requirements of the local economy, which was among the fastest growing in Asia.

The low interest rate environment was also supported by relatively narrow budget deficit, which stood at -PHP121 billion from January to December 2015, the narrowest in 8 years after a deficit of -PHP73.1 billion (or -0.6% of GDP) in 2014 due to faster growth in government revenues despite and slower growth in government spending.

National government debt as of end-2015 was up 3.8% to PHP5.954tn, reflecting the country's improved fiscal performance and credit ratings. The country's debt-to-GDP ratio eased to 44.8% as of end-2015, vs. 45.4% in end-2014. This supported by the sustained accelerated pace of economic growth in tandem with disciplined fiscal spending that moderated borrowing requirements for the year.

The peso exchange rate depreciated vs. the US dollar in 2015, by 2.34 pesos or 5.2% to close at 47.06 in end-2015, among the weakest in more than 6 years, compared to 44.72 in end-2014. This benefited exporters, OFWs and their dependents, and others that earn in foreign currencies, in terms of greater peso proceeds of their foreign currency earnings.

Gross international reserves (GIR) as of end-2015: +US\$1.126bn or +1.4% to US\$80.7 billion or equivalent to 10.2 months' worth of imports or more than two times the international standard of 4 months.

Overseas Filipino workers (OFW) remittances up by 4.6% to US\$25.77 billion from January to December 2015, slower than the 5.9% growth in 2014 at US\$24.348 billion (8.6% of GDP).

Revenues from the Business Process Outsourcing (BPO) industry were up by 17% to US\$22 billion (7.5% of GDP), vs. 22% growth in 2014 at US\$18.9 billion (6.6% of GDP).

Net foreign portfolio investments outflows in 2015: -US\$0.600 billion, wider vs. -US\$0.310 billion in 2014. Balance of payments (BOP) surplus was at US\$2.616 billion (0.9% of GDP), after a BOP deficit of US\$2.858 billion (1% of GDP) in 2014. OFW remittances, BPO revenues, foreign tourist revenues continued to support structural US dollar inflows into the country, as well as consumer spending, which accounted for about 69.3% of the local economy. Additional OFW, BPO, and tourism jobs and improved local employment conditions partly caused unemployment rate to improve to 6.3% in 2015, vs. 6.8% in 2014.

Total exports of the country for 2015 were down by -5.6% to US\$58.648 billion amid slower global economic growth. Total imports from January to December 2015 grew 2.0% to US\$66.67 billion, reflecting the requirements of a growing economy. Consequently, trade deficit from January to December 2015 widened to US\$8.037 billion, vs. the deficit of US\$3.296 billion in 2014 amid the decline in export and the growth in imports.

Net foreign direct investments from January to December 2015: -0.3% year-on-year to US\$5.72 billion, still near the record high of US\$5.740 billion in 2014 amid the improved economic and credit fundamentals of the Philippines, as attested by the further upgrade of the country's credit ratings by most of the biggest credit rating agencies, to a notch above the minimum investment grade, which increased international investor confidence on the country.

On the Philippine banking industry, the total loans of banks, as of end-2015 was up by 12% to PHP6.530 trillion, slower than the 19.1% growth as of end-2014, which was partly spurred by relatively low interest rates and sustained economic growth. Gross non-performing loan (NPL) ratio of all banks (including interbank loans) as of end-2015 improved to 2.10%, from 2.31% as of end-2014.

Domestic liquidity/M3 growth (as of end-2015): +8.3% to PHP8.340 trillion, slower vs. +11.2% as of end-2014, reflecting the slower growth in loans/credit.

The Philippine Stock Exchange Composite Index (PSEi): -3.9% in 2015, to close at 6,952.08, sharp decline from +22.8% in 2014. It reached a record high of 8,136.97 on Apr. 7, 2015 and a low of 6,603.19 on August 25, 2015.

Financial and Operating Highlights

RCBC's Total Assets increased by 12.70% or P58.16 billion to P516.06 billion while Total Capital Funds went up by 9.41% or P4.998 billion to P58.129 billion. Loans and Receivables, net expanded by 14.35% or P37.545 billion from P261.57 billion to P299.12 billion. Net Income reached P5.129 billion while Gross Operating Income reached P22.232 billion. Non-Interest Income showed a decline of 6.29% or P447 million from P7.102 billion to P6.655 billion mainly due to decline in trading gains.. Operating expenses were well-managed at P15.06 billion, 5.80% or P825 million slightly higher from P14.24 billion the previous year. Even with the intense pricing competition and low interest rate environment, Net Interest Income rose by 4.08% or P610 million to P15.577 billion resulting to a NIM of 4.15%, one of the highest in the sector.

BALANCE SHEET			
In Million Pesos	2015	2014	2013
Total Assets	516,061	457,905	421,869
Investment Securities	111,201	100,790	92,700
Loans and Receivables (Net)	299,119	261,574	237,960
Total Deposits	342,362	315,761	297,853
Capital Funds	58,129	53,131	44,808

Cash and other cash items increased by 7.53% or P985 million from P13.085 billion to P14.070 billion. Due from Bangko Sentral ng Pilipinas, representing 9.81% of total resources, increased by 9.80% or P4.518 billion from P46.099 billion to P50.617 billion. Due from other banks increased by 18.68% or P3.101 billion from P16.600 billion to P19.701 billion. With the Bank's adoption of PFRS 9 in 2014, investment securities are now classified into At Fair Value Through Profit or Loss, At Fair Value Through Other Comprehensive Income, and At Amortized Cost amounting to P5.112 billion, P4.208 billion, and P101.881 billion, respectively. Total investment securities reached P111.201 billion and represented 21.55% of total resources.

The Bank sold certain dollar-denominated bonds classified as investment securities at amortized cost with an aggregate carrying amount of Php 35.04 billion. The sale was made in order to fund capital expenditures related to the Bank's purchase of branch licenses this year and to immediately replenish regulatory capital as the purchase will result to a reduction in the Bank's capital position. The disposal resulted in a gain of Php1.48 billion, which is included under Trading and securities gains-net in the statement of profit or loss.

The Bank also sold certain dollar-denominated bonds classified as investment securities at amortized cost with an aggregate carrying amount of Php 1.28 billion due to credit deterioration. This disposal resulted in a loss of Php 234.22 million, which is included under Trading and securities gains-net in the statement of profit or loss.

In both instances, the Bank concluded that the sale is permitted by PFRS 9 and BSP Circular 708 and that there are no changes in its business models for managing financial assets to collect contractual cash flows.

Total net loans and other receivables went up by 14.35% or P37.545 billion from P261.574 billion to P299.119 billion accounting for 57.96% of total resources.

Investment properties (net) decreased by 37.07% or P1.985 billion from P5.355 billion to P3.370 billion mainly due to the reclassification of certain investment properties to assets held for sale classified under other resources. Other resources (net) increased by 42.10% or P2.968 billion from P7.050 billion to P10.018 billion due to reclassification from investment properties, acquisition of additional branch licenses and recognition of deferred tax assets.

Deposit liabilities expanded by 8.42% or P26.601 billion from P315.761 billion to P342.362 billion and accounted for 66.34% of total resources. Demand deposits rose by 37.62% or P12.114 billion from P32.197 billion to P44.311 billion while savings deposits reached P178.197 billion and accounted for 34.53% of total resources. CASA-to-Total deposits ratio stood at 64.99% as of end-2015.

Bills payable reached P49.404 billion and accounted for 9.57% of total resources. Bonds payable, on the other hand reached P39.364 billion and accounted for 7.63% of total resources.

On January 21, 2015, the Bank successfully raised \$200 million worth of 5-year senior unsecured fixed-rate notes off its \$1.0 billion EMTN Programme. The notes carried a coupon and yield of 4.25% and maturity of January 22, 2020. On February 10, 2015, the Bank issued another \$43 million with a coupon and yield of 4.25% under the same EMTN Programme. On September 21, 2015, Rizal Commercial Banking Corporation closed and signed a USD280 million three (3)-year syndicated term loan facility with a diverse group of international banks. On October 21, 2015, the Bank successfully raised \$320 million worth of senior unsecured Reg S bonds due 2021. The notes carried a coupon and yield at 3.45%.

Total liabilities amounted to P457.932 billion and accounted for 88.74% of total resources.

On July 24, 2015 the bank redeemed its USD 100 Million 9.875% Non-Cumulative Step-up Perpetual Securities (“the Hybrid Tier 1 Notes”) as approved by the Board of Directors and by the Bangko Sentral ng Pilipinas last March 30, 2015 and May 27, 2015, respectively. The Hybrid Tier 1 Notes were redeemed for a total price of USD 113.93 million.

Capital Paid in Excess of Par grew by 40.17% of ₱6.487 billion from ₱16.148 billion to ₱22.635 billion, which was mainly due to the issuance of capital to Cathay Life Insurance. Net Unrealized Gains/(Losses) on Financial Assets At Fair Value Through Other Comprehensive Income amounted to ₱689 million, down by 17.60% or ₱146 million from ₱835 million due to fair value losses on certain investments.

Retained earnings went up by 18.11% or ₱3.327 billion from ₱18.367 billion to ₱21.694 billion as a result of net income earned during the year which was partially offset by dividends declared and the redemption premium on hybrid perpetual securities charged directly to retained earnings. The Bank’s capital, excluding non-controlling interest, reached ₱58.105 billion, 9.41% or ₱4.996 billion higher from ₱53.109 billion in 2014 and accounted for 11.26% of total resources.

Income Statement

INCOME STATEMENT			
In Million Pesos	2015	2014	2013
Interest Income	21,520	20,200	18,824
Interest Expense	5,943	5,233	5,513
Net Interest Income	15,577	14,967	13,311
Other Operating Income	6,655	7,102	9,810
Impairment Losses	2,350	2,509	2,054
Operating Expenses	15,061	14,236	14,474
Net Income attributable to Parent Company Shareholders	5,129	4,411	5,321

Total interest income reached ₱21.520 billion and accounted for 96.80% of total operating income. Interest income from loans and receivables went up by 9.40% or ₱1.501 billion from ₱15.961 billion to ₱17.462 billion and accounted for 78.54% of total operating income. Other interest income decreased by 16.43% or ₱35 million from ₱213 million to ₱178 million primarily due to lower interest income from SDA. Interest income from investment securities reached ₱3.880 billion and accounted for 17.45% of total operating income.

Total interest expense went up by 13.57% or ₱710 million from ₱5.233 billion to ₱5.943 billion and accounted for 26.73% of total operating income. Interest expense from deposit liabilities reached ₱2.992 billion while interest expense from bills payable and other borrowings reached ₱2.951 billion, representing 13.46% and 13.27% of total operating income, respectively. As a result, net interest income increased by 4.08% or ₱610 million from ₱14.967 billion to ₱15.577 billion and accounted for 70.07% of total operating income.

Impairment losses decreased by 6.34% or ₱159 million from ₱2.509 billion to ₱2.350 billion and represented 10.57% of total operating income.

Other operating income of ₱6.655 billion accounted for 29.93% of total operating income and is broken down as follows:

- Trading and securities gain-net reached ₱1.327 billion and accounted for 19.94% of total operating income
- Service fees and commissions reached ₱3.473 billion and accounted for 52.19% of total operating income
- Foreign exchange gains reached ₱260 million while Trust fees reached ₱286 million

- Miscellaneous income decreased by 24.16% or P0.417 million from P1.726 billion to P1.309 billion.

Operating expenses reached P15.061 billion and utilized 67.74% of total operating income.

- Manpower costs reached P4.731 billion and consumed 21.28% of total operating income
- Occupancy and equipment-related costs stood at P2.607 billion and consumed 11.73% of total operating income.
- Depreciation and amortization reached P1.611 billion.
- Taxes and licenses stood at P1.437 billion.
- Miscellaneous expenses settled at P4.675 billion from P4.604 billion and consumed 21.03% of total operating income.

Tax expense declined by 133.59% or P1.221 billion mainly due to the recognition of P1.138 billion Deferred Tax Income relating to Net Operating Loss Carry-over (NOLCO), allowance for impairment losses and other temporary differences.

Loss attributable to non-controlling interest remained unchanged at P1 million.

The Bank aims to continue growing its client base and achieve 12 million customers in 5 years through expansion in the Bank's distribution and electronic banking channels, brand-building, and introduction of innovative products and services. The Bank will continue to cater to the country's middle class and overseas Filipino workers in the remittance business and give special focus on the growing micro, small, and medium enterprises (MSMEs), and consumer segment. The Bank will also leverage on the entry of Cathay Life Insurance as a strategic investor and tie-ups with various Japanese and other Asian banks to support the business expansion of their SME clients operating here in the country. It will continue to hire more young, dedicated, and competent people and train its existing personnel.

For 2016, there are no known trends, demands, commitments, events or uncertainties that would have a material impact on the Bank's liquidity. The Bank does not anticipate having any cash flow or liquidity problems within the next twelve (12) months. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement. Further, there are no trade payables that have not been paid within the stated terms.

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2015	2014	2015	2014
Return on Average Assets (ROA)	1.09%	1.04%	1.30%	1.23%
Return on Average Equity (ROE)	9.33%	9.23%	9.34%	9.26%
BIS Capital Adequacy Ratio (CAR)	15.72%	15.37%	15.63%	14.93%
Non-Performing Loans (NPL) Ratio	0.79%	0.90%	0.26%	0.24%
Non-Performing Assets (NPA) Ratio	1.45%	1.72%	0.37%	0.47%
Net Interest Margin (NIM)	4.15%	4.30%	3.62%	3.71%
Cost-to-Income Ratio	67.74%	64.51%	62.45%	60.08%
Loans-to-Deposit Ratio	86.74%	82.19%	87.12%	82.09%
Current Ratio	0.43	0.49	0.43	0.48
Liquid Assets-to-Total Assets Ratio	0.17	0.21	0.17	0.21
Debt-to-Equity Ratio	7.88	7.62	6.40	6.22
Asset-to- Equity Ratio	8.88	8.62	7.41	7.23
Asset -to- Liability Ratio	1.13	1.13	1.16	1.16
Interest Rate Coverage Ratio	1.81	2.02	2.06	2.14

Earnings per Share (EPS)				
Basic	Php 3.07	Php 3.11	Php 3.07	Php 3.11
Diluted	Php 3.07	Php 3.11	Php 3.07	Php 3.11

Wholly-Owned/Majority Owned Subsidiaries

RCBC SAVINGS BANK	Audited	
In Php 000s	2015	2014
Net Income	Php 1,250,962	Php 1,040,096
Return on Average Assets (ROA)	1.48%	1.42%
Return on Average Equity (ROE)	14.10%	13.80%
BIS Capital Adequacy Ratio (CAR)	13.55%	14.73%
Non-Performing Loans (NPL) Ratio	1.94%	2.57%
Non-Performing Assets (NPA) Ratio	5.23%	6.35%
Earnings per Share (EPS)	Php 40.52	Php 33.69

RIZAL MICROBANK	Audited	
In Php 000s	2015	2014
Net Loss	Php (64,848)	Php (74,772)
Return on Average Assets (ROA)	-7.47%	-9.12%
Return on Average Equity (ROE)	-14.11%	-16.47%
BIS Capital Adequacy Ratio (CAR)	90.26%	56.99%
Non-Performing Loans (NPL) Ratio	-0.75%	-0.61%
Non-Performing Assets (NPA) Ratio	0.89%	1.19%
Loss per Share (EPS)	Php (5.76)	Php (8.53)

RCBC CAPITAL CORPORATION and Subsidiaries	Audited	
In Php 000s	2015	2014
Net Income	Php 133,505	Php 464,604
Return on Average Assets (ROA)	3.02%	9.78%
Return on Average Equity (ROE)	3.59%	11.79%
BIS Capital Adequacy Ratio (CAR)	26.27%	41.41%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	0.01%	0.05%
Earnings per Share (EPS)	Php 1.13	Php 3.93

RCBC FOREX BROKERS CORPORATION	Audited	
In Php 000s	2015	2014
Net Income	Php 70,914	Php 76,149
Return on Average Assets (ROA)	15.36%	16.15%
Return on Average Equity (ROE)	32.73%	33.94%
Capital to Total Assets	63.92%	62.32%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 141.83	Php 152.30

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Unaudited	
In Php 000s	2015	2014
Net Income /(Loss)	Php 3,749	Php (4,367)
Return on Average Assets (ROA)	2.92%	-3.25%
Return on Average Equity (ROE)	3.02%	-3.35%
Capital to Total Assets	95.02%	97.24%

Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Loss per Share	Php 1.50	Php (1.75)

RCBC NORTH AMERICA, INC.	Unaudited	
In Php 000s	2015	2014
Net Loss	Php (3,825)	Php (13,697)
Return on Average Assets (ROA)	-76.41%	-29.56%
Return on Average Equity (ROE)	-178.16%	-133.52%
Capital to Total Assets	215.19%	-0.75%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Income/(Loss) per Share	Php (87.47)	Php (313.24)

RCBC TELEMONEY EUROPE S.P.A	Unaudited	
In Php 000s	2015	2014
Net Income	Php 5,276	Php 15,513
Return on Average Assets (ROA)	1.94%	4.84%
Return on Average Equity (ROE)	45.69%	500.92%
Capital to Total Assets	-5.67%	-1.09%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 52.76	Php 155.13

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s	2015	2014
Net Income/ (Loss)	Php (5,745)	Php 1,332
Return on Average Assets (ROA)	-2.53%	0.54%
Return on Average Equity (ROE)	5.03%	-1.19%
Capital to Total Assets	-50.14%	-45.73%
Non-Performing Loans (NPL) Ratio	-	42.56%
Non-Performing Assets (NPA) Ratio	-	58.02%
Income/ (Loss) per Share (EPS)	Php (0.03)	Php 0.01

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s	2015	2014
Net Income	Php 88,670	Php 27,309
Return on Average Assets (ROA)	10.68%	3.36%
Return on Average Equity (ROE)	11.43%	3.45%
Capital to Total Assets	86.06%	94.63%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 63.75	Php 19.63

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s	2015	2014
Net Income	Php 33,983	Php 24,456
Return on Average Assets (ROA)	0.81%	0.63%
Return on Average Equity (ROE)	5.86%	4.65%
Capital to Total Assets	20.54%	14.05%

Non-Performing Loans (NPL) Ratio	15.70%	19.70%
Non-Performing Assets (NPA) Ratio	13.94%	16.77%
Earnings per Share (EPS)	Php 0.07	Php 0.05

Notes to the Computations:

1. Consolidated and Parent Company ROA and ROE ratios were taken from the corresponding audited financial statements. ROA ratio of the subsidiaries was determined based on the average of the quarterly ending balances of total assets, audited and/or unaudited. ROE ratio of the subsidiaries was likewise computed based on the average of the quarterly ending balances of total equity, audited and/or unaudited.
2. CAR covers combined credit, market and operational risks. Where the BIS CAR was not computed, the simple Capital to Total Assets ratio formula was used.
3. NPL ratio is determined by using the following formula: $(\text{Total NPLs net of total specific provision for losses}) / (\text{Total gross loan portfolio})$
4. NPA ratio is determined by using the following formula: $(\text{Net NPLs} + \text{Gross ROPA} + \text{Non performing SCR}) / \text{Gross Total Assets}$.
5. For some subsidiaries, the NPL/NPA ratios were not computed since these ratios were not applicable.

2016

Philippine GDP growth in 2016 was at 6.8%, faster vs. 5.9% in 2015, the fastest in 3 years (since 2013) and still among the fastest growing economies, not only in ASEAN, but in the whole of Asia, amid election-related spending with the May 2016 presidential elections, improved economic and credit fundamentals such as favorable demographics (i.e. demographic sweet spot or majority of the population reached working age since 2015), still relatively low interest rates compared to recent years that continued to spur more investments and overall economic growth, as fundamentally supported by benign inflation amid relatively lower prices of crude oil and other global commodities vs. in recent years. Continued growth in OFW remittances, BPO revenues, and foreign tourist revenues continued to support consumer spending, which accounted for about 69.4% of the Philippine economy in 2016. The ASEAN Economic Integration has already started in end-2015 and is expected to lead to greater economic growth, going forward.

Philippine GNP growth (2016) was at 6.6%, faster compared to 5.8% in 2015.

In terms of industrial origin, Services (57.5% of GDP) grew by 7.5%, faster than 6.8% in 2015, among the major contributors to economic growth. Industry (33.8% of GDP) grew by 8%, faster vs. 6% in 2015, despite slower growth in exports relative to imports due to the global economic slowdown. Agriculture (8.8% of GDP) contracted, by -1.3%, vs. 0.1% in 2015 after El Nino drought reduced agricultural production in the early part of 2016 and after the typhoons in the latter part of the year.

In terms of expenditure shares, the major contributors to the country's economic growth in 2016 were: Consumer Spending (69.4% of GDP) at 6.9%, faster vs. 6.3% in 2015, Investments (26.9% of GDP) at 20.8%, faster vs. 15.1% in 2015, and Government Spending (10.5% of GDP) at 8.3%, faster vs. 7.8% in 2015.

Philippine economic growth remained resilient by growing for 72nd straight quarter, despite the slower global economic growth brought about by the slowdown in China, risk of recession and deflation in Japan and in the Euro zone, and increased global market volatility. Softer global

economic growth also supported the still relatively lower world oil prices in 2016, compared to recent years, but already corrected higher from the lows after OPEC decided to cut oil production output. The Philippines, which imports almost all its oil, benefited from this in terms of lower inflation and reduced import bill.

The US economy, the world's biggest, continued to recover in 2016, fundamentally supporting the decision of the US Federal Reserve to increase key monetary interest rates by another 0.25 basis points on December 14, 2016 (after 0.25 Fed rate hike on Dec. 16, 2015). This resulted partly to some volatility in the global financial markets. Other sources of global market volatility in 2016 include Brexit (UK voted to exit from the European Union) in June 2016 and after the victory of Donald Trump in the US president elections in November 2016 (Trump signaled possible protectionist policies to save/create US jobs).

China, the world's second largest economy and among the biggest importers of commodities, again experienced slower economic growth (among the slowest in more than 25 years). This partly led to the continued devaluation of yuan since August 2015. The resulting relatively lower prices of crude oil and other global commodities (but already corrected higher from lows in 2016) may have benefited the Philippines, which imports almost all of its oil, but partly led to increased global market volatility.

The local economy was partly supported by the continued growth in OFW remittances, sustained strong growth in the BPO industry, still relatively low interest rates compared to recent years that spurred greater economic activity, pick up in manufacturing, continued growth in tourism, and rollout of more infrastructure/PPP projects.

Inflation averaged 1.8% in 2016, higher compared to 1.4% in 2015, again below the 2%-4% target range of the Bangko Sentral ng Pilipinas (BSP), largely due to the continued relatively lower global crude oil/commodity prices compared to recent years.

The 91-day Treasury bill yield ended 2016 at 1.555%, lower vs. 1.836% in end-2015, though significantly up from a record low of 0.001% in end-2013, but still considered relatively low compared to recent years.

Key Philippine interest rates in the secondary market, as measured by the PDST yields, were mostly higher in 2016, especially long-term tenors. However, the 3-month PDST-R2 yield was at 2.07% as of end-2016, lower by 0.59 percentage points for the year.

The BSP already implemented the interest rate corridor (IRC) system in June 2016, effectively lowered its overnight policy rate by 1 percentage point to 3%. The 7-day and 28-day Term Deposit Facility (TDF) rates went up to 3% levels (up from a low of 2.50%).

Interest rates are still considered relatively low compared to recent years, despite the uptick in 2016 for most long-term tenors, and still translated to relatively lower borrowing costs that encouraged greater economic activities in terms of creating new businesses and the expansion of existing businesses. This could also have spurred greater demand for loans/borrowings, amid improved economic and credit fundamentals for the country recently and the corresponding need to service the financing requirements of the local economy, which was among the fastest growing in Asia.

The upward correction in most long-term interest rates was partly due to wider budget deficit, which already widened to –PHP235.2 billion, more than five times wider vs. –PHP46.5 billion same period last year amid the faster growth in government spending compared to government revenues, but still consistently below the government's target ceiling of 2% of GDP since 2013 (but the target was raised to 3% of GDP starting 2017 in able to further increase the government's infrastructure spending).

National government debt as of end-2016 was up 2.3% to PHP6.090 trillion, reflecting the country's improved fiscal performance and credit ratings. The country's debt-to-GDP ratio eased to 44.2% as of end-3Q 2016, vs. 44.7% in end-2015. This supported by the sustained accelerated pace of economic growth in tandem with disciplined fiscal spending that moderated borrowing requirements for the year.

The peso exchange rate depreciated vs. the US dollar in 2016, by 2.66 pesos or 5.7% to close at 49.72 in end-2016, among the weakest in about a decade, compared to 47.06 in end-2015. This benefited exporters, OFWs and their dependents, and others that earn in foreign currencies, in terms of greater peso proceeds of their foreign currency earnings.

Gross international reserves (GIR) as of end-2016: Slightly higher, by +US\$24mn or +0.03% to US\$80.691 billion or equivalent to 9.2 months' worth of imports and more than two times the international standard of 4 months.

Overseas Filipino workers (OFW) remittances was up, by 5.0% year-on-year to US\$26.9 billion from January to December 2016, faster vs. 4.0% growth a year ago. Revenues from the Business Process Outsourcing (BPO) industry were up by 14% to US\$25 billion (8.2% of GDP), vs. 16% growth in 2015 at US\$22 billion (7.5% of GDP).

Net foreign portfolio investments inflows in 2016: +US\$0.353 billion, vs. -US\$0.599 billion in 2015. Balance of payments (BOP) deficit was at -US\$0.420 billion (-0.1% of GDP), after a BOP surplus of +US\$2.616 billion (+0.9% of GDP) in 2015. OFW remittances, BPO revenues, foreign tourist revenues continued to support structural US dollar inflows into the country, as well as consumer spending, which accounted for about 69.4% of the local economy. Additional OFW, BPO, and tourism jobs and improved local employment conditions partly caused unemployment rate to improve to 5.5% in 2016, vs. 6.3% in 2015.

Total exports of the country for 2016 were down by -4.4% to US\$56.232 billion amid slower global economic growth. Total imports for 2016 grew by 14.2% to US\$81.159 billion, reflecting the requirements of a growing economy. Consequently, trade deficit or net imports for 2016 widened to -US\$24.927 billion, more than twice vs. the -US\$12.240 billion in 2015 amid the decline in exports and the faster growth in imports.

Net foreign direct investments from January to December 2016: Grew by 145.7% year-on-year to US\$6.973 billion, already at a new record high for 2016 amid the improved economic and credit fundamentals of the Philippines, as attested by the further upgrade of the country's credit ratings by most of the biggest credit rating agencies, to a notch above the minimum investment grade (which was reached for the first time since 2013), which increased international investor confidence on the country.

On the Philippine banking industry, the total loans of banks, as of end-2016 was up by 16.6% to PHP7.612 trillion, faster than the 11.9% growth as of end-2015, which was partly spurred by still relatively low interest rates and sustained economic growth. Gross non-performing loan (NPL) ratio of all banks (including interbank loans) as of end-2016 improved to 1.90%, from 2.10% as of end-2015.

Domestic liquidity/M3 growth (as of end-2016): +12.4% to PHP9.473 trillion, faster vs. +9.4% as of end-2015, reflecting the faster growth in loans/credit.

The Philippine Stock Exchange Composite Index (PSEi): -1.6% in 2016, to close at 6,840.64, after -3.9% in 2015. It reached a record high of 8,136.97 on Apr. 7, 2015 and a low of 6,084.28 on January 21, 2016.

Financial and Operating Highlights

Balance Sheet

RCBC's Total Assets stood at P521.2 billion.

BALANCE SHEET			
In Million Pesos	2016	2015	2014
Total Assets	521,193	516,061	457,905
Investment Securities	75,622	111,201	100,790
Loans and Receivables (Net)	306,167	299,119	261,574
Total Deposits	353,077	342,362	315,761
Capital Funds	62,133	58,129	53,131

Cash and other cash items increased by 7.86% or Php1.106 billion from Php14.070 billion to Php15.176 billion. Due from Bangko Sentral ng Pilipinas, representing 12.76% of total resources, increased by 31.42% or Php15.903 billion from Php50.617 billion to Php66.520 billion. Due from other banks increased by 28.38% or Php5.592 billion from Php19.701 billion to Php25.293 billion. Total trading investment securities decreased by 32.00% or Php35.579 billion from Php111.201 billion to Php75.622 billion and represented 14.51% of total resources.

As permitted by PFRS 9 and BSP Circular 708, the Group sold certain loans and receivables, peso and dollar-denominated bonds classified as investment securities at amortized cost with an aggregate carrying amount of Php73.464 billion. The disposals resulted in a gain of Php1.352 billion, which is included under Trading and securities gains-net in the statement of profit or loss. In addition, the Group concluded that the sales did not result to changes in its business models for managing financial assets to collect contractual cash flows.

Loans and Receivables-net reached Php306.167 billion and represented 58.74% of total resources.

Bank Premises, furniture, Fixtures and Equipment, net grew by 16.76% or Php1.274 billion from Php7.602 billion to Php8.876 billion mainly due opening of additional 25 branches and acquisition of equipment for lease during the year by a wholly owned subsidiary. Other Resources, net increased by 12.11% or Php1.065 billion from Php8.796 billion to Php9.861 billion.

Deferred Tax Assets increased by Php 955 million or 78.15% from Php 1.222 billion in 2015 to Php 2.177 billion in 2016 as a result of recognition of tax effects of additional temporary differences arising mainly from allowance for impairment, MCIT and provision for credit card reward payments. This is partially offset by the reversal of deferred tax assets arising from NOLCO.

Deposit liabilities settled at Php353.077 billion and accounted for 67.74% of total resources. Demand deposits were recorded at Php42.053 billion. Savings deposits reached Php162.926 billion and accounted 31.24% of total resources. Time deposits grew by 23.56% or Php28.243 billion from Php119.854 billion to Php148.097 billion and accounted for 28.42% of total resources.

Bills payable decreased by 23.81% or down by Php11.761 billion from Php49.404 billion to Php37.643 billion mainly attributable to the net payment on foreign borrowings, it represented 7.22% of total resources. Bonds payable, was recorded at Php41.595 billion and accounted for 7.98% of total resources.

Total liabilities stood at Php459.060 billion and represented 88.08% of Total Resources.

Total Equity went up by 6.89% or Php4.004 billion from Php58.129 billion to Php62.133 billion mainly due to Net Income for the period, net of cash dividends declared and paid.

Income Statement

INCOME STATEMENT			
In Million Pesos	2016	2015	2014
Interest Income	23,137	21,520	20,200
Interest Expense	7,430	5,943	5,233
Net Interest Income	15,707	15,577	14,967
Other Operating Income	7,114	6,655	7,102
Impairment Losses	1,770	2,350	2,509
Operating Expenses	17,355	15,061	14,236
Tax Expense (Income)	(174)	(307)	914
Net Income attributable to Parent Company Shareholders	3,868	5,129	4,411

Total interest income reached Php23.137 billion and accounted for 101.38% of total operating income. Interest income from loans and receivables went up by 11.34% or Php1.980 billion from Php17.462 billion to Php19.442 billion and accounted for 85.19% of total operating income. The increase is mainly due to increase in average volume of Loans and Receivables and higher average yield. Other interest income stood at Php426 million and interest income from investment securities reached Php3.269 billion and accounted for 14.32% of total operating income.

Total interest expense went up by 25.02% or Php1.487 billion from Php5.943 billion to Php7.430 billion and accounted for 32.56% of total operating income. Interest expense from deposit liabilities, which grew by 9.26% from Php2.992 billion, reached Php3.269 billion, representing 14.32% of total operating income. Interest expense from bills payable and other borrowings reached Php4.161 billion, 41% up or Php1.210 billion higher from last year's Php2.951 billion, it represented 18.23% of total operating income. As a result, net interest income reached Php15.707 and accounted for 68.83% of total operating income.

The Group booked lower impairment losses at Php1.77 billion, down by 24.68% or Php580 million from Php2.350 billion and represented 7.76% of total operating income.

Other operating income of Php7.114 billion accounted for 31.17% of total operating income and is broken down as follows:

- Service fees and commissions stood at Php3.164 billion and accounted for 13.86% of total operating income
- Trading and securities gain-net settled at Php1.619 billion and accounted for 7.09% of total operating income
- Foreign exchange gains increased by 6.15% or Php16 million from Php260 million to Php276 million attributable to higher commission from commercial transactions
- Trust fees settled at P294 million
- Share in net earnings of subsidiaries and associates settled at Php131 million.
- Miscellaneous income went up by 34.05% or Php414 million from Php1.216 billion to P1.630 billion brought about by higher dividend and rental income.

Operating expenses grew by 15.23% or Php2.294 billion from Php15.061 billion to Php17.355 billion and consumed 76.05% of total operating income.

- Manpower costs reached Php5.408 billion and consumed 23.70% of total operating income due to additional headcount for the 25 newly opened business centers.
- Occupancy and equipment-related stood at Php2.871 billion and consumed 12.58% of total operating income
- Taxes and licenses stood at Php1.766 billion
- Depreciation and amortization reached Php1.840 billion

- Miscellaneous expenses went up by 17.01% or Php795 million to settle at Php5.470 billion from Php4.675 billion, increase was mainly due to the Php1 billion BSP fine, and it consumed 23.97% of total operating income

Excluding the Php1 billion BSP fine, OPEX grew by Php8.59% or Php1.294 billion.

Negative Tax expense was at P 174 million in 2016 from P307 million in 2015 due to lower amount of Deferred Tax Income relating to MCIT, allowance for impairment losses and other temporary differences and reversal of DTA or utilized and expired NOLCO.

Income from non-controlling interest went up to settle at Php2 million.

Overall, net income was down by 24.53% or Php1.258 billion from Php5.128 billion in 2015 to Php3.870 billion in 2016.

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2016	2015	2016	2015
Return on Average Assets (ROA)	0.77%	1.09%	0.93%	1.30%
Return on Average Equity (ROE)	6.42%	9.33%	6.43%	9.34%
BIS Capital Adequacy Ratio (CAR)	16.16%	15.72%	16.23%	15.63%
Non-Performing Loans (NPL) Ratio	0.98%	0.79%	0.17%	0.26%
Non-Performing Assets (NPA) Ratio	1.52%	1.45%	0.33%	0.37%
Net Interest Margin (NIM)	4.06%	4.15%	3.47%	3.62%
Cost-to-Income Ratio	76.05%	67.74%	74.30%	62.45%
Loans-to-Deposit Ratio	89.07%	86.74%	89.71%	87.12%
Current Ratio	0.56	0.43	0.52	0.43
Liquid Assets-to-Total Assets Ratio	0.26	0.17	0.26	0.17
Debt-to-Equity Ratio	7.39	7.88	5.73	6.40
Asset-to- Equity Ratio	8.39	8.88	6.73	7.40
Asset -to- Liability Ratio	1.14	1.13	1.17	1.16
Interest Rate Coverage Ratio	1.50	1.81	1.60	2.06
Earnings per Share (EPS)				
Basic	Php 2.76	Php 3.07	Php 2.76	Php 3.07
Diluted	Php 2.76	Php 3.07	Php 2.76	Php 3.07

Wholly-Owned/Virtually Owned Subsidiaries

RCBC SAVINGS BANK	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income	Php 1,005,140	Php 1,250,962
Return on Average Assets (ROA)	1.05%	1.48%
Return on Average Equity (ROE)	9.89%	14.10%
BIS Capital Adequacy Ratio (CAR)	13.44%	13.99%
Non-Performing Loans (NPL) Ratio	2.88%	1.94%
Non-Performing Assets (NPA) Ratio	5.95%	5.23%
Earnings per Share (EPS)	Php 32.56	Php 40.52

RIZAL MICROBANK	Audited	
In Php 000s (Except EPS)	2016	2015
Net Loss	Php (3,384)	Php (64,848)
Return on Average Assets (ROA)	-0.33%	-7.47%
Return on Average Equity (ROE)	-0.55%	-14.11%
BIS Capital Adequacy Ratio (CAR)	65.28%	90.26%
Non-Performing Loans (NPL) Ratio	0.09%	0.00%
Non-Performing Assets (NPA) Ratio	1.24%	0.89%
Loss per Share (EPS)	Php (0.30)	Php (5.76)

RCBC CAPITAL CORPORATION and Subsidiaries	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income	Php 294,079	Php 133,505
Return on Average Assets (ROA)	7.13%	3.02%
Return on Average Equity (ROE)	8.14%	3.59%
BIS Capital Adequacy Ratio (CAR)	27.99%	26.27%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	0.05%	0.01%
Earnings per Share (EPS)	Php 2.49	Php 1.13

RCBC FOREX BROKERS CORPORATION	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income	Php 39,917	Php 70,914
Return on Average Assets (ROA)	16.60%	15.36%
Return on Average Equity (ROE)	20.14%	32.73%
Capital to Total Assets	77.08%	63.92%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 79.83	Php 141.83

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income /(Loss)	Php (1,931)	Php 3,749
Return on Average Assets (ROA)	-1.38%	2.92%
Return on Average Equity (ROE)	-1.40%	3.02%
Capital to Total Assets	100.05%	95.02%
Non-Performing Loans (NPL) Ratio	-0.54%	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings (Loss) per Share	Php (0.77)	Php 1.50

RCBC NORTH AMERICA, INC.	Audited	
In Php 000s (Except EPS)	2016	2015
Net Loss	Php (1,555)	Php (3,825)
Return on Average Assets (ROA)	-91.01%	-76.41%
Return on Average Equity (ROE)	-90.98%	-178.16%
Capital to Total Assets	217.45%	215.19%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Income/Loss per Share	Php (35.56)	Php (87.47)

RCBC TELEMONEY EUROPE S.P.A	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income (Loss)	Php (45,056)	Php 5,276
Return on Average Assets (ROA)	-52.36%	1.94%
Return on Average Equity (ROE)	-110.16%	45.69%
Capital to Total Assets	-47.43%	-5.67%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings (Loss) per Share (EPS)	Php (450.56)	Php 52.76

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income/ (Loss)	Php 2,259	Php (5,745)
Return on Average Assets (ROA)	1.05%	-2.53%
Return on Average Equity (ROE)	-1.88%	5.03%
Capital to Total Assets	-62.35%	-50.14%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Income/ (Loss) per Share (EPS)	Php 0.01	Php (0.03)

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income	Php 10,414	Php 88,670
Return on Average Assets (ROA)	1.40%	10.68%
Return on Average Equity (ROE)	1.46%	11.43%
Capital to Total Assets	94.43%	86.06%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 7.49	Php 63.75

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	2016	2015
Net Income	Php 70,218	Php 33,983
Return on Average Assets (ROA)	1.04%	0.81%
Return on Average Equity (ROE)	11.23%	5.86%
Capital to Total Assets	13.95%	20.54%
Non-Performing Loans (NPL) Ratio	12.51%	15.70%
Non-Performing Assets (NPA) Ratio	8.41%	13.94%
Earnings per Share (EPS)	Php 0.15	Php 0.07

2017

Philippine GDP growth in 2017 was at 6.7%, slower vs. 6.9% in 2016, still among the fastest growing economies, not only in ASEAN, but in the whole of Asia, as the faster GDP growth in 2016 may be attributed to election-related spending during the May 2016 presidential elections (i.e. higher base/denominator effects a year ago). Philippine GDP growth remained relatively high compared to recent years due to improved economic and credit fundamentals such as favorable demographics (i.e. demographic sweet spot or majority of the population reached working age since 2015), still relatively low interest rates compared to recent years/decades that continued to spur more investments and overall economic growth, as fundamentally supported by benign inflation amid relatively lower prices of crude oil and other global commodities vs. in recent years.

Continued growth in OFW remittances, BPO revenues, and foreign tourist revenues continued to support consumer spending, which accounted for about 68.7% of the Philippine economy in 2017. The ASEAN Economic Integration has already started in end-2015 and is expected to lead to greater economic growth, going forward.

Fitch Ratings upgraded Philippine credit rating on December 11, 2017, by 1 notch to BBB (1 notch above the minimum investment grade; already the same as the credit ratings by S&P and Moody's), from BBB-; with stable outlook. Investor sentiment on the Philippines improved further after the passage of the first package of the tax reform measures (TRAIN) in December 2017.

Philippine GNP growth (2017) was at 6.5%, slower compared to 6.7% in 2016.

In terms of industrial origin, Services (57.4% of GDP) grew by 6.7%, slower than 7.4% in 2016, still among the major contributors to economic growth. Industry (34.1% of GDP) grew by 7.2%, slower vs. 8.4% in 2016, amid slower growth in exports relative to imports due to the global economic slowdown. Agriculture (8.5% of GDP) grew, by 3.9%, vs. -1.3% in 2016 when there was El Nino drought that reduced agricultural production in the early part of 2016.

In terms of expenditure shares, the major contributors to the country's economic growth in 2017 were: Consumer Spending (68.7% of GDP) at 5.8%, slower vs. 7.0% in 2016, Investments (28.6% of GDP) at 9.0%, slower vs. 23.7% in 2016, and Government Spending (10.5% of GDP) at 7.3%, slower vs. 8.4% in 2016.

Philippine economic growth remained resilient by growing for 76th straight quarter, despite the relatively slower global economic growth brought about by the slowdown in China, risk of recession and deflation in Japan and in the Euro zone, and increased global market volatility. Softer global economic growth also supported the still relatively lower world oil prices in 2017, compared to recent years, but already corrected higher from the lows after OPEC and other major oil-producing countries cut oil production output in an effort reduce the glut/oversupply in global oil supplies.

The US economy, the world's biggest, continued to recover in 2017, fundamentally supporting the decision of the US Federal Reserve to further increase key monetary interest rates by a total of +0.75 basis points in 2017 (+0.25 each on March 15, 2017; June 14, 2017; and December 17, 2017), after +0.25 each on December 14, 2016 and on Dec. 16, 2015. These Fed rate hikes in 2017 resulted partly to some volatility in the global financial markets. Other sources of global market volatility in 2017 include the tapering of Fed's balance sheet in 4Q 2017 (US\$10 billion) and increased tensions on North Korea amid ICBM/missile tests. Positive external developments in 2017 highlighted by US President Trump's signing of Republican-backed US\$1.5 trillion tax cut/overhaul of US tax code on December 22, 2017, in first major legislative win, delivering a major tax cut to US corporations along with a package of temporary tax cuts for other businesses and most individuals.

China, the world's second largest economy and among the biggest importers of commodities, still experienced relatively slower economic growth (still among the slowest in about 25 years).

The local economy was partly supported by the continued growth in OFW remittances, sustained strong growth in the BPO industry, still relatively lower interest rates compared to recent years/decades that spurred greater economic activity, pick up in manufacturing, continued growth in tourism, and rollout of more infrastructure/PPP projects.

Inflation averaged 3.2% in 2017, higher compared to 1.8% in 2016, but still below the 2%-4% target range of the Bangko Sentral ng Pilipinas (BSP), largely due to the continued relatively lower global crude oil/commodity prices compared to recent years.

The 91-day Treasury bill yield ended 2017 at 2.15%, higher vs. 1.55% in end-2016, also significantly up from a record low of 0.001% in end-2013, but still considered relatively lower compared to recent years/decades.

Key Philippine interest rates in the secondary market, as measured by the PDST yields, were mostly higher in 2017, especially long-term tenors. The benchmark 3-month PDST-R2 yield was at 2.43% as of end-2017, higher by 0.35 percentage points for the year.

Interest rates are still considered relatively lower compared to recent years/decades, despite the uptick in 2017, and still translated to relatively lower borrowing costs that encouraged greater economic activities in terms of creating new businesses and the expansion of existing businesses. This could also have spurred greater demand for loans/borrowings, amid improved economic and credit fundamentals for the country recently and the corresponding need to service the financing requirements of the local economy, which was among the fastest growing in Asia.

The upward correction in most long-term interest rates was partly due higher inflation, rising trend in US/global interest rates amid normalization of monetary policy in the US and in some developed countries, as well as wider budget deficits in 2016 and 2017, at -PHP350.6 billion in 2017 (or -2.2% of GDP), slightly narrower vs. -PHP353.4 billion (or -2.4% of GDP) in 2016 as government spending increased especially on infrastructure, but still consistently below the government's upwardly revised target ceiling of 3% of GDP for 2017 (from 2%).

National government debt as of end-2017 was up by 9.2% to PHP6.652 trillion. However, the country's debt-to-GDP ratio remained relatively low at 42.1% as of end-2017, same as in end-2016. This is supported by the sustained accelerated pace of economic growth in tandem with disciplined fiscal spending that moderated borrowing requirements in recent years.

The peso exchange rate depreciated vs. the US dollar in 2017, by 0.21 pesos or 0.4% to close at 49.93 in end-2017, among the weakest in about a decade, compared to 49.72 in end-2016. This benefited exporters, OFWs and their dependents, and others that earn in foreign currencies, in terms of greater peso proceeds of their foreign currency earnings.

Gross international reserves (GIR) as of end-2017 increased by US\$878 million or 1.1% to US\$80.691 billion or equivalent to 8.3 months' worth of imports and more than two times the international standard of 4 months.

OFW remittances were up, by 4.3% year-on-year to US\$28.1 billion (9% of GDP) in 2017, slower vs. 5.0% growth in 2016. Revenues from the Business Process Outsourcing (BPO) industry were up by 16% to US\$28.9 billion (9.2% of GDP), slower vs. 18% growth in 2016 at US\$25 billion (8.2% of GDP).

Net foreign portfolio investments outflows in 2017: -US\$0.205 billion, vs. +US\$0.404 billion in 2016. Balance of payments (BOP) deficit was at -US\$0.863 billion (-0.3% of GDP), after -US\$0.420 billion (-0.1% of GDP) in 2016. OFW remittances, BPO revenues, foreign tourist revenues continued to support structural US dollar inflows into the country, as well as consumer spending, which accounted for about 68.7% of the local economy. Additional OFW, BPO, and tourism jobs and improved local employment conditions partly caused unemployment rate to remain relatively low at 5.7% in 2017, vs. 5.4% in 2016.

Total exports of the country for 2017 grew by 10.2% to US\$63.2 billion amid the pickup in global economic growth. Total imports for 2017 went by, 10.4% to US\$92.8 billion, reflecting the increased requirements of a fast-growing economy. Consequently, trade deficit or net imports for 2017 widened to a record of -US\$29.6 billion, wider vs. the -US\$26.7 billion in 2016.

Net foreign direct investments in 2017: Grew by +21.4% year-on-year to US\$10 billion, a new record high vs. previous record high of US\$8.2 billion in 2016 amid the improved economic and

credit fundamentals of the Philippines, as attested by the further upgrade of the country's credit ratings by most of the biggest credit rating agencies, to a notch above the minimum investment grade (which was reached for the first time since 2013), which boosted international investor confidence on the country.

On the Philippine banking industry, the total loans of banks, as of end-2017 was up by 16.4% year-on-year to PHP8.862 trillion, slower vs. 16.6% growth as of end-2016, which was partly spurred by still relatively lower interest rates compared to recent years/decades and sustained economic growth. Gross non-performing loan (NPL) ratio of all banks (including interbank loans) as of end-2017 improved to 1.72%, from 1.89% as of end-2016.

Domestic liquidity/M3 growth (as of end-2017): 11.9% year-on-year to PHP10.637 trillion, slower vs. 12.8% as of end-2016, partly reflecting the slower growth in loans/credit.

The Philippine Stock Exchange Composite Index (PSEi) gained by 25.1% in 2017, to close at 8,558.42, after -1.6% in 2016. It reached a record high of 8,640.04 on December 29, 2017 and a low of 6,746.80 on January 3, 2017.

Financial and Operating Highlights

Balance Sheet

RCBC's Total Assets stood at P554.0 billion.

BALANCE SHEET			
In Million Pesos	2017	2016	2015
Total Assets	553,988	521,193	516,061
Investment Securities	72,932	75,622	111,201
Loans and Receivables (Net)	354,243	306,167	299,119
Total Deposits	388,412	353,077	342,362
Capital Funds	67,027	62,133	58,129

RCBC's Total Assets grew by 6.29% or P32.795 billion from P521.193 bio to P553.988 billion mainly due to the increase in Loans and Receivables, Net.

Due from Bangko Sentral ng Pilipinas, representing 10.61% of total resources, decreased by 11.60% or P7.719 billion from P66.520 billion to P58.801 billion as a result of a decrease in overnight deposit and term deposit placements. Due from other banks decreased by 21.65% or P5.475 billion from P25.293 billion to P19.818 billion, mainly due to decrease in foreign bank placements. Total trading investment securities, representing 13.16% of Total Resources stood at P72.932 billion.

As permitted by PFRS 9 and BSP Circular 708, the Group sold in 2017 certain peso and dollar-denominated bonds classified as investment securities at amortized cost with an aggregate carrying amount of P22.729 billion. The disposals resulted in a gain of P683 mio, which is included under Trading and securities gains-net in the statement of profit or loss. In addition, the Group concluded that the sales did not result in changes in its business models for managing financial assets to collect contractual cash flows.

Loans under reverse repurchase agreement grew by 24.62% or P1.942 billion from P7.889 billion to P9.831 billion mainly due to higher placements with the BSP.

Loans and Receivables-net increased by 15.70% or P48.076 billion from P306.167 billion to P354.243 billion and represented 63.94% of total resources. This was primarily as a result of increase in the volume of loan releases across all product types. In terms of ADB, SME Loans grew by 18%

or P6.0 billion, Consumer Loans by 15% or P10.7 billion, and Corporate Loans by 12% or P20.5 billion. Growth in consumer loans was led by the Credit Card Portfolio, which grew by 28% or P2.9 billion, Auto Loans by 21% or P5.5 billion, and Mortgage Loans by 9% or P3.2 billion. For the Loan Mix, Corporate Loans was 55%, SME was 16% and Consumer Loans was 29% of the Total Loans.

Investments in Associates, net grew by 8.88% or P34 million from P383 million to P417 million as a result of additional equity income from associates.

Investment Properties, net increased by 5.26% or P170 million from P3.229 billion to P3.399 billion attributable to additional foreclosed properties made by subsidiaries. Deferred Tax Assets declined by 12.91% or P291 million due to higher taxable income during the year resulting to utilization of tax benefits of minimum corporate income tax incurred in prior years. Other Resources, net decreased by 8.61% or P849 million from P9.861 billion to P9.012 billion mainly due to disposal of assets held for sale by a subsidiary.

Deposit liabilities grew by 10.01% or P35.335 billion from P353.077 billion to P388.412 billion and represented 70.11% of Total Resources. Demand deposits increased by 23.64% or P9.943 billion from P42.053 to P51.996 billion, Savings Deposits were recorded at P165.187 billion and accounted for 29.82% of Total Resources. Time deposits grew by 15.62% or P23.131 billion from P148.098 bio to P171.229 billion and accounted for 30.91% of total resources. Increase in deposit liabilities was as a result of newly opened business centers.

Bills payable increased by 16.80% or P6.324 billion from P37.643 billion to P43.967 billion mainly attributable to higher foreign borrowings; it represented 7.94% of total resources. Bonds payable decreased by 32.54% or P13.535 billion from P41.595 billion to P28.060 billion primarily as a result of the maturity of the U.S.\$275 million senior notes in January 2017. Accrued taxes, interest and other expenses payable decreased by 13.23% or P638 million from P4.823 bio to P4.185 mainly due to decrease in accruals for other expenses as a result of the settlement of prior year's accrual of the BSP's regulatory action relating to the alleged heist involving the Bank of Bangladesh.

Total liabilities stood at P486.961 billion and represented 87.90% of Total Resources.

Net Unrealized Gains/(Losses) on Financial Assets At Fair Value Through Other Comprehensive Income decreased by 7.51% or P160 million due to revaluation of investment securities. Actuarial losses on Defined Benefit Plan decreased by P1.514 billion from P1.593 billion to P79 million as a result of the revaluation of plan assets held by the retirement fund. Retained Earnings grew by 14.34% or P3.518 billion from P24.531 billion to P28.049 billion due to higher income for the period and accounted 41.85% of Total Capital Funds.

Total Capital Funds grew by 7.88% or P4.894 bio from P62.133 bio to P67.027 bio.

Income Statement

INCOME STATEMENT			
In Million Pesos	2017	2016	2015
Interest Income	25,118	23,137	21,520
Interest Expense	7,097	7,430	5,943
Net Interest Income	18,021	15,707	15,577
Other Operating Income	7,100	7,114	6,655
Impairment Losses	2,155	1,770	2,350
Operating Expenses	17,815	17,355	15,061
Tax Expense (Income)	841	(174)	(307)
Net Income attributable to non-controlling interest	2	2	(1)
Net income	4,308	3,868	5,129

Total interest income increased by 8.56% or P1.981 billion from P23.137 billion to P25.118 billion and accounted for 99.99% of total operating income. Interest income from loans and receivables went up by 12.93% or P2.514 billion from P19.442 billion to P21.956 billion and accounted for 87.40% of total operating income. The increase is mainly due to increase in average volume of Loans and Receivables. Interest income from investment securities went down by 14.84% or P485 million mainly due to decrease in volume of total investment securities. It accounted for 11.08% of total operating income. Other interest income decreased by 11.27% or P48 million from P426 million to P378 million primarily as a result of decrease in BSP term deposit placements.

Total interest expense stood at P7.097 billion and accounted 28.25% of total operating income. Interest expense from deposit liabilities grew by 21.11% from P3.269 billion to P3.959 billion, representing 15.76% of total operating income. The increase was a result of higher volume and cost of time deposits. Interest expense from bills payable and other borrowings declined by 24.59% or P1.023 billion mainly due to the maturity of the US\$275 million senior notes in January 2017. As a result, net interest income increased by 14.73% or P2.314 billion from P15.707 billion to P18.021 billion.

The Group booked higher impairment losses at P2.155 billion, up by 21.75% or P385 million from P1.77 billion and represented 8.58% of total operating income. Increase in impairments losses net was mainly due to higher general loan loss provisions relative to increase in loan volume as previously discussed.

Other operating income of P7.100 billion accounted for 28.26% of total operating income and is broken down as follows:

- Service fees and commissions stood at P3.138 billion and accounted for 12.49% of total operating income.
- Trading and securities gain-net declined by 44.41% or P719 million from P1.619 billion to P900 million attributable to decrease in realized trading gains from securities sold.
- Foreign exchange gains increased by 189.13% or Php522 million from P276 million to P798 million attributable to higher volatility in the market resulting to increase in volume of transactions.
- Trust fees settled at P279 million.
- Share in net earnings of subsidiaries and associates settled at Php92 million.
- Miscellaneous income went up by 18.46% or Php295 million from Php1.598 billion to P1.893 billion brought about by higher dividend and gains on assets sold.

Operating expenses stood at P17.815 billion and accounted 70.92% of Total Operating Income.

- Manpower costs increased by 11.63% or P629 million from P5.408 billion to P6.037 billion, as a result of hiring for the newly opened branches. It consumed 24.03% of the total operating income.
- Occupancy and equipment-related grew by 10.24% or P294 million from P2.871 billion to P3.165 billion mainly due to the 27 branches opened in 2017. It accounted 12.60% of the total operating income.
- Taxes and licenses stood at P1.821 billion.
- Depreciation and amortization increased by 8.38% or P148 million from P1.766 billion to P1.914 billion.
- Miscellaneous expenses declined by 10.82% or P592 million to settle at P4.878 billion from P5.470 billion, primarily as a result of the P1.0 billion fine imposed by the BSP in 2016, and it consumed 19.42% of total operating income

Tax expense increased by P1.015 billion from a tax income of P174 million to a tax expense of P841 million, primarily as a result of higher taxable income as well as the origination and reversal of temporary differences relating to MCIT.

Net profit attributable to non-controlling interest settled at P2 million.

Overall, net income increased by 11.37% or P440 million from P3.870 billion in 2016 to P4.310 billion in 2017.

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2017	2016	2017	2016
Return on Average Assets (ROA)	0.82%	0.77%	1.02%	0.93%
Return on Average Equity (ROE)	6.72%	6.42%	6.74%	6.43%
BIS Capital Adequacy Ratio (CAR)	15.46%	16.16%	15.33%	16.23%
Non-Performing Loans (NPL) Ratio	1.25%	0.98%	0.54%	0.17%
Non-Performing Assets (NPA) Ratio	1.37%	1.52%	0.48%	0.34%
Net Interest Margin (NIM)	4.25%	4.06%	3.85%	3.47%
Cost-to-Income Ratio	70.92%	76.05%	68.01%	74.30%
Loans-to-Deposit Ratio*	90.84%	86.60%	91.67%	87.62%
Current Ratio	0.47	0.56	0.52	0.52
Liquid Assets-to-Total Assets Ratio	0.20	0.26	0.20	0.26
Debt-to-Equity Ratio	7.27	7.39	5.60	5.73
Asset-to- Equity Ratio	8.27	8.39	6.60	6.73
Asset -to- Liability Ratio	1.14	1.14	1.18	1.17
Interest Rate Coverage Ratio	1.73	1.50	1.95	1.60
Earnings per Share (EPS)				
Basic	Php 3.08	Php 2.76	Php 3.08	Php 2.76
Diluted	Php 3.08	Php 2.76	Php 3.08	Php 2.76

*Excluding Interbank loans and Loans under Reverse Repurchase Agreement

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RCBC SAVINGS BANK	Audited	
In Php 000s	2017	2016
Net Income	Php 1,350,231	Php 1,005,140
Return on Average Assets (ROA)	1.22%	1.05%
Return on Average Equity (ROE)	11.80%	9.89%
BIS Capital Adequacy Ratio (CAR)	14.03%	12.44%
Non-Performing Loans (NPL) Ratio	3.13%	2.88%
Non-Performing Assets (NPA) Ratio	4.09%	5.95%
Earnings per Share (EPS)	Php 43.74	Php 32.56

RIZAL MICROBANK	Audited	
In Php 000s (Except EPS)	2017	2016
Net Loss	Php (9,537)	Php (3,384)
Return on Average Assets (ROA)	-0.69%	-0.33%
Return on Average Equity (ROE)	-1.54%	-0.55%
BIS Capital Adequacy Ratio (CAR)	43.24%	65.28%
Non-Performing Loans (NPL) Ratio	0.02%	0.09%
Non-Performing Assets (NPA) Ratio	0.01%	1.24%
Loss per Share (EPS)	Php (1.09)	Php (0.30)

RCBC CAPITAL CORPORATION and Subsidiaries	Audited	
In Php 000s (Except EPS)	2017	2016
Net Income	Php 550,269	Php 294,079
Return on Average Assets (ROA)	12.40%	7.13%
Return on Average Equity (ROE)	14.46%	8.14%
BIS Capital Adequacy Ratio (CAR)	39.36%	27.99%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	0.03%	0.05%
Earnings per Share (EPS)	Php 4.66	Php 2.49

RCBC FOREX BROKERS CORPORATION	Audited	
In Php 000s (Except EPS)	2017	2016
Net Income	Php 4,502	Php 39,917
Return on Average Assets (ROA)	2.48%	16.60%
Return on Average Equity (ROE)	2.60%	20.14%
Capital to Total Assets	95.31%	77.08%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 9.00	Php 79.83

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In Php 000s (Except EPS)	2017	2016
Net Loss	Php (8,940)	Php (1,931)
Return on Average Assets (ROA)	-6.34%	-1.38%
Return on Average Equity (ROE)	-6.49%	-1.40%
Capital to Total Assets	97.83%	100.05%
Non-Performing Loans (NPL) Ratio	0.00%	-0.54%
Non-Performing Assets (NPA) Ratio	0.00%	-
Loss per Share	Php (3.58)	Php (0.77)

RCBC NORTH AMERICA, INC.	Audited	
In Php 000s (Except EPS)	2017	2016
Net Loss	Php 0	Php (1,555)
Return on Average Assets (ROA)	0.00%	-91.01%
Return on Average Equity (ROE)	0.00%	-90.98%
Capital to Total Assets	58.70%	217.45%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Loss per Share	Php 0	Php (35.56)

RCBC TELEMONEY EUROPE S.P.A	Audited	
In Php 000s (Except EPS)	2017	2016
Net Loss	Php (9,172)	Php (45,056)
Return on Average Assets (ROA)	-55.15%	-52.36%
Return on Average Equity (ROE)	12.43%	-110.16%
Capital to Total Assets	-647.61%	-47.43%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Loss per Share (EPS)	Php (91.72)	Php (450.56)

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	2017	2016
Net Income	Php 88	Php 2,259
Return on Average Assets (ROA)	0.05%	1.05%
Return on Average Equity (ROE)	-0.07%	-1.88%
Capital to Total Assets	-61.78%	-62.35%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 0.00	Php 0.01

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)	2017	2016
Net Income	Php 134,909	Php 10,414
Return on Average Assets (ROA)	18.42%	1.40%
Return on Average Equity (ROE)	19.32%	1.46%
Capital to Total Assets	96.05%	94.43%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	Php 96.99	Php 7.49

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	2017	2016
Net Income	Php 91,147	Php 70,218
Return on Average Assets (ROA)	1.10%	1.04%
Return on Average Equity (ROE)	13.64%	11.23%
Capital to Total Assets	7.87%	13.95%
Non-Performing Loans (NPL) Ratio	8.61%	12.51%
Non-Performing Assets (NPA) Ratio	6.65%	8.41%
Earnings per Share (EPS)	Php 0.199	Php 0.15

Notes to the Computations:

- 1. Consolidated and Parent Company ROA and ROE ratios were taken from the corresponding audited financial statements. ROA ratio of the subsidiaries was determined based on the average of the quarterly ending balances of total assets, audited and/or unaudited. ROE ratio of the subsidiaries was likewise computed based on the average of the quarterly ending balances of total equity, audited and/or unaudited.*
- 2. CAR covers combined credit, market and operational risks. Where the BIS CAR was not computed, the simple Capital to Total Assets ratio formula was used.*
- 3. NPL ratio is determined by using the following formula: (Total NPLs net of total specific provision for losses) / (Total gross loan portfolio)*
- 4. NPA ratio is determined by using the following formula: (Net NPLs + Gross ROPA + Non performing SCR) / Gross Total Assets.*
- 5. For some subsidiaries, the NPL/NPA ratios were not computed since these ratios were not applicable.*

Key Variable and Other Qualitative and Quantitative Factors

Plans for 2018

Sustaining the core business growth and to stabilize core earnings while focusing on select segments and niche markets will be the main thrust of the Bank for 2018. SME and consumer loans will remain as the main drivers of loan growth; Microfinance lending will continue to grow especially in the Mindanao and Visayas regions. In addition, the Bank aims to build its securities portfolio and increase low-cost deposits.

The Bank aims to increase its fee-based income from deposit and branch-related transactions, e-banking channels, corporate, consumer and investment banking businesses, wealth management, trust, retail banking, cash management, Bancassurance, investment banking, and cards business. The Bank aims to increase deposit volume by introducing new products, client requisition through branch expansion and offer cash management products and services to business enterprises, and regular deposit campaigns and promos.

The Bank intends to capitalize on the various alliances forged with several Japanese, Chinese, and Korean banks by offering products and services to multinational corporate clients while expanding capabilities with the transfer of technologies and best practices. Strong focus will be given to building a strong consumer franchise inclusive of a large consumer credit portfolio by capitalizing on the branch network through a much refined branch referral incentive program.

(C) Financial Statements

The consolidated financial statements have been prepared in conformity with Financial Reporting Standards in the Philippines for Banks (FRSPB) and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration to materiality. (Please see Annex B for the audited financial statements for 2017)

If material;

(i) Commitments and Contingent Liabilities

In the normal course of operations of the Bank, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, tax assessments, etc., which are not reflected in the accompanying financial statements. Management does not anticipate losses from these transactions that will adversely affect results of operations.

In the opinion of Management, the suits and claims arising from the normal course of operations of the Bank that remain unsettled, if decided adversely, will not involve sums that would have a material effect on Bank's financial position or operating results. These suits are specified in the Legal Proceedings portion of the Information Statement.

There are no known trends, demands, and commitments, events, or uncertainties that will have a material impact on the Bank's operational performance and ability to service obligations.

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely would have a material effect on its financial position or operating results.

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely would have a material effect on its financial position or operating results.

There are no known trends, demands, and commitments, events, or uncertainties that will have a material impact on the Bank's operational performance and ability to service obligations.

(ii) events that will trigger direct or contingent financial obligation that is material to the company; including any default or acceleration of an obligation

To the knowledge and/or information of the Bank, there are no events that will trigger a direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

(iii) all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

(iv) description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures

Similarly, there were no significant elements of income or loss that did not arise from the Bank's continuing operations.

(v) any known trends, events or uncertainties (material impact on sales)

There are also no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

(D) External Audit Fees

External Audit Fees and Services. The Audit Committee is empowered to appoint the external auditor of the Bank and pre-approve all auditing and non-audit services. It recommends to the Board the selection of external auditor considering independence and effectiveness and recommends the fees to be paid.

For the audit of the Bank's annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amount to be billed/billed, excluding out-of pocket expenses, by its independent accountant amounts/amounted to P11.24 million and P10.75 million for 2017 and 2016, respectively. Additionally, approximately P1.73 million was paid for other services rendered by the independent accountant in 2017.

The audit fees already incorporate fees for tax accounting, compliance, advice, planning and any other form of tax services rendered by the external auditor. There is no separate breakdown of tax fees since the tax compliance procedures are normal/recurring procedures conducted by the external auditor during their year-end audit and is not engaged separately by the Bank from the annual financial statements audit.

As for non-audit services and other fees, these pertain only to the quarterly financial statements review.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. In connection with the audits of the Bank's financial statements for the two (2) most recent years ended December 31, 2017 and 2016, there were no disagreements with Punongbayan and Araullo

on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.

The Members of the Audit and Compliance Committee are as follows: Mr. Melito S. Salazar, Jr. as Chairman, and Atty. Adelita A. Vergel De Dios and Vaughn F. Montes as Members.

The Audit and Compliance Committee approved the policies and procedures for the above services.

(F) Brief Description of the General Nature and Scope of Business of RCBC and its Subsidiaries

Rizal Commercial Banking Corporation (RCBC or the Bank) is a universal bank in the Philippines that provides a wide range of banking and financial products and services. It has total resources of P554 billion and total network of P67.03 billion, including minority interest, as of end-December 2017. The Bank ranked eighth (8th) in terms of assets among private local banks. In terms of business centers, the Bank, excluding government-owned and foreign banks, ranked sixth (6th) with a consolidated network of 508 business centers inclusive of 35 extension offices and supplemented by 1,562 ATMs as of December 31, 2017.

The Bank offers commercial, corporate and consumer lending products, cash management products, treasury products, and remittance services. RCBC also enters into forward currency contracts as an accommodation to its clients and as a means of managing its foreign exchange exposures. The Bank and its subsidiaries (hereinafter referred to as the Group) are engaged in all aspects of traditional banking, investment banking, retail financing (auto, mortgage/housing loans, credit cards and microfinance loans), remittance, leasing, foreign exchange and stock brokering.

The Bank, incorporated under the name Rizal Development Bank, began operations as a private development bank in the province of Rizal in 1960. In 1963, the Bank received approval from the Central Bank of the Philippines to operate as a commercial bank and began operations under its present name, Rizal Commercial Banking Corporation. RCBC obtained its universal banking license in 1989 and has been listed on the Philippine Stock Exchange Inc. (PSE) since 1986.

RCBC's common shares are 42.45% directly and indirectly owned by Pan Malayan Management and Investment Corporation (PMMIC), a company incorporated and domiciled in the Philippines. PMMIC is the holding company of the flagship institutions comprising the Yuchengco Group of Companies (YGC) and other investments. Other significant investors include the World Bank's International Finance Corporation and Cathay Life Insurance Co. Ltd., a wholly-owned subsidiary of Cathay Financial which is the largest publicly listed financial holding company in Taiwan.

The registered address of RCBC is Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen. Gil Puyat Avenue, Makati City.

Through its universal banking license, the Bank is allowed to perform a number of expanded commercial and investment bank functions and to invest in the equity of a variety of allied and non-allied financial and non-financial undertakings.

The Bank's subsidiaries are as follows:

RCBC Capital Corporation (RCBC Capital), a 99.96% owned subsidiary, was established in 1974 as the Bank's investment banking subsidiary. It offers a complete range of investment banking and financial consultancy services which include (i) the underwriting of equity, quasi-equity and debt securities on a firm or best efforts basis for private placement or public distribution; (ii) the syndication of foreign currency or peso loans; and (iii) financial advisory services.

RCBC Securities, Inc. (RCBC Securities), a wholly-owned subsidiary of RCBC Capital, is engaged in the electronic and traditional trading of listed securities and in providing corporate and market research. **RCBC Bankard Services Corporation (RCBC Bankard)**, a wholly-owned subsidiary of RCBC Capital is engaged in providing services to the credit card business of the Bank.

RCBC Savings Bank, Inc. (RSB), a wholly-owned subsidiary of the Bank, was established in 1996 as the Bank's consumer banking arm. RSB provides deposit products, real estate loans, auto loans and personal loans. As of end-December 2017, RSB had 154 business centers and 459 ATMs nationwide.

RCBC Forex Brokers Corporation (RCBC Forex), a wholly-owned subsidiary of the Bank, was incorporated in 1998. RCBC Forex is primarily engaged in dealing and brokering currencies in foreign exchange contracts with local and international clients. In 2016, the foreign exchange business of RCBC Forex was consolidated into RCBC Treasury Group such that RCBC Forex will only continue dealing with money changers, foreign exchange dealers and remittance agents. This will provide synergies such as elimination of redundancy, generation of higher income and meaningful cost savings, and maintenance of client service/relationship. The integration will also enhance Treasury group's presence in the provinces while Forex operations will contribute extensive experience in documentary review.

RCBC International Finance Limited (RCBC IFL), a wholly-owned subsidiary of the Bank, was established in July 31, 1962 and is the Bank's overseas branch in Hong Kong.

RCBC Investment Ltd. (RCBC IL) is a 100% owned subsidiary of RCBC IFL established on August 1, 1980 to engage in the business of remittance, money exchange, retail lending and investment. RCBC IL was placed under dormant status in May 2009 and RCBC IFL took over its businesses using the Money Service Operator's (MSO) and Money Lender's (ML) Licenses.

RCBC North America, Inc. (formerly RCBC California International, Inc.), a wholly-owned subsidiary of the Bank (83.97% owned by RCBC; 16.03% indirectly owned through RCBC IFL), was a foreign exchange remittance office in California. The company ceased its operations in March 2014.

RCBC TeleMoney Europe S.p.a., a wholly-owned subsidiary of the Bank, was established in 1995 in Rome, Italy to engage in the remittance business. The company ceased its operations in March 2016.

Merchants Savings and Loan Association, Inc. (now operating under the name & style - Rizal Microbank, a thrift bank), a 98.03% owned subsidiary, was acquired on May 15, 2008 to engage in microfinancing and development of small businesses. Rizal Microbank has 18 branches and 5 microbanking offices with operations in Southern Luzon and Mindanao. Rizal Microbank moved its Head Office (HO) and branch from Makati City to Davao City in April 2011.

RCBC Leasing and Finance Corporation (formerly First Malayan Leasing and Finance Corporation) (RCBC LFC), a 97.80% owned subsidiary of the Bank acquired in March 2012, is a pioneer in the leasing and financing industry in the Philippines as the company started its operations in 1957. RCBC LFC is a non-bank financial institution with a quasi-banking license granted by the Bangko Sentral ng Pilipinas. It serves the requirements of corporate, commercial and consumer markets through its innovative loans, leases and investment products. **RCBC Rental Corporation** is a wholly-owned subsidiary of RCBC LFC engaged in renting and leasing business machines, transport vehicles and heavy equipment under an operating lease arrangement.

Niyog Property Holdings, Inc. (NPHI), a wholly-owned subsidiary of the Bank, was incorporated on September 13, 2005 to purchase, subscribe for or otherwise dispose of real and personal

property of every kind and description but not as an investment company. It is 48.11% owned by the Bank and 51.89% indirectly owned through RSB.

RCBC-JPL Holding Company, Inc. (formerly Pres. Jose P. Laurel Rural Bank, Inc.) (RCBC-JPL), 99.39% owned, was renamed with a corresponding change in primary business to handle the disposition of the remaining assets of the former JPL Rural Bank. On April 1, 2012, RMB acquired selected assets and liabilities of JPL Rural Bank.

(G) Directors and Executive Officers

The directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. Incumbent directors are:

Name	Age	Position	Inclusive Dates	Citizenship
Ms. Helen Y. Dee	74	Director	March 28, 2005 to present	Filipino
		Chairperson of the Board	June 27, 2005 to present	Filipino
		Interim President and Chief Executive Officer	March 23, 2016 to June 30, 2016	
Mr. Cesar E. A. Virata	87	Director	1995 to present	Filipino
		Corporate Vice-Chairman	June 22, 2000 to present	
		Acting Chief Executive Officer	January 28, 2002 to June 29, 2003	
		Chief Executive Officer	June 30, 2003 to June 28, 2004	
Mr. Gil A. Buenaventura	65	Director	July 1, 2016 to present	Filipino
		President and Chief Executive Officer	July 1, 2016 to present	
Mr. Tze Ching Chan	61	Director	November 28, 2011 to present	Chinese
Mr. Richard G.A. Westlake	66	Director	October 1, 2014 to present	New Zealand
Mr. John Law	67	Director	April 27, 2015 to present	Taiwanese
Mr. Yuh-Shing Peng	46	Director	April 27, 2015 to present	French & Taiwanese (dual citizen)
Atty. Florentino M. Herrera, III	66	Director	August 30, 2016 to present	Filipino
Mr. Armando M. Medina	68	Independent Director	Feb. 26, 2003 to present	Filipino
Mr. Juan B. Santos	79	Independent Director	Effective July 1, 2016 (assumption of office is on November 2, 2016) to present	Filipino
Mr. Melito S. Salazar, Jr.	68	Independent Director	June 27, 2016 to present	Filipino
Atty. Adelita A. Vergel De Dios	71	Independent Director	June 27, 2016 to present	Filipino
Amb. Lilia R. Bautista	82	Independent Director	July 25, 2016 to present	Filipino
Mr. Gabriel S. Claudio	63	Independent Director	July 25, 2016 to present	Filipino
Mr. Vaughn F. Montes, Ph.D.	67	Independent Director	September 26, 2016 to present (appointed on July 25, 2016)	Filipino

The names, ages and positions of all **incumbent executive officers** are as follows:

Redentor C. Bancod, 53, Filipino, Senior Executive Vice-President, is the Head of the IT Shared Services Group and was appointed for a concurrent role, as Chief of Staff on November 2, 2017. Prior to assuming these roles, he was the Head of IT Shared Services & Operations Group and the concurrent head of Digital Banking Group. Previously, he was Vice-President & General Manager, Central Systems Asia of Sun Life Financial, Asia and Senior Vice-President and Chief Technology Officer of Sun Life Of Canada (Philippines) Inc. from October 2003 to 2007; Senior Vice- President & Chief Information Officer of Equitable Bank from July 1996 to September 2003; Assistant Vice-President and Head of Applications Development in Far East Bank from October 1993 to June 1996; Assistant Vice-President of Regional Operations (Asia Pacific) of Sequel Concepts, Inc. U.S.A/Ayala Systems Technology Inc. from November 1992 to September 1993; Project Manager in Union Bank of Switzerland, NA from April 1988 to November 1992; and Chief Designer and Technical Adviser in Computer Information System Inc. from March 1984 to April 1998. He obtained his Bachelor of Arts degree in Philosophy from the University of the Philippines and is a candidate for a Master of Science degree in Information Management from the Ateneo de Manila University.

John Thomas G. Deveras, 54, Filipino, Senior Executive Vice-President, is the Head of Asset Management & Remedial Group and Strategic Initiatives. Initially, he was the Strategic Initiatives Head when he joined RCBC in 2007 but was appointed as Head of Asset Management & Remedial Group in October 2015. Prior to joining the Bank, he was an Investment Officer at International Finance Corporation. He also worked for PNB Capital and Investment Corporation as President and PNB Corporate Finance as Senior Vice-President. He obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University and earned his Masters in Business Administration from the University of Chicago.

Chester Y. Luy, 48, Filipino, Senior Executive Vice President, is the Head of Treasury Group. Prior to joining RCBC, he served in several leadership roles with various banks : Bank of Singapore as Managing Director / Head of Corporate Finance and Structured Transactions (January 2015 to June 2016), Julius Baer as Managing Director / Senior Advisor and Head of Investment Finance (December 2010 to November 2014), Bank of America / Merrill Lynch as Managing Director/Co-Head of Investment Team for Asia Pacific Region (June 2009 to November 2010), Barclays Capital as Managing Director / Head of High Yield Debt Capital for Asia Pacific Region (April 2002 to June 2009), HSBC Securities as Managing Director / Supervisory Analyst for Credit Risk Analysis Group (March 2001 to April 2002), JP Morgan Chase Securities as Vice President for Credit Risk Analysis Group (June 1995 to March 2001) and Merrill Lynch as Investment Management for Asia Pacific Region (June 1990 to September 1993). Mr. Luy graduated in 1990 from the University of the Philippines with a degree in Bachelor of Science in Business Administration. He obtained his Masters in Business Administration degree major in Finance at J.L. Kellogg Graduate School of Management, Northwestern University in 1995.

Michelangelo R. Aguilar, 61, Filipino, Executive Vice-President, is the Head of Conglomerates and Global Corporate Banking Group. He was also the Deputy Group Head of Corporate Banking from November to December 2012 and Corporate Banking Segment 1 Head from September to November 2012. Prior to joining the Bank, Mr. Aguilar was Managing Director of Standard Chartered Bank and Head, Origination and Client Coverage and Co-Head, Wholesale Banking (2004 to 2011) and Country Head, Global Markets (1997 to 2004). He obtained his Bachelor of Science degree in Mechanical Engineering from De La Salle University and his Masters in Business Management from the Asian Institute of Management. He is a registered Mechanical Engineer granted by the Board of Mechanical Engineers, Professional Regulatory Commission.

Michael O. de Jesus, 58, Filipino, Executive Vice-President, is the Head of National Corporate Banking Group. He was also the Deputy Group Head of Corporate Banking from November to December 2012 and the Corporate Banking Segment 2 Head from July 2007 to November 2012. He has a Bachelor of Arts degree in Economics from Union College in Schenectady, New York and

a Masters in Business Administration (Finance) from The Wharton School, University of Pennsylvania.

Rommel S. Latinazo, 58, Filipino, Executive Vice-President, is the President and Chief Executive Officer of RCBC Savings Bank. Prior to this, he was the Head of Corporate Banking Segment 1 under the Corporate Banking Group. He joined the Bank in 2000 as First Vice-President. Previously, he held various positions in Solidbank Corporation, Standard Chartered Bank, CityTrust Banking Corporation, First Pacific Capital Corporation and Philamlife Insurance Company. Mr. Latinazo obtained his Bachelor of Science degree in Management from the Ateneo de Manila University and his Masters in Business Administration from the University of the Philippines.

Ana Luisa S. Lim, 58, Filipino, Executive Vice-President, is the Chief Compliance Officer and Head of Regulatory Affairs Group. She was formerly the Head of Operational Risk Management Group prior to assuming her current role. She was also the Head of Internal Audit Group prior to her transfer to Operational Risk Management. She is also a Director and Corporate Secretary of BEAMExchange, Inc. She joined the Bank in 2000 primarily to implement the risk-based audit approach under a shared-services set-up in conformity with the Bank's strategic risk management initiatives. Ms. Lim obtained her Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines. She is a Certified Public Accountant, Certified Information Systems Auditor and Certified Internal Auditor.

Edel Mary G. Vegamora, 57, Filipino, Executive Vice President, is the Chief Audit Executive and Head of the Internal Audit Group. Her banking background includes being the Chief Financial Officer and Controller of Bank of Commerce from December 2013 to August 2017 and prior to that, she was the Chief Internal Auditor/ Head of Internal Audit of BDO Unibank, Inc. from September 2010 to January 2013. She also had experiences from other banks as follows: as Director of Head of Finance at ING Bank NV -Philippine Branch from August 2001 to July 2007; as Controller at Philippine Savings Bank from October 1991 to July 1993, and as Head of Division 1 of Audit Group in Metrobank from October 1988 to October 1991.

She had other experiences gained from engagement with various firms which include the following: as Managing Director for Worldwide Financial Marketing Alliance; as Senior Consultant/Partner at Diaz, Murillo Dalupan & Co., CPAs, as Part time Internal Auditor for CBCP-Caritas Filipinas Foundation Inc., NASSA, as Part-time Executive Director (Pro Bono) at iTeach, Inc; as Chief Financial Officer, Treasurer of Sun Life of Canada (Phils) Inc., as Chairman of the Board and President (Pro Bono) of the Institute of Internal Auditors; as Director for Assurance (Banking and Insurance Business) of KPMG Laya Mananghaya & Co. CPAs; as Regional Finance Head of Sun Life Assurance Co. of Canada - Asia Pacific Division (Philippine Branch) and as Manager-Tax Division, TCG; Started as Financial Auditor (Banking Clients) at Sycip Gorres Velayo & Co.

Ms. Vegamora graduated from the University of the East in 1980 with a degree in BS Business Administration, major in Accounting. She completed her Masters in Business Administration (Abridged) in 1998 offered in Manila by the New York Institute of Finance. She is a Certified Public Accountant (1980) and a Certified Internal Auditor (Institute of Internal Auditors International, USA 1999). She also obtained a Certification in Risk Management Assurance given by the Internal Auditors International, USA 2012. She is a graduate of the Professional Directors Program of the Institute of Corporate Directors and a Fellow at the same institute.

Simon Javier A. Calasanz, 38, Filipino, First Senior Vice President, is the President and CEO of RCBC Bankard Services Corporation. Prior to this, he worked for over 13 years at Hongkong Shanghai Banking Corporation where he handled the following roles : Senior Vice President and Head of Contact Center Management and Consumer Loans (February 2012 to October 2015), Senior Vice President and Head of Cards and Consumer Assets (January 2009 to January 2012), Vice President for Credit Approval Risk Management (May 2007 to January 2009), OIC for Consumer Credit and Risk (September 2008 to November 2008), Assistant Vice President for Personal Financial Services (September 2006 to April 2007), Manager for Third Party Verification

Agencies and Process Management (July 2005 to September 2006), Assistant Manager for Quality Review and Systems Support (December 2004 to July 2005), Manila Credit and Risk Support Manager-Manila Project Team (August 2004 to October 2004), Assistant Manager for Management Information Systems (June 2003 to December 2004), Management Information Credit Analyst (September 2002 to June 2003) and Credit Approval Unit Credit Analyst (April 2002 to September 2002). In addition, he also performed significant roles for the Credit Card Association of the Philippines where he is currently the Special Advisor to the Board, and for the Credit Management Association of the Philippines in which the last position he assumed was as Director in 2008. Mr. Calasanz graduated from De La Salle University with a Bachelor of Science degree in Commerce, major in Marketing Management and Bachelor of Arts degree in Psychology.

George Gilbert G. Dela Cuesta, 50, Filipino, First Senior Vice President, is the Group Head of the Legal Affairs Group and the Bank's Corporate Secretary. He joined RCBC in November 2016 as Deputy Head for Legal and Regulatory Affairs Group. Previously, he was Head of Legal for Asian Terminals for more than seven (7) years. He previously worked also as General Counsel for Hanjin Heavy Industries & Construction Co. Ltd. and for Mirant (Phils) Corporation. He started his career at Quisumbing and Torres. Atty. dela Cuesta graduated from the University of the Philippines in 1988 with a degree in Bachelor of Arts major in Political Science. He earned his Law degree from the same university in 1992.

Jonathan C. Diokno, 44, Filipino, First Senior Vice President, is the Head of the Retail Banking Group. He previously worked at Banco De Oro Unibank where he handled roles as Head of BDO Remittance Origination, Head of Business Development. He also had employment with Citibank where he was Head of Sales for Cash Management under Global Relationship Banking (Multinational Accounts) and at Standard Chartered Bank where he was a Manager for Business Development. He also had a stint at Bank of the Philippine Islands where he handled various roles such as Sales Officer, Operations and Customer Service Officer, Cash Operations Unit Officer. He started his career in banking under the Junior Officer Training Program of Citytrust Banking Corporation. Mr. Diokno graduated from the University of the Philippines with a Bachelor of Science major in Business Administration in 1994.

Lourdes Bernadette M. Ferrer, 59, Filipino, First Senior Vice-President, is the Head of the Trust and Investments Group. Prior to joining the Bank in September 2000, she held various related positions in Solidbank Corporation and the International Corporate Bank. She graduated from the University of the Philippines with a Bachelor of Science degree in Statistics and likewise obtained her Master's Degree in Business Administration from the same university.

Gerald O. Florentino, 49, Filipino, First Senior Vice-President, is the President of RCBC Securities. He held the position of Group Head and Deputy Group Head of Corporate Planning in RCBC prior to assuming his current position. Before joining the Bank, he was Senior Vice-President for the Investment Banking Group of Investment and Capital Corporation of the Philippines. He gained his corporate planning expertise from AXA Philippines as Vice-President and Head of Strategic Planning, Project Management and Business Development and AXA Way from 2007 to 2009. He also held various positions in UCPB for seven years during which his last appointment was the Head of Cash Management Products for the Working Capital Products Group. Mr. Florentino graduated from the Loyola University of Chicago, Illinois with a degree in Bachelor of Business Administration majoring in Finance and obtained his Masters in Business Management from the Asian Institute of Management.

John P. Go, 49, Filipino, First Senior Vice-President, is the Head of Chinese Banking Segment 2. Prior to joining the Bank, Mr. Go was the Vice-President/Chief Finance Officer/Assistant to the Chairman of Liwayway Marketing Corporation (March 2002 to January 2008), Assistant Vice-President of UCPB (August 1996 to February 2002) and Manager/Business Development Department Head of Monte Piedad Savings Bank (January 1996 to July 1996). He holds a Bachelor of Science degree in Marketing from the Philippine School of Business Administration.

Margarita B. Lopez, 50, Filipino, First Senior Vice President, is the Head of Digital Banking Group and the concurrent Head of Operations Group. Prior to joining the Bank, she was connected with Manulife Financial as a member of the Board of Directors and Corporate Vice President/ Asia Head of Digital from October 2014 to March 2016 and the Chief Operations Officer from February 2010 to September 2014. She also held the following positions in various institutions: Chief Operations Officer / Head of Customer Services and Support at Philippine AXA Life (January 2007 to February 2010), Group Head/First Vice President of Electronic Banking Services at Philippine National Bank (January 2005 to December 2006) and Division Head/Vice President of Transactional Banking at United Coconut Planters Bank (1996 to 2004). She also held consultancy roles from 1988 to 1996 and was the Analyst Programmer for Infolink assigned at CityTrust from 1987 to 1988. Ms. Lopez started her career as Lecturer at the University of the Philippines in 1995. She obtained her Bachelor of Computer Science and Masters in Technology Management, Business and Industry in the same university.

Regino V. Magno, 59, Filipino, First Senior Vice-President, is the Head of Business Risk Group. He was the Bank's Chief Risk Officer and the Head of Corporate Risk Management Services (CRISMS) when he was hired in 2009. Prior to joining the Bank, he was the Chief Risk Officer of Sterling Bank of Asia from August 2007 to December 2008. He was a Market Risk Consultant of Chase Cooper, a London-based consulting firm, Chief Risk Officer of Philippine National Bank for four years, a Consultant of Philippine Deposit Insurance Corporation for one year, and a Senior Risk Manager at the Bank of the Philippine Islands for four years. He also held various positions in CityTrust Banking Corporation. Mr. Magno obtained his Bachelor of Science degree in Industrial Management Engineering from De La Salle University and his Masters in Business Administration from the University of the Philippines. (Retired on February 25, 2018)

Remedios M. Maranan, 57, Filipino, First Senior Vice-President, is the Special Assistant to the Retail Banking Group Head for Business Controls. Prior to assuming this role, she was the National Service Head of Retail Banking Group. Ms. Maranan started as a BOTP Trainee in 1989 after which she assumed various positions in branch operations. Her noteworthy stints include being the Regional Operations Head for Metro Manila in December 1998 to April 2004, BC Services Division Head in May 2004 to May 2008 and Regional Service Head for Metro Manila in June 2008 to February 2010 and Deputy Group Head of BC Services from March 2010 to September 2013. She obtained her Bachelor of Science degree in Commerce majoring in Accounting from the Polytechnic University of the Philippines.

Yasuhiro Matsumoto, 58, Japanese, First Senior Vice-President, is the Head of Global and Ecozone Segment and concurrently, Head of the Japanese Business Relationship Office. Prior to this, he worked for The Bank of Tokyo-Mitsubishi UFJ, Ltd. since 1984, when the bank was named The Sanwa Bank, Ltd. He has also previously served as a director of the Bank. He obtained his Bachelor of Economics degree from Waseda University, Japan.

Emmanuel T. Narciso, 56, Filipino, First Senior Vice President, is the Group Head of Global Transaction Banking. Prior to joining RCBC, he was the Group Head of Transaction Banking in Banco de Oro Unibank, Inc. from June 2011 to August 2015. He was also previously connected with the Hongkong and Shanghai Banking Corporation, where he handled the following roles: Head of Business Banking Division (Philippines), Head of Payments and Cash Management for Vietnam and Philippines. He also worked for Security Bank Corporation as Head of Corporate Transaction Banking Division and Citibank N.A. where his last appointment was as Business Development Head for Global Transaction Services. Mr. Narciso started his career in the banking industry when he was hired by the Bank of the Philippine Islands as an Analyst/Programmer in 1984. He obtained his Bachelor of Arts in Economics from the Ateneo de Manila University in 1984 and finished his Master in Business Management from the Asian Institute of Management in 1989.

Reynaldo P. Orsolino, 57, Filipino, First Senior Vice-President, is the Segment Head of Emerging Corporates. He was also the Head of Commercial & Medium Enterprises Division before assuming his current position. Prior to joining the Bank, he served as Senior Vice-President of Philippine

National Bank from June 2003 to July 2007, and previously held senior positions at the Planters Development Bank, Asian Banking Corporation, and the Land Bank of the Philippines. He holds a Bachelor of Arts degree in Economics from the University of the Philippines.

Alberto N. Pedrosa, 48, Filipino, First Senior Vice-President, is the Head of Investment and Markets Trading and Balance Sheet Management Group. Prior to assuming this role, he was the Head of Investment and Markets Trading Segment. He was also the Investment Portfolio Management Division Head from August 2009 to June 2015. Prior to joining the Bank, he was the Chief Trader for Uniworks, Inc. (April 2009 to July 2009), Vice-President and Head of Global Liquid Products Trading for JG Summit Capital Markets (2000 to 2008), Assistant Vice-President of Asset, Liquidity Management and Investment Trading for PCIBank (1995 to 2000) and Senior Assistant Manager and Junior FX Trader for the Bank of the Philippine Islands (1993 to 1995). Mr. Pedrosa started his career when he joined BPI's Officer Training Program in 1993. He completed his Bachelor of Science degree in Commerce majoring in Philosophy at the London School of Economics.

Joseph Colin B. Rodriguez, 50, Filipino, First Senior Vice President, is the President and CEO of RCBC Forex Brokers Corporation. Prior to this appointment, he was the Treasurer of RCBC Savings Bank in September 2016 to and before this secondment, he was the President and Chief Executive Officer of RCBC Forex Brokers Corporation from April 2015 to August 2016 and Senior Vice President and Treasurer of RCBC Savings Bank from August 2011 to March 2015. He also assumed various positions in Rizal Commercial Banking Corporation as Head of the FX Risk Division and Head of Institutional Relationship Management Division. Before joining RCBC, he spent over two decades at the Treasury division of several foreign /local banks. He was Vice President and Head of the Foreign Exchange and Swap Desk at ING Bank Manila. He was also a Dealer at the Manila office of Banque Indosuez and Assistant Dealer at the Riyadh office of Banque Al Hollandi (ABN AMRO Bank). He also headed the FX and Swaps division of Bank of the Philippine Islands. He graduated from De La Salle University with a double degree in Liberal Arts & Commerce, Major in Marketing and in Political Science.

Rowena F. Subido, 51, Filipino, First Senior Vice-President, is the Group Head of Human Resources. She was also the Deputy Group Head of Human Resources before assuming her current position. Prior to joining the Bank, she worked with Citibank, N.A. as Country Lead Human Resources Generalist/Senior Vice-President, prior to which she was Head of Human Resources for the Institutional Clients Group for almost two years. She has also worked with Citifinancial Corporation, the Consumer Finance Division of Citigroup, as Human Resources Head for four years. She also has HR experience in retail, distribution and manufacturing industries, having worked for California Clothing Inc. where she was Human Resources Head, International Marketing Corporation as Division Manager for Human Resources & Operations, Tricom Systems (Philippines), Inc. as Personnel and Administration Officer and Seamark Enterprises, Inc. as a Personnel Officer. Ms. Subido obtained her Bachelor of Science degree majoring in Psychology from the University of Santo Tomas and her Masters in Psychology majoring in Organisational/Industrial Psychology at De La Salle University.

Bennett Clarence D. Santiago, 48, Filipino, First Senior Vice President, is the Head of the Credit Management Group. Prior to joining RCBC, he was the Business Head for Small Business Loans in the Consumer Lending Group of Banco De Oro Unibank. His experiences in this bank include serving as Head, Business Development, Commercial Banking, Institutional Banking Group and Head, Credit Risk Control, Commercial Banking. He had previous stints with other banks in various roles such as Commercial Bank Risk Head of Citibank, N.A.; Chief Compliance Officer of Unionbank, Strategic MIS Officer, Unionbank and Loans Product Manager, Unionbank; Risk Management Center Head and Credit Risk Officer, International Exchange Bank. He started his banking career at Hongkong Shanghai Banking Corporation as Assistant Account Manager, Garments Division. He handled other roles thereafter in the said bank as follows: OIC, General Trading and Manufacturing Division, Business Development Officer, Assistant Manager, Financial Institutions, Remedial Management, and Relationship Manager, Financial Institutions. He also had

experiences from other industries such as Globe Telecom Inc. where he worked as Senior Manager for Insurance and Manager for Asset Liability and Dasmarinas Garments Corporation as Executive Assistant. He graduated from the University of the Philippines in 1991 with a Bachelor of Science degree in Business Administration. He finished his Master in Business Administration in 2001 from Ateneo de Manila Business School.

Ma. Christina P. Alvarez, 47, Filipino, Senior Vice-President, is the Head of Corporate Planning Group. Prior to assuming this position, she was the OIC of Corporate Planning Group from October to December 2014 and the Financial Planning and Development Division Head from August 2006 to September 2014. She worked with various institutions in the following capacities: Financial Planning Officer at Banco de Oro from July 2005 to July 2006, Corporate Planning Officer at RCBC from 1999 to 2005, Risk Management and Planning Officer of Malayan Bank from 1998 to 1999, Research Officer of Unicapital, Inc. from 1995 to 1996 and Credit/Financial Analyst of Multinational Investment Corporation from 1991 to 1995. Ms. Alvarez graduated from Ateneo de Manila University in 1991 with a Bachelor of Arts degree in Management Economics. She earned her Masters in Business Management degree from the Asian Institute of Management in 1998.

Lalaine I. Bilaos, 49, Filipino, Senior Vice President, is the Head of the Local Corporate Banking Segment – Division II. Prior to occupying the position of Division Head on April 2011, she was holding the position of a Relationship Manager. She joined the bank in June 1992 as a Secretary for Corporate Planning. Six months thereafter, she moved to Credit Operations Department to handle a Credit Analyst role. By January 1994, she joined Corporate Banking Group and was assigned under Project Finance as a Project Analyst. She also had other roles in the said team as Marketing Assistant and Jr. Project Account Officer. She became an Account Officer in 2000 at the Corporate Division 1 of Corporate Banking Group in Ortigas. Before joining RCBC, she had stints with Dynamic Union of Consultants and Managers, Inc and American Home Assurance Co. as Credit and Collection Assistant and Billing Assistant respectively. She graduated from De La Salle University in Manila in 1989 with a degree in Bachelor of Arts major in Economics.

Enrique C. Buenaflor, 47, Filipino, Senior Vice President, is the Head of Corporate Cash Management Segment. He joined RCBC in 2010 as Business Development Manager of Global Transaction Banking Group and was later appointed as Head of Business Development Division in 2011. Prior to joining RCBC, he was the Group Head/Vice-President of Structure Products for Philippine Bank of Communications (August 2005 to March 2010), Operations Head of Central Verification Unit for Citifinancial Corporation (July 2004 to July 2005), Sales Head/Assistant Vice-President of Corporate Cash Management Services (2001 to 2004) and Product Manager (1999 to 2001) for ABN AMRO Bank. He also worked for Philippine Global Communications Corporation as Senior Manager for Corporate Planning (July 1999 to November 1999) and Capitol Wireless, Inc as Business Development Director/Marketing and Sales Manager (March 1997 to May 1999). He started his career in Citibank N.A. as Operations Staff in 1992 and then as Management Associate in 1996. Mr. Buenaflor earned his undergraduate degree, Bachelor of Science in Business Management from Ateneo de Manila University and finished his Masters in Business Management at Asian Institute of Management.

Karen K. Canlas, 43, Filipino, Senior Vice-President, is the Division 2 Head of Wealth Management Segment 2. She was the OIC of Division 1 from February to August 2011 and the Senior Relationship Manager of the same division from February 2010 to February 2011. Prior to joining RCBC, she was the Corporate Sales Unit Head/Vice President of Export Bank from August 2005 to January 2010, Relationship Manager/Senior Manager of Equitable PCI Bank from February 2003 to August 2005, Branch Head (Main Office) of Bank of Commerce from May 2002 to January 2003, Manager (Relationship Banking Group) of Export and Industry Bank from September 2001 to May 2002 and Branch Head of Global Business Bank from September 2000 to September 2001. She also held various positions at Urban Bank for almost 6 years in which her last appointment was as Manager of Alabang Regional Office, Business Development Group. Ms. Canlas started her career as Technical Staff at the National Economic Development Authority in March 1994. She obtained

her Bachelor of Arts major in Economics minor in Political Science degree from De La Salle University in 1994.

Brigitte B. Capina, 57, Filipino, Senior Vice-President, is the Regional Sales Director of South Metro Manila. Prior to occupying this position, she was the Marketing and Sales Director of Makati Central Business District in 2013, the Regional Sales Manager of South Metro Manila in 2012, Regional Sales Manager of Corporate Headquarters in 2009 and Business Manager for various branches such as RCBC Plaza in 2005, Buendia in 2004 and Makati Avenue in 2003. She obtained her Bachelor of Science degree in Commerce majoring in Accounting from the University of San Agustin, Iloilo City and her Masters in Business Management from the University of the Philippines, Visayas.

Arsenio L. Chua, 57, Filipino, Senior Vice-President, is the Regional Sales Director of North Metro Manila. Prior to occupying this position, he was the Marketing and Sales Director of Ortigas Central Business District in 2013, Regional Sales Manager of North Metro Manila in 2012, Regional Sales Manager of Central Metro Manila in 2010, District Sales Manager of Southern Metro Manila in 2009 and Business Manager of Caloocan Branch in 2007. He obtained his Bachelor of Science degree in Management and Industrial Engineering from the Mapua Institute of Technology.

Claro Patricio L. Contreras, 57, Filipino, Senior Vice-President, is the Head of Remedial Management Division. Prior to joining RCBC, he was the AVP for Special Accounts Management Services Group at BPI (April 2000 to June 2000), AVP for Credit Mgmt. Services Group at FEBTC (January 1997 to March 2000), and Manager for Credit Management Services Group at FEBTC (October 1995 to December 1996). He completed his Bachelor of Science degree in Commerce majoring in Business Management from San Beda College.

Elizabeth E. Coronel, 49, Filipino, Senior Vice-President, is the Head of Conglomerates and Strategic Corporates Segment. She joined RCBC in June 2013 as Senior Banker and Head of Conglomerate Banking Division. Previously, she was the Senior Vice-President and Chief Operations Officer of Equicom Savings Bank, a position she held for more than five years. She also held various positions in local and foreign banks namely Mizuho Corporate Bank as Vice President and Co-Head of Corporate Finance Department (January 2007 to February 2008), Equitable PCIBank as Vice-President and Head of Corporate Banking Division 4 (1996 to 2007) and Citibank as Relationship Manager of Global Consumer Bank (1993 to 1996). She started her career in the banking industry when she joined RCBC in 1989 as Marketing Assistant for Corporate Banking. Ms. Coronel obtained her Bachelor of Arts degree in Behavioral Science from the University of Santo Tomas and earned MBA units from the Ateneo Graduate School of Business. She also completed the Mizuho-ICS (MICS) Mini-MBA program at Hitotsubashi University Graduate School of International Corporate Strategy.

Antonio Manuel E. Cruz, Jr., 50, Filipino, Senior Vice President, is the OIC for Chinese Banking Segment 1. Prior to being designated to this role, he was the Division 1 Head for Emerging Corporates Segment. He joined the Bank in 2008 and assumed the following positions for Commercial & Small Medium Enterprises under National Corporate Banking: Metro Manila-Luzon Head from December 2012 to September 2013, Makati Lending Center Head from September 2009 to December 2012 and Metro Manila Lending Center Head from January 2008 to September 2009. Before joining RCBC, he was the Ortigas Lending Center Head for Philippine National Bank from December 2005 to December 2007 and the Relationship Manager for Asia United Bank from September 2000 to November 2005. He started his banking career at Solidbank Corporation where he assumed the following positions: Relationship Manager from January 1994 to August 2000, Management Trainee from July 1993 to December 1993, Senior Analyst from January 1993 to June 1993 and Junior Analyst from July 1990 to December 1992. Mr. Cruz obtained his degree in AB Economics from the Ateneo de Manila University in 1990.

Edwin R. Ermita, 55, Filipino, Senior Vice-President, is the Bank Security Officer. He was also the Corporate Services Division Head prior to assuming his current position. Previously, Mr. Ermita

worked for CTK Incorporated as Consultant, Solidbank as Security and Safety Department Head and UCPB as Security and Safety Department Head. He started his career in UCPB as Teller in 1983 before moving to Branch Marketing in 1985. Mr. Ermita earned his Bachelor of Science in Management from Ateneo de Manila University. He finished his Masters in Business Administration with specialization in Industrial Security Management from the Philippine Women's University.

Benjamin E. Estacio, 47, Filipino, Senior Vice-President, is the Regional Service Head of Mindanao. Prior to assuming this position, he was the District Service Head of Southern Mindanao from May 2004 to March 2011. Mr. Estacio started his career with the Bank as SA Bookkeeper in February 1992 after which he assumed various positions in the branch. He graduated from the University of San Carlos, Cebu City with a Bachelor of Science in Commerce major in Accounting in 1991.

Erico C. Indita, 49, Filipino, Senior Vice President, is the National Sales Director/ Segment Head of Retail Banking Sales. Mr. Indita was hired as Domestic Remittance Clerk in 1993 after which he assumed various positions in Retail Banking. His noteworthy stints includes being the Regional Sales Director of Central Metro Manila (January 2015 to November 2016), District Sales Director of Makati Central Business District (January 2014 to December 2014), Marketing and Sales Director of Chinese Uptown (February 2013 to December 2013), District Sales Manager of Makati Central Business District (January 2011 to February 2013) and Business Manager of Makati Avenue (November 2004 to December 2010). He graduated from San Beda College with a degree in Bachelor of Science in Commerce major in Management in 1989 and finished his Masters in Business Administration at the Ateneo de Manila in 2007.

Jonathan Edwin F. Lumain, 56, Filipino, Senior Vice President, is the Bank's Chief Technology Officer. Mr. Lumain joined the Bank in 2001 and held the following IT-related positions: IT Head for Shared Technology Services (January 2008 to May 2016), Application Systems Department Head (August 2003 to December 2007) and Information Management Head (August 2001 to August 2003). Prior to joining RCBC, he was the Department Head of Branch Systems for BPI (November 1999 to July 2001), Department Head of Trust Banking Systems Development for Far East Bank and Trust Company (August 1993 to October 1999), Project Manager for Philippine Commercial International Bank Automation Center (November 1990 to July 1993) and Systems Analyst for Al Ajlani Ent., KSA (May 1985 to October 1990). He started his career in IT when he joined Andres Soriano Corporation as Programmer Trainee in December 1981. Mr. Lumain earned his Bachelor of Science in Business Administration degree from the University of the Philippines in 1981. He obtained his Master of Science in Computer Science from the Ateneo de Manila University in 1997.

Vivien I. Lugo-Macasaet, 58, Filipino, Senior Vice-President, is the Head of Management Services Division. She was also the Head of the HO Operations Division from November 2008 to January 2014. Prior to joining the Bank, she served as Vice-President of Financial Markets Operations at Citibank (May 2006 to June 2008), Senior Vice-President and Group Head of the International Processing Group at PNB (December 2002 to April 2006) and Vice-President and Business Manager for Institutional Equities at JP Morgan Equities (July 2001 to October 2002). Ms. Lugo-Macasaet graduated from the University of the Philippines with a Bachelor of Arts degree in Economics.

Florentino M. Madonza, 47, Filipino, Senior Vice-President, is the Group Head of Controllershship effective October 14, 2014. He was the Deputy Group Head of Controllershship from August 2014 to October 2014, General Accounting and Services Division Head from July 2004 to July 2014, General Accounting Department Head from September 2001 to July 2004, Assistant to the Department Head of General Accounting from January 1998 to September 2001, Asset Management and Sundry Section Head from September 1997 to December 1997 and Corporate Disbursement and Payroll Section Head from June 1996 to September 1997. Prior to joining the Bank, he worked for Sycip, Gorres, Velayo and Co. from July 1993 to May 1996 as Auditor. Mr.

Madonza completed his Bachelor of Science in Commerce major in Accounting (Cum Laude) from the Araullo University, and is a Certified Public Accountant.

Jane N. Manago, 53, Filipino, Senior Vice-President, is the Group Head of Wealth Management. Prior to this appointment, she was the OIC of Wealth Management Group from December 2015 to January 2016, Segment Head of Wealth Management 1 from September 2014 to November 2015, Division 2 Head of Wealth Management from December 2006 to August 2014 and Relationship Manager for Division 2 from April 2006 to December 2006. She also worked for YGC Corporate Services Inc. as Officer-In-Charge and Marketing Head. Prior to joining the Bank, she worked with Citibank as Cash Product Manager for Global Transaction Services (September 1998 to January 1999), Account Manager (April to August 1998) and Head of Corporate Banking for Chinatown Branch (November 1996 to March 1998) and at Equitable Banking Corporation from May 1986 to October 1996, where her last appointment was the Head of the Research and Special Projects Unit. She obtained her Bachelor of Science degree in Commerce degree majoring in Business Administration and her Bachelor of Arts degree majoring in Behavioural Science from the University of Santo Tomas.

Jose Jayson L. Mendoza, 46, Filipino, Senior Vice President, is the Provincial Division Head for Commercial and SME Banking Segment. He joined the Bank in 2008 as Lending Center Head for Small & Medium Enterprises Division-Luzon. Previously, he worked with MayBank Philippines as Head of Retail Loans Management (January 2005 to August 2008), Philippine National Bank as Account Officer (January 2003 to December 2004), Philippine Savings Bank as Account Officer (August 1996 to December 2002) and Islacom as Senior Credit Investigator (May 1994 to July 1996). He started his banking career when he joined Allied Banking Corp. as Credit Investigator in 1993. Mr. Mendoza graduated in 1993 from De La Salle University with a degree of AB Management.

Gerardo G. Miral, 52, Filipino, Senior Vice-President, is the Head of Consumer Lending Group of RCBC Savings Bank. Prior to his secondment to RCBC Savings Bank, he was the Division II Head of Global and Ecozone Segment from April 2011 to January 2016 and Relationship Manager for JES Division II from February 2002 to April 2011. He also assumed various positions in the branch from September 1987 to February 2002. Mr. Miral obtained his Bachelor of Arts major in Economics degree from the University of Sto. Tomas in 1986.

Ma. Cecilia F. Natividad, 43, Senior Vice President, is the Head of the Marketing Group. Before joining RCBC, she served as Head of Marketing at Western Union Financial Services, Inc. She previously worked with other firms like Nestle Philippines Incorporated as Consumer Marketing Manager and at Ayala Life Assurance Incorporated as Sales Trainor, and at Amon Trading as Management Trainee. She graduated from the Ateneo de Manila University in 1995 with a Bachelor of Science degree in Management major in Legal Management.

Evelyn Nolasco, 56, Filipino, Senior Vice-President, is the Head of the Asset Disposition Division. Before she joined the Bank, she was the Senior Vice-President and Treasury Head of the ASB Group of Companies in 1995 and Manager for Corporate Finance for SGV & Company from 1994 to 1995. She graduated from De La Salle University with a Bachelor of Science degree in Commerce majoring in International Marketing and obtained her Master's degree in Business Management from the Asian Institute of Management.

Matias L. Paloso, 59, Filipino, Senior Vice-President, is the Head of Retail Banking Support Segment. He was formerly the Head of RBG Products, Support & Systems Segment from July 2014 to November 2016 and was seconded to RSB as Deputy Group Head of Retail Banking from April 2012 to July 2014. Prior to this, he was assigned at RCBC as the Regional Sales Manager of North Metro Manila in 2011, Regional Sales Manager of Southern Luzon in 2009, District Sales Manager of South West Luzon in 2002 and Business Center Manager of Camelray Branch in 1999. He obtained his Bachelor of Science degree in Commerce majoring in Accounting from Divine Word College, Tagbilaran City. (Retired 2/25/18)

Loida C. Papilla, 56, Filipino, Senior Vice-President, is the Asset Management Support Division Head. She joined RCBC in 2006 as Operations Support Division Head. She worked for various institutions in the following capacities : Assistant Vice-President / Head of Billing and Collections Section in PNB (April 2004 to February 2006), Assistant Vice-President/OIC in UCPB Securities Inc. (August 1999 to January 2004), Operations Finance Manager in Guoco Securities Inc. (January 1994 to August 1999), Media Consultant in the Office of the Senate President (October 1992 to December 1993), Research Director in Philippine Newsday (June 1989 to June 1992), Research Head in Business Star (June 1987 to June 1989) and Researcher in Business Day Corp. (November 1981 to June 1987). Ms. Papilla graduated from the University of the East in 1981 with a Bachelor of Science in Business Administration major in Accounting. She is also a Certified Public Accountant.

Arsilito A. Pejo, 55, Filipino, Senior Vice-President, is the Regional Sales Director of Visayas Region. Prior to this, he was the Regional Sales Director of Eastern Visayas. Mr. Pejo joined RCBC in 1982. His noteworthy stints include being the Regional Service Head of Visayas from June 2008 to December 2014 and Area Service Head of Visayas from May 2004 to May 2008, Regional Operations Head from October 2002 to April 2004 and Cebu Operations Center Head from June 1998 to September 2002. He obtained his Bachelor of Science degree in Commerce major in Accounting from Colegio de San Jose – Recoletos in 1982.

Honorata V. Po, 57, Filipino, Senior Vice President, is the Regional Sales Director for the South Luzon Regional Office. Prior to assuming the role of Regional Sales Director in 2016, she was a District Sales Director and a District Sales Manager for Southeast Luzon District from 2014 to 2016 and 2008 to 2013 respectively. In between these roles, she was designated as Financial Center Head based in Lucena in 2013. She joined the bank in 1994 as Business Center Manager, a position which she held until 2008. Before she joined RCBC, she was connected with Philippine National Bank from 1983 to 1993. She handled various roles in the said bank which include the following - Audit Clerk, Statistician, Audit Examiner, Accountant, Cashier and Branch Manager. Her first banking experience was gained from Far East Bank where she worked as a Teller from 1980 to 1982. Outside the banking industry, she had engagements in other institutions as follows: as Regional Governor for the Philippine Chamber of Commerce and Industry (2009 to 2010), as President of Quezon - Lucena Chamber of Commerce and Industry (2007 to 2008) and as a Director/Minor stockholder of Moldedcraft Consulting Corporation. She obtained a Bachelor of Science in Business Administration major in Accounting at the University of the East in 1980.

Nancy J. Quiogue, 49, Filipino, Senior Vice-President, is the Regional Service Head of North Metro Manila. Prior to assuming her current position, she was the Regional Service Head for North Metro Manila and Central Metro Manila. She was the Regional Service Head for Metro Manila from April 2010 to December 2014 and District Service Head for Metro Manila from May 2004 to April 2010. She also held various positions at the Bank since 1991. Ms. Quiogue graduated from the Philippine School of Business Administration with a Bachelor of Science degree in Business Administration majoring in Accounting.

Elsie S. Ramos, 52, Filipino, Senior Vice-President, is the Legal Affairs Division Head. She joined the Bank in 2006 and assumed the position of Litigation Department Head. Prior to joining RCBC, she was the Corporate Lawyer and Head of Legal and Corporate Affairs Division for Empire East/Land Holdings (2004 to 2006), Senior Associate and Lawyer-In-Charge of the Docket/Records Section for Ponce Enrile Reyes and Manalastas (2003 to 2004), Senior Associate for Martinez and Mendoza (2001 to 2002), Senior/Junior Associate for Ponce Enrile Reyes and Manalastas (1996 to 2000) and Legal Consultant for Companero Y Companera (1997 to 1998). She held various positions in the University of the Philippines, Department of History such as Assistant Professor (1994 to 1998), Assistant to the Chairman (1992 to 1993) and Instructor (1988 to 1994). She was also a Part-Time Instructor at the St. Scholastica's College, Manila from 1987 to 1989. She obtained her Bachelor of Arts and Master of Arts degree in History from the University of the Philippines, Diliman. She also finished her Bachelor of Law in the same university.

Ismael S. Reyes, 51, Filipino, Senior Vice-President, is the Head of Retail Banking Marketing Segment. He was formerly the National Sales Director when he joined the Bank in 2013. Prior to joining RCBC, he assumed various positions in Philippine Savings Bank as First Vice-President/Head of the Loans Operations Group (October 2012 to October 2013), First Vice President/Branch Banking Group Head (January 2011 to October 2012), Vice-President/Deputy Branch Banking Group Head (June 2010 to December 2010) and Vice- President/ Business Development Unit Head (October 2008 to May 2010). He worked for iRemit Inc where he handled roles such as Division Head for Market Management (January 2004 to September 2008) and Deputy Head for the Global Sales and Marketing Division (August 2001 to December 2003). He also worked with Bank of the Philippine Islands where he was assigned as Operations Manager /Section Head for Funds Transfer Department from 1999 to 2001. His banking career started in Far East Bank in 1987 when he was hired as Staff for International Operations Division. By 1990 he was promoted to a supervisory rank in the same division and as an officer in 1993. He held the position of Department Head in International Operations in 1995 and became a Project Officer for the Remittance Center in 1996. Mr. Reyes earned his Bachelor of Science degree in Commerce major in Economics at the University of Santo Tomas.

Steven Michael T. Reyes, 46, Filipino, Senior Vice-President, is the Head of Commercial Trading and Sales Segment. Previously, he was First Vice President of Global Markets for Australian & New Zealand Banking Group (March 2009 to January 2014), Vice President / Head of Capital Markets for Banco De Oro (October 2006 to March 2009), Assistant Vice President /Debt and Interest Rate Trader for Citibank, Singapore (January 2006 to October 2006) and Assistant Vice President/Bonds Trader for Citibank, Manila (January 2002 to December 2005). He also worked for Equitable PCIBank from July 1999 to December 2001 and PCIBank from May 1996 to July 1999 and held the following positions : Senior Manager/Head of Capital Markets Desk (July 2000 to December 2001), Manager /Global Fixed Income Proprietary Trader (July 1999 to July 2000), Assistant Manager / Fixed Income Proprietary Bond Trader (July 1997 to July 1999) and Proprietary Bond Trader (May 1996 to July 1997). Mr. Reyes started his banking career when he joined Bank of the Philippine Islands in 1993 as Position Analyst. He completed his Bachelor of Science in Tourism Management at the University of the Philippines in 1993.

Ma. Rosanna M. Rodrigo, 56, Filipino, Senior Vice President, is the Regional Sales Director of North Luzon Region. Ms. Rodrigo joined the Bank in 1992 and assumed the following positions : Marketing and Sales Director of North West Luzon (February 2013 to September 2013), District Sales Manager of North Central Luzon (November 2009 to February 2013), Branch Manager of Tarlac (February 2005 to November 2009), Branch Manager of Hacienda Luisita (July 1997 to January 2005) and Senior Personal Banker of Tarlac (November 1992 to June 1997). She also worked for Producers Bank of the Philippines as Cashier of Tarlac Branch (April 1983 to October 1992), Far East Bank and Trust Co. as New Accounts Clerk of Tarlac Branch (March 1982 to March 1983) and as contractual employee for New Accounts of Tarlac Branch (December 1981 to February 1982). Ms. Rodrigo obtained her Bachelor of Arts degree in Mass Communication major in Broadcasting from the University of the Philippines in 1981.

Raoul V. Santos, 51, Filipino, Senior Vice-President, is the Investment Services Division Head. He joined RCBC in 2001 as Portfolio Management Section Head before assuming the Investment Services Department Head position in 2008. He also worked for Metropolitan Bank and Trust Company (2000 to 2001), Solidbank Corporation (1999 to 2000). Phinma, Inc. (1991 to 1999) and SGV & Co. (1990 to 1991). Mr. Santos obtained his Bachelor of Science degree in Management of Financial Institutions and Bachelor of Arts degree in Asian Studies from the De La Salle University.

Libertine R. Selirio, 52, Filipino, Senior Vice-President, is the Division I Head of Global and Ecozone Segment. Prior to this, she was the Deputy Division Head of JES II from June 2011 to October 2012, Relationship Manager of JES Division II from February 2002 to May 2011, Branch Manager of Dasmarinas from September 2000 to February 2002, Branch Manager of Carmona from July 1998 to September 2000 and Branch Manager of Imus from September 1997 to July 1998. Before joining RCBC, she worked for Pilipinas Bank and assumed the following positions:

Account Officer (1993 – 1997), Financial Analysis and Evaluation Section Head (1991 – 1993), Credit Analyst (1989 – 1991) and EDP Teller (1987 – 1989). Ms. Selirio earned her Bachelor of Science in Commerce major in Accounting from St. Scholastica's College in 1986.

Johan C. So, 47, Filipino, Senior Vice-President, is the Head of Division 1 in Local Corporate Banking Segment. Prior to assuming current position, he was the Head of Kaloocan Division from July 2013 to January 2014 and Head of Chinese Banking Division III from June 2008 to June 2013. From August 2005 to May 2008, he worked for Philippine Bank of Communications in which the last position he assumed was as Vice-President/Unit Head of Corporate Banking Group 5. He also worked for Standard Chartered Bank from May 1999 to May 2002, T.A. Bank of the Philippines, Inc. from February 1997 to May 1999 and China Banking Corporation from 1993 to 1997. Mr. So graduated from De La Salle University in 1992 with a degree in Bachelor of Science in Applied Economics and Bachelor of Science in Commerce major in Marketing Management. He obtained his Masters degree in Business Administration from the Ateneo Graduate School of Business in 1999.

Ma. Angela V. Tinio, 54, Filipino, Senior Vice-President, is the Head of Commercial and Small Medium Enterprises Banking Segment. She has been with the Bank since 2000, holding various positions in Corporate Banking such as VisMin Lending Region Head (December 2010 to June 2013), Metro Manila-Luzon Region Head (April 2006 to November 2010) and Account Management Department Head (July 2000 to April 2006). She worked with Bank of the Philippine Islands as Special Business Unit/Corporate Banking II Manager and Market Head in April 2000. She also held various positions in Far East Bank and Trust Company from June 1997 to April 2000, PDB Leasing and Finance Corporation from February 1996 to April 1997 and Traders Royal Bank from January 1985 to January 1996. Ms. Tinio obtained her Bachelor of Arts degree in Economics from the University of the Philippines and her Master's degree in Business Administration from the De La Salle University.

Gianni Franco D. Tirado, 45, Filipino, Senior Vice President, is the Regional Sales Director of Mindanao Region. Prior to assuming his current role, he was the Marketing and Sales Director of Central Mindanao (February 2013 to September 2013), District Sales Manager of Central Mindanao (March 2009 to February 2013) and Branch Manager for several branches in Mindanao (November 2000 to February 2009). He also assumed the Branch Operations Head of Marbel (February 1998 to October 2000), CI/Appraiser/Loans Clerk (June 1996 to January 1998) and CASA Bookkeeper of Dadiangas (October 1993 to May 1996). Mr. Tirado earned his Bachelor of Science in Commerce major in Accounting degree from the Notre Dame of Dadiangas University in 1993. He also completed his Masters in Education major in Special Education at the Holy Cross of Davao College in 2009.

Juan Gabriel R. Tomas IV, 46 Filipino, Senior Vice President, is the Head of the Customer Service Support Segment in, Operations Group. His experiences include serving as Head of Capital Markets and Custody, Operations Group, Citibank N. A., Head of Treasury Services Unit, Citibank N. A., Production Officer for Treasury Services Unit, Citibank, Consultant for Controllers' Department, Deutsche Bank AG Manila, and Consultant, for Process Competency Group at Accenture (formerly Andersen Consulting). Mr. Tomas graduated from Ateneo de Manila University in 1993 with a Bachelor of Science degree in Management. He completed his Masters in Business Management major in Finance in 2001 at the Asian Institute of Management.

Raul Martin J. Uson, 55, Filipino, Senior Vice President, is the Segment Head for Branch Services Support Segment. Prior to joining RCBC, he was previously connected with PBCom as Business Centre Operations and Oversight Head. He also assumed the following roles at Citibank N.A. prior to joining PBCom in 2012 : Operations and Services Head (2007 to 2012), Deputy Senior Country Operations Officer for Citi Indonesia (2006), Credit Operations and Transaction Services Head for Citigroup Business Process Solutions (2004 to 2006), Transaction Services Head (2001 to 2004), Internal Control Head (1999 to 2001), Infrastructure Head (1998 to 2001), Quality Assurance Head (1996 to 1998), Expense Processing Department Head (1993 to 1995), Quality Assurance Officer

(1991 to 1993), Trade and Reconciliation Unit Head (1988 to 1991), Cash Officer for Greenhills Branch (1985 to 1988) and Teller for Makati Branch (1984 to 1985). Mr. Uson graduated from the University of the Philippines Baguio with a degree in AB Economics and Psychology in 1983.

Emmanuel Mari K. Valdes, 44. Filipino, Senior Vice President, is the Head of Deposit, Product and Promotions Division in Retail Banking Group. Prior to assuming this role, he was the Head of Retail Financial Products Division with the rank of First Vice President. From October 2013 to June 2017. He joined the RCBC in 2010 as Head of Cash Management Services Department and was assigned in 2013 as Financial Center Head under Retail Banking Group. He started his banking career in January 1996 when he joined CityTrust Banking Corporation as a Sales Officer in Retail Banking Branch. He then transferred to Bank of Southeast Asia in 1997 where he handled the same role. He had previous stints thereafter with other banks such as UnionBank of the Philippines where he was Head of Sales Department for Cash Management Services and Standard Chartered where he was a Sales Head also. He graduated from De La Salle University in 1995 with a degree in Bachelor of Science in Commerce major in Business Management.

Teodoro Eric D. Valena, Jr., 59, Filipino, Senior Vice-President, is the IT Head for Information Management Services. Prior to assuming this role, he was designated as the Applications Architect of IT Shared Services Group. Previously, he was the Retail E-Channels Division Head from January 2015 to September 2015, Finacle Division Head from January 2008 to December 2014, Applications Development & Management Division Head from September 2006 to December 2007 and the Application System Services Department Head from April 2001 to September 2006. Prior to joining the Bank, he held various IT-related positions in several institutions such as Citibank (January 1987 to March 2001), MANCOMTECH (July 1986 to November 1986), Revenue Information Systems Services Inc. (October 1983 to May 1986), Trans-Union Corp. (June 1983 to October 1983), Mini-Systems Inc. (October 1981 to March 1983) and United Computer Programming Center (April 1981 to October 1981). Mr. Valena started his career as a Programmer/Trainee at Mini-Systems Inc. in 1980. He graduated from the University of the Philippines with a Bachelor of Arts in Social Sciences major in Economics in 1983.

Most of the Directors and executive officers mentioned above have held their positions for at least five (5) years.

(H) Market Price and Dividends

(1) Market Price of Bank's Common Equity

The common shares of the Bank are listed in the Philippine Stock Exchange. As of April 10, 2017 the market price of RCBC's common shares closed at 39.30 per share. The trading prices of said shares for the different quarters of the years 2017, 2016 and 2015 are as follows:

		Q1		Q2		Q3		Q4	
		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date	
2018	High	57.30	1.17.18						
	Low	43.25	3.22.18						
2017	High	45.10	2.14.17	66.00	6.1.17	61.10	7.7.17	63.30	10.20.17
	Low	33.50	1.03.17	37.70	4.3.17	45.00	9.28.17	48.00	10.6.17
2016	High	34.30	2.23.16	32.50	04.04.16	36.95	09.16.16	38.00	10.19.16
	Low	29.10	3.22.16	30.00	05.16.16	31.60	07.08.16	33.55	12.29.16

Source: Philippine Stock Exchange

- (2) Number of Stockholders as of December 31, 2017 — 758 stockholders (common)
— 78 stockholders (preferred)

(3) *Recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction*

No recent sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction to be reported.

(4) *Top 20 Stockholders of RCBC as of December 31, 2017*

Common stockholders

name	shares	percentage
PCD NOMINEE CORP.(NON-FILIPINO)	475,678,926	34.01%
PAN MALAYAN MANAGEMENT	473,963,631	33.89%
PCD NOMINEE CORPORATION (FILIPINO)	418,557,854	29.93%
SYBASE EQUITY INVESTMENTS CORPORATION	23,528,800	1.68%
ABOITIZ & COMPANY, INC.	3,103,530	0.22%
HYDEE MANAGEMENT & RESOURCE CORPORATION	2,173,349	0.16%
NAVARRO, RIZALINO S.	260,865	0.02%
A. T. YUCHENGCO, INC.	255,190	0.02%
CONCEPCION, CARMENCITA DE LAS ALAS	224,490	0.02%
ALAS, CARLOS DE LAS	114,298	0.01%
ALAS, CORNELIO DE LAS	114,195	0.01%
CHAN, FREDERICK	111,677	0.01%
YANG JIN LIANG	100,000	0.01%
RUFINO, JOSIE PADILLA	92,865	0.01%
LOMBOS, MANUEL C. &/OR MEYRICK J.	68,574	0.00%
YAO, SHUOBIN	57,000	0.00%
YAO, SHUOYU	57,000	0.00%
RUFINO, JOSEFINA PADILLA	54,292	0.00%

Preferred stockholders

name	shares	percentage
ROSARIO, RODOLFO P. DEL	81,521	31.46%
GO, HOMER	46,355	17.89%
CONCEPCION, CARMENCITA	31,842	12.29%
OPTIMUM SECURITIES CORP.	16,666	6.43%
BDO SECURITIES CORP.	9,304	3.59%
ERESE, HENRY	8,790	3.39%
NGO, LORETA	8,600	3.32%
MANDARIN SECURITIES CORPORATION	7,583	2.93%
TAN, LUCIANO H.	7,309	2.82%
ABACUS SECURITIES CORP.	6,021	2.32%
HWANG, HANS YAP	5,558	2.14%
ANG, TONY ANG &/OR ROSEMARIE	5,372	2.07%
SIA, JOHNSON CHUA	5,000	1.93%
CAMPOS LANUZA & CO. INC.	3,535	1.36%
ACERO, NICASIO MARIN JR., &/OR ARNOLFO O.	3,371	1.30%

CO, JUSTINA DY	3,258	1.26%
CHENG, SUSAN	2,665	1.03%
GLOBALINKS SEC. & STOCKS	2,454	0.95%
BEDAN CORPORATION	2,100	0.81%
LUYS SECURITIES CO. INC.	1,852	0.71%

Security Ownership of Foreigners (as of April 30, 2018)

Title of Class	Shares	% of Total
Common	474,880,296	33.92

(4) Cash Dividends (as of December 31, 2017)

Nature of Securities	Dividend		Record Date	Date Approved		Date Paid/Payable
	Per Share	Total Amount (in Thousand Php)		By BOD	by BSP	
Preferred	P 0.0564	P 0.02	December 21, 2014	October 27, 2014	December 19, 2014	January 28, 2015
Hybrid Perpetual	*	P221.57	*	October 27, 2014	March 20, 2015	April 27, 2015
Preferred	P 0.0564	P0.02	March 21, 2015	January 26, 2015	March 20, 2015	March 27, 2015
Common	P 0.6000	P839.95	May 13, 2015	March 30, 2015	May 13, 2015	June 8, 2015
Preferred	P 0.6000	P0.19	May 13, 2015	March 30, 2015	May 13, 2015	June 8, 2015
Preferred	P 0.0567	P0.02	June 21, 2015	April 27, 2015	September 11, 2015	September 22, 2015
Preferred	P0.0583	P0.02	September 21, 2015	July 27, 2015	September 11, 2015	September 24, 2015
Preferred	P0.0593	P0.02	December 21, 2015	November 4, 2015	**	December 22, 2015
Preferred	P0.6495	P0.02	March 21, 2016	January 25, 2016	**	March 23, 2016
Preferred	P0.0660	P0.02	June 21, 2016	April 25, 2016	June 16, 2016	June 21, 2016
Common	P0.7200	P1,007.94	June 30, 2016	April 25, 2016	June 16, 2016	July 18, 2016
Preferred	P0.7200	P0.21	June 30, 2016	April 25, 2016	June 16, 2016	July 18, 2016
Preferred	P0.0676	P0.02	September 21, 2016	July 25, 2016	September 16, 2016	October 11, 2016
Preferred	P0.0724	P0.02	December 21, 2016	November 2, 2016	January 13, 2017	January 17, 2017
Preferred	P0.0749	P0.02	March 21, 2017	January 30, 2017	March 22, 2017	March 24, 2017
Common	P0.5520	P772.75	April 27, 2017	April 24, 2017	April 26, 2017	May 25, 2017
Preferred	P0.5520	P0.15	April 27, 2017	April 24, 2017	April 26, 2017	May 25, 2017

Preferred	P0.0807	P0.02	June 21, 2017	April 24, 2017	April 26, 2017	June 23, 2017
Preferred	P0.0840	P0.02	September 21, 2017	July 31, 2017	September 5, 2017	September 22, 2017
Preferred	P0.0840	P0.02	December 21, 2017	October 30, 2017	December 12, 2017	December 22, 2017

*Pertains to dividends on hybrid perpetual securities

** Not applicable, BSP approval not anymore required

Dividends are declared and paid out of the surplus profits of the Bank as often and at such times as the Board of Directors may determine after making provisions for the necessary reserves in accordance with law and the regulations of the Bangko Sentral ng Pilipinas.

(I) Compliance with leading practices on Corporate Governance

Core Principles

RCBC affirms its commitment to good corporate governance. With an empowered Board leading the way, RCBC continues to work towards a solid control environment, high levels of transparency and disclosure, and well-defined shareholders' rights.

The corporate governance framework of RCBC combines global best practices such as the G20/OECD Principles of Good Governance and the general principles of the ASEAN Corporate Governance Scorecard, and the regulatory requirements of SEC Memorandum Circular No. 19, series of 2016 or the *Code of Corporate Governance for Publicly-listed Companies* and BSP Circular No. 969, series of 2017 or the *Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions*. RCBC's corporate governance framework is embodied in its Corporate Governance Manual, the latest version of which was approved by the Board in November 2017.

The Board of Directors

Key Roles and Responsibilities

RCBC is headed by a competent and working board that oversees the implementation of the Bank's strategic objectives, governance framework and corporate values.

The Board of Directors is primarily responsible for establishing a sound corporate governance framework not only for the Bank but for the whole RCBC Group. It has the fiduciary responsibility to the Bank and all its shareholders, including minority shareholders. Among its many functions include the approval and oversight on the implementation of RCBC's strategies to achieve corporate objectives, risk governance framework, and systems of checks and balances. The Board also approves the selection of the CEO and key members of senior management and heads of control functions.

Board Composition

In accordance with RCBC's By-Laws and Corporate Governance Manual, its Board of Directors is comprised of fifteen (15) members, all of whom are known for their integrity, experience, education, training and competence. The Corporate Governance Committee ensures that majority of the Board are non-executive directors who possess the necessary qualifications to effectively participate and help secure objective and independent judgment on corporate affairs and to substantiate proper check and balances. Out of the 15-member board, 14 are non-executive directors, including the 7 independent directors, and 1 executive director.

The Board of Directors promotes diversity in its membership. It is the policy of RCBC that no person shall be disqualified to sit as member of its Board on the basis of gender, age, religion or political affiliation. The representation of women in the Board has increased from 14% in 2015 to 20% in 2016, and remained at 20% in 2017. Among the women in the Board is Mrs. Helen Y. Dee, the Chairperson.

Nomination and Election

Directors of RCBC are elected at the Annual Stockholders' Meeting, each of whom shall hold office for a term of one year or until his successor shall have been duly chosen and qualified. The first fifteen candidates receiving the highest number of votes shall be declared as elected.

All nomination for election of directors by the stockholders shall be submitted in writing to the President and the Corporate Secretary at RCBC's principal place of business at least thirty (30) working days before the regular or special meeting of the stockholders for the purpose of electing directors. The Corporate Governance Committee reviews the qualifications of persons nominated to the Board, and applies the *fit and proper standards* in its evaluation. The Committee considers the nominee's educational background, professional experience, nature and business of the corporations of which he/she is a director, age, number of directorships/active memberships and officerships in other corporations/organizations, and possible conflict of interest in determining his/her suitability to be nominated to the Board. The Committee ensures that each nominee possesses all of the minimum qualifications and none of the disqualifications as prescribed under existing laws and regulations. It is provided in the By-Laws that no person shall be qualified or be eligible for nomination or election to the Board of Directors if he is engaged in any business that competes with or is antagonistic to that of RCBC, its subsidiaries and affiliates, as may be determined by the Board of Directors, in the exercise of its judgment in good faith, by at least a majority vote.

Maximum Board Seats

Being a director of the Bank necessitates commitment. Thus, under the Bank's Corporate Governance Manual, a non-executive director may concurrently serve as a director in a maximum of five (5) publicly-listed companies. In applying this policy to concurrent directorships in entities within a conglomerate, each entity where the non-executive director is concurrently serving as director shall be separately considered in assessing compliance with this requirement.

Who Are In Our Board

Non-Executive Non-Independent	Non-Executive Independent	Executive
Ms. Helen Y. Dee	Mr. Armando M. Medina	Mr. Gil A. Buenaventura
Mr. Cesar E.A. Virata	Mr. Juan B. Santos	
Mr. Tze Ching Chan	Atty. Adelita A. Vergel De Dios	
Mr. Richard G.A. Westlake	Amb. Lilia R. Bautista	
Mr. John Law	Mr. Gabriel S. Claudio	
Mr. Yuh-Shing (Francis) Peng	Mr. Melito S. Salazar, Jr.	
	Mr. Vaughn F. Montes, Ph.D.	

The Bank adopts the definition of independent directors under SEC's *Code of Corporate Governance* and BSP's *Enhanced Guidelines on Corporate Governance for BSP Supervised Financial Institutions*. In 2016, the Board reinforced its independence by increasing the number of independent directors. The attributes of an independent director include independence from management or from any business or relationship which could, or could reasonably be perceived to materially interfere with the exercise of independent judgment, and the lack of relationship to the Bank, its related companies or substantial shareholders as a regular director or officer or relative

of said director or officer, as an executive or professional adviser within the past three (3) years, or business relations other than arm's length, immaterial or insignificant transactions.

The Bank's independent directors are active in board-level committees. It is the policy of the Bank, however, that an independent director who is a member of any committee that exercises executive or management functions that can potentially impair such director's independence cannot accept membership in committees that perform independent oversight or control functions such as the Audit and Compliance Committee, Risk Oversight Committee, Corporate Governance Committee, Related Party Transactions Committee, and the Anti-Money Laundering Committee.

An independent director of RCBC is only allowed to serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from serving as independent director in the Bank, but may continue to serve as a regular director. The maximum cumulative term of nine (9) years shall be reckoned from 2012.

The incumbent independent directors are *Amb. Lilia R. Bautista, Mr. Gabriel S. Claudio, Mr. Armando M. Medina, Mr. Vaughn F. Montes, Ph.D., Mr. Melito S. Salazar, Jr., Mr. Juan B. Santos, and Atty. Adelita A. Vergel De Dios.*

The Chairperson

The Chairperson of the Board of Directors, Mrs. Helen Y. Dee, provides leadership in the Board of Directors. She ensures the effective functioning of the Board of Directors, including maintaining a relationship of trust with members of the Board of Directors.

To promote checks and balances, it is provided under the Bank's Corporate Governance Manual that the Chairperson of the Board of Directors shall be a non-executive director or an independent director, and must not have served as CEO of the Bank within the past three (3) years. Moreover, the Chairperson should not concurrently serve as CEO.

The Corporate Vice Chairman

The By-laws of the Bank provides that the Corporate Vice Chairman shall have such powers and perform such duties as the Board of Directors may from time to time prescribe. In the absence or inability of the Chairperson to act, the Corporate Vice Chairman will act in her stead, and will exercise any and all such powers and perform any and all duties pertaining to the office of the Chairperson conferred upon it by the By-laws. Mr. Cesar E.A. Virata is the Bank's Corporate Vice Chairman.

Meetings and Quorum Requirement

The regular meeting of the Board of Directors is every last Monday of the month at the principal office of RCBC. Should the meeting date fall on a holiday, the meeting shall be held at the same hour on the next succeeding business day. A majority of the incumbent Directors shall constitute a quorum at any meeting, and a majority of the members in attendance at any Board meeting shall decide its action.

The meetings of the Board of Directors may be conducted through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein. It is further required that every member shall participate in at least twenty-five percent (25%) of all meetings of the Board of Directors every year. The absence of a director in more than fifty percent (50%) of all regular and special meetings of the board of directors during his/her incumbency is a ground for disqualification in the succeeding election.

Meetings of board committees are prescribed in their respective charters. Participation of committee members may likewise be in person or through modern technologies. A director's attendance in committee meetings is considered by the Corporate Governance Committee in the assessment of the director's continuing fitness and propriety as a member of the said board-level committee and of the Board of Directors.

Non-executive directors are required to have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the Bank.

From the period January to December 2017, the members' attendance at Board and Committee meetings are as follows:

DIRECTORS	BOARD		% BOARD	EXCOM		TRUST		TECH		PERC		ACC		ROC		CG		RPT		AML		TOTAL		% TOTAL
	M	A		M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	
HELEN Y. DEE	17	15	88.24%	48	39			11	10	3	3											79	67	84.81%
CESAR E.A. VIRATA*	17	17	100.00%	48	45	12	11	11	9					8	8							96	90	93.75%
GIL A. BUENAVENTURA**	16	16	100.00%	48	45	12	12	11	8									3	2			90	83	92.22%
TZE CHING I. CHAN	17	13	76.47%																			17	13	76.47%
RICHARD G.A. WESTLAKE	17	16	94.12%											11	10							28	26	92.86%
YUH-SHING (FRANCIS) PENG	17	14	82.35%													12	7	10	8			39	29	74.36%
JOHN LAW	17	14	82.35%											11	8							28	22	78.57%
FLORENTINO M. HERRERA III	17	16	94.12%																	5	4	22	20	90.91%
ARMANDO M. MEDINA	17	15	88.24%	48	46	12	11	11	10									10	10	5	5	103	97	94.17%
MELITO S. SALAZAR, JR.	17	16	94.12%									26	25	11	9	12	9					66	59	89.39%
ADELITA A. VERGEL DE DIOS	17	12	70.59%									26	21			12	11	10	8			65	52	80.00%
JUAN B. SANTOS	17	16	94.12%			12	10							11	9			10	10			50	45	90.00%
LILIA R. BAUTISTA	17	17	100.00%	48	46																	65	63	96.92%
GABRIEL S. CLAUDIO***	17	15	88.24%													12	10	10	10	2	2	41	37	90.24%
VAUGHN F. MONTES	17	16	94.12%					11	10			26	24	11	11	12	12					77	73	94.81%

M = NUMBER OF MEETINGS

A = MEETINGS ATTENDED

* Resigned from ROC on 25 September 2017

** Resigned from AML on 30 October 2017

*** Appointed to AML Committee on 30 October 2017

Board Performance

The Corporate Governance Committee oversees the periodic evaluation of contribution and performance of the Board of Directors, board-level committees, and senior management. This exercise covers the assessment of the ongoing suitability of each member, taking into account his or her performance in the board of directors and board-level committees.

The Corporate Governance Committee decides the manner by which the Board's performance may be evaluated, and propose an objective performance criteria approved by the Board. The performance indicators determine how the Board has enhanced long-term shareholder value.

Board of Directors Training Program

The Corporate Governance Committee oversees the continuing education program for the Board of Directors. The Training Program for the members of the Board has been adopted in the Bank's Corporate Governance Manual.

Under the Bank's Corporate Governance Manual, all new directors must undergo proper orientation upon joining the Board. This ensures that new members are appropriately apprised of their duties and responsibilities before beginning their directorships. The orientation program covers SEC-mandated topics on corporate governance and an introduction to the Bank's business, Articles of Incorporation, and Code of Conduct. The Orientation Program is designed to meet the specific

needs of the individual directors and aid any new director in effectively performing his or her functions.

In addition to the Orientation Program, first-time directors are required to attend a seminar on corporate governance following the BSP-prescribed syllabus. The directors are required to submit a certification of compliance of this requirement to BSP.

The members of the Board also undergo the Annual Continuing Training Program. The program covers courses on corporate governance, matters relevant to the company, including audit, internal controls, risk management, sustainability and strategy. The Board of Directors, through the Corporate Governance Committee, assesses its members' training and development needs in determining the coverage of the Annual Continuing Training Program. The directors are required to complete at least four hours of the Annual Continuing Training Program.

Remuneration of the Board

Remuneration of directors is commensurate with their contributions and scope of their responsibilities.

Executive directors do not receive any per diem for attendance in board and board committee meetings. They are entitled to remuneration and benefits by virtue of their being officers of the Bank.

Non-executive directors are entitled to reasonable per diem for attendance in board and board committee meetings. Non-executive directors receive a per diem of P35,000.00 for attendance in board meetings. The Audit and Risk Oversight Committee Chairmen receive P20,000.00 while members of the said committees receive P15,000.00 per diem for attendance in meetings. Per diem in other board committees is at no greater than P15,000.00 for the chairman and P10,000.00 for members.

The members of the Board of Directors, the Advisory Board, the Executive Committee and the Officers of the Bank are entitled to profit sharing bonus in accordance with the By-Laws of the Bank.

Remuneration Item	2017
(a) Per diem Allowance Non-Executive Directors, Independent Directors and members of the Advisory Board are entitled to per diem	Php13,895,000.00 (aggregate amount for NED's, ID's, for the Board and Committees for the year 2017)
(b) Directors' Bonuses Directors' bonuses are given to executive, non-executive and independent directors based on the formula provided for in the Bank's By-Laws.	N/A
TOTAL	Php13,895,000.00

Board Committees

The Board of Directors has delegated some of its functions to the following board-level committees:

1. Executive Committee

Composition:

Chairman and at least four (4) members of the Board of Directors

Members:

Helen Y. Dee - *Chairperson*
Gil A. Buenaventura
Cesar E.A. Virata
Armando M. Medina (ID)
Lilia R. Bautista (ID)

The Executive Committee has the power to act and pass upon such matters as the Board of Directors may entrust to it for action. However, matters affecting general policy are always referred to the Board of Directors for decision. The Executive Committee has the power to review an asset or loan to ensure timely recognition and resolution of impaired assets. In 2017, the Executive Committee:

- Discussed various issuances by regulatory agencies;
- Approved non-DOSRI loans that reach the Single Borrower's Limit (SBL);
- Evaluated and approved various operations/product manuals;
- Reviewed and endorsed for Board approval various management matters;
- Deliberated upon and approved various management matters within its approving authority.

2. Audit and Compliance Committee**Composition:**

The Audit and Compliance Committee shall be composed of at least three (3) non-executive directors, majority of whom shall be independent including the Chairperson. The Chairperson should not be the Chairperson of the Board or of any other board-level committees. Members of the committee should have accounting, auditing or related financial management expertise or experience.

Members:

Melito S. Salazar, Jr. (ID) – *Chairperson*
Vaughn F. Montes (ID)
Adelita A. Vergel De Dios (ID)

The Audit and Compliance Committee assists the Board in oversight responsibilities on: (1) financial reporting framework (2) internal control system (3) internal audit function (4) external audit function (5) compliance function (6) implementation of corrective action and (6) investigation of significant issues or any matter within its terms of reference.

In 2017, work done include, but not limited, to the following:

- Performance of oversight functions over the internal and external auditors and ensuring that they acted independently from each other and both auditors were given unrestricted access to records, properties and personnel in the discharge of their functions.
- Review of audit reports of both internal and external auditors and engaging in discussions of the results of audits during Audit and Compliance Committee meetings to evaluate the adequacy and effectiveness of internal control system and risk management including financial reporting and information technology security. This also included the review of the annual and quarterly financial statements before submission to the Board and regulators focusing on the following matters:

- Any changes in accounting policies and practices;
 - Significant adjustments arising from audit;
 - Compliance with accounting standards;
 - Compliance with tax, legal and regulatory requirements;
 - Going concern assumptions;
 - Major judgmental areas; and
 - Completeness of disclosures of material information including subsequent events and related party transactions.
- Review of the extent and scope, activities, staffing, resources and organizational structure of the Internal Audit function and approved the annual audit plan to ensure its conformity with the objectives of the Bank. This also included quarterly review of audit plan accomplishment / status including capacity and manpower complement.
 - Review of the extent and scope, activities, staffing, resources and organizational structure of the Compliance Function.
 - Review and approval of the annual testing plan and monitoring the status thereof.
 - Review and approval of the Compliance Charter and Manual
 - Review of the compliance reports of the Compliance Officer to assess compliance with laws, rules and regulations. This also included the review of findings of any examinations by regulatory agencies (e.g., BSP).
 - Review of the Audit and Compliance Charter.
 - Appointment of the Chief Compliance Officer and Chief Audit Executive.

3. Risk Oversight Committee

Composition:

The Risk Oversight Committee (ROC) shall be composed of at least three (3) members of the board of directors, majority of whom shall be independent directors, including the chairperson. The ROC's chairperson shall not be the chairperson of the board of directors, or any other board-level committee. The risk oversight committee shall possess a range of expertise and adequate knowledge on risk management issues and practices.

Members:

Vaughn F. Montes (ID) – Chairperson
 Melito S. Salazar, Jr. (ID) – Vice Chairperson
 Richard G.A. Westlake

Juan B. Santos (ID)¹
 Cesar E.A. Virata²

Observers:

John Law³
 Gil A. Buenaventura⁴

¹ Resigned effective January 29, 2018.

² Resigned effective September 4, 2017.

³ Appointed as observer effective January 29, 2018.

⁴Appointed as observer effective January 29, 2018.

The highlights of the Risk Oversight Committee's actions in 2017 are as follows:

ROC Organizational Matters and General Risk Management

- Conduct of Self-Assessment of 2016 performance
- Oversight on preparation of the Annual Report's Risk & Capital Management section
- Notation and confirmation of accomplishments and plans of the various Risk Management groups
- Notation of significant BSP findings and the corresponding replies/actions taken by Management; notation of ROE required actions relating to risk management and approval of responses
- Notation of presentations on Cir. 969 & 971, and the gap analysis versus existing frameworks
- Approval of the amended ROC Charter
- Notation of the Enterprise Risk Management Framework
- Resolution to continuously review the enterprise risk management framework and manual

Enterprise Risk/ICAAP/Capital Management/Recovery Plan

- Approval of the inclusion of the approved proposals in the ICAAP and Recovery Plan Document for submission to the BSP
 - ICAAP projections for 2017-2019
 - Enterprise Risk Appetite/Tolerance Statement (RAS) thresholds for 2017
 - Liquidity triggers and recovery options
 - Amendments to the RCBC Communication Plan and the RCBC Recovery Plan Committee
- Notation of Capital Adequacy reports
- Notation of Economic Capital estimates for Credit, Market, and Operational Risks
- Notation of enterprise Risk Appetite/Tolerance Statement monitoring reports
- Notation of RAPM reports
- Notation of presentations on the Bank's capital plan
- Notation of the report on the bank's actual half year performance for 2017 versus projections
- Notation of the results of the Real Estate Stress Test (REST), and resolution to inform the BSP of the bank's breach in the REST limit and the measures it would adopt in response to the breach

Credit Risk

- Approval of Industry Exposure limits
- Notation of regular credit risk reports:
 - Credit Risk Portfolio monitoring reports
 - Tiered Pricing & Tiered RORA reports
 - Loan Portfolio RAROC reports
 - Reports on the Treasury Bond Portfolio
 - Loan Portfolio & Treasury Portfolio stress testing results
 - Various SEMS reports
 - Various Industry Review reports
 - Various Credit Management reports on account and portfolio review
 - The S&P Rating Model performance report
 - Various updates on the portfolio quality of Subsidiaries
- Oversight on the review of the Credit Risk Management Framework:
 - Notation of discussions on the Credit Risk Management Framework
 - Notation of discussions on the Credit Risk Policy Manual

- Notation of updates on the Credit Risk Monitoring Framework
- Approval of the revised composition of the Credit and Collection Committee
- Approval of the proposal to increase Excom's credit authority up to regulatory SBL
- Approval of the policy on Credit Delegated Authorities
- Approval of the policy on credit authorities
- Approval of adjusted delegated authority limits of Treasury and Wealth Management
- Approval of amendments to the policy on validity of credit approvals
- Approval of amendments to the policy on updating of financial information
- Approval of amendments to the policy on collateral
- Approval of amendments to the policy on trust receipts
- Approval of amendments to the policy on LGUGC Guarantee
- Approval of policies and procedures relating to the impairment testing of HTC investment security accounts
- Notation of the redevelopment and further enhancement of Bankard's credit scoring model
- Approval of the RCBC Bankard restructuring program
- Approval of revised approving authorities for credit card restructuring
- Approval of amendments to the SEMS policy
- Oversight of Independent Credit Review
 - Approval of the Independent Credit Review manual
 - Notation of the independent credit review report on the top 35 loan accounts
 - Notation of the Emerging Corporates Segment loan portfolio review
- Notation of updated ECL results

Market & Liquidity Risk

- Approval of Treasury's position and risk limits for 2017
- Approval of the following revised limits:
 - Revised MCO limits, and the proposed second tier limit scheme
 - Request to temporarily increase the bond futures product limit and the risk limits of the foreign currency portfolio, and notation of its return
 - Request to increase the MCO limit of the foreign currency book
- Notation of the temporary assignment of higher authorities/limits
- Approval of the revised Contingency Funding Plan (CFP)
- Confirmation of ALCO actions on disposition of various limit breaches
- Notation of regular Market & Liquidity Risk reports
- Notation of the discussion on the pre-settlement factors for 2018, and resolution to have a memo containing the models, assumptions, methodologies, and the implications circulated to the ROC
- Notation of BSP Circular 981, and resolution to conduct a gap analysis vs. existing frameworks

Trust Risk

- Notation of regular Trust Risk Management reports
- Approval of revisions to the Trust Risk Policy Manual
- Approval of amendments in TIG approving authorities and credit approval limits

Operational Risk

- Approval of revisions to the ORM Guidelines/Framework
- Approval of the Enterprise-Level Operational Risk Appetite Statement (RAS)
- Approval of revised Operational Risk Control and Mitigation guidelines
- Approval of revised bank-wide operational risk KRIs and thresholds
- Oversight of general AML matters:
 - Notation of AML RCSA results
 - Approval of AML and OGB KRI thresholds

- Notation of AML KRI monitoring reports
- Notation of the business center RCSA results
- Notation of KRI monitoring reports
- Notation of Loss Event reports
- Notation of the assignment of a 5% weight in the KRA of DOROs
- Oversight of risk issues with RCBC's international 24x7 operations, with the resolution to rationalize roles and responsibilities, and ensure that an officer of adequate qualification/s is always present and accountable
- Oversight of risk issues concerning RCBC's CSMES Ortigas Lending Center
- Notation of discussions regarding the Policies and Procedures Circulars Clearing House
- Notation of the renewal of the D&O insurance for 2017-2018
- Oversight of discussions concerning Comprehensive Crime Insurance/Bankers Blanket Bond
- Notation of various subsidiary reports

IT & Information Security

- Approval of the revised Information Security Charter
- Notation of status updates on various major projects
- Notation of reports on top IT risks and Information Security priorities, with their mitigation status
- Notation of regular reports on InfoSec KRIs
- Notation of incident reports and reports on other significant events relating IT & InfoSec Risk
- Notation of observations/findings regarding the InfoSec RCSA, and APPROVED proposed changes to the RCSA process
- Approval of enhanced Protection of Electronic Document Policy

Fraud Management

- Notation of the EFMD work plan for 2017
- Approval of amendments to the Enterprise Fraud Management framework
- Endorsement of the EFMD manual for Board approval
- Notation of updates on the rollout of EFMS fraud rules
- Approval of changes in the issuance of Bank Guarantees/Domestic Standby LCs
- Notation of various fraud incident reports and fraud management updates

Business Continuity Management

- Approval of the Incident Management Framework
- Approval of the Institutional Business Continuity Plan for cyber-attacks
- Notation of presentations on existing BCPs and related plans for system glitches & cyber-attacks
- Approval of the revised Crisis Management Plan & Institutional Business Continuity Plan
- Notation of Incident Management and DR/BCP exercise assessment reports, and other updates

Compliance Risk

- Approval of the RCBC Data Privacy Policy
- Notation of FATCA updates

Anti-Money Laundering

- Oversight on the review and cleanup of high risk accounts
- Approval of transaction thresholds for high risk accounts
- Oversight of Project Sentinel – OGB Task Force ring-fencing program, including:
 - Approval of Online Gaming Business (OGB) KRIs

Strategic Risk

- Notation of introductory presentations on FinTech

Consumer Protection

- Notation of reports on consumer complaints, the passbook out of balance issue, and other consumer protection issues

Reputation Risk

- Approval of the RCBC Social Media Risk Management Policy
- Notation of updates on the Social Media Risk Management Framework
- Notation of the incident report on the PMCJ rally

4. The Corporate Governance Committee

Composition:

At least four (4) members of the board of directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson, with (1) one member representing the minority shareholders.

Members:

Adelita A. Vergel de Dios (ID) – *chairperson*

Vaughn F. Montes (ID)

Gabriel S. Claudio (ID)

Yuh-Shing (Francis) Peng

Melito S. Salazar, Jr. (ID)*

*Resigned effective January 29, 2018.

The Corporate Governance Committee assists the Board of Directors in fulfilling its corporate governance responsibilities. The highlights of the actions of the Corporate Governance Committee in 2017 are as follows:

- Reviewed and endorsed for Board approval the Bank's Corporate Governance Manual;
- Approval of the Annual Corporate Governance Report (ACGR) and the PSE Corporate Governance Disclosure Template;
- Monitored the Bank's implementation of the recommendations of the International Finance Corporation (IFC) on corporate governance;
- Engaged KPMG to conduct third-party validation of the effectiveness of the adoption and implementation of IFC's corporate governance standards;
- Exercised oversight on the nomination process for members of the Board of Directors and for positions requiring board approval;
- Ensured the implementation of the training program for the members of the Board of Directors;
- Facilitated the performance evaluation process of the Board of Directors, the individual members, the Chairperson and the CEO;
- Reviewed and endorsed for Board approval the interlocking positions of directors and officers;
- Exercised oversight on the Bank's Performance Management Framework;
- Exercised oversight on the Bank's succession plan for the CEO and senior executives;
- Enhanced disclosures by ensuring that gaps identified in ASEAN Corporate Governance Scorecard are addressed.

5. The Related Party Transactions Committee

Composition:

The Related Party Transactions (RPT) Committee shall be composed of at least three (3) members of the board of directors, two (2) of whom shall be independent directors, including the chairperson. The Committee shall at all times be entirely composed of independent directors and non-executive directors, with independent directors comprising majority of the members.

Members:

Adelita A. Vergel De Dios (ID)¹ – *Chairperson*
Gabriel S. Claudio (ID)
Yuh-Shing (Francis) Peng

Armando M. Medina (ID)²
Juan B. Santos (ID)³

¹Replaced Armand M. Medina as chairperson effective January 29, 2018.

²Resigned effective January 29, 2018.

³Resigned effective January 29, 2018

The RPT Committee assists the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations. In 2017, the RPT Committee fulfilled its mandate under its charter particularly on the review and disclosure of material related party transactions. Work done by the Committee in 2017 includes the following:

- Review of related party transactions with a threshold amount of Php10,000.00 and above and those that require Board approval, i.e., DOSRI loans, to ensure that such transactions are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances;
- Oversaw the filing of required reports under BSP Circular No. 895, as amended, i.e., Report on Conglomerate Structure and Report on Material Related Party Transactions.

6. The Anti-Money Laundering Committee

Composition:

Three (3) directors, majority of which are independent directors including the chairperson.

Members:

Gabriel S. Claudio (ID)¹ – *Chairperson*
Florentino M. Herrera III
Vaughn F. Montes²

Gil A. Buenaventura³

Armando M. Medina (ID)⁴

¹Appointed as member on October 30, 2017, and Chairperson on January 29, 2018.

²Appointed as member on January 29, 2018.

³Appointed as observer effective October 30, 2017.

⁴Resigned effective January 29, 2018.

The AML Committee assists the Board of Directors in its mandate to fully comply with the Anti-Money Laundering Act, as amended, its Revised Implementing Rules and Regulations and the Anti-Money Laundering Regulations under the Manual of Regulations for Banks (MORB); and to ensure that oversight on the Bank's compliance management is adequate. Its specific duties and responsibilities include:

Client Profiling

- To review and approve the AML client risk profiling model and changes thereto;
- To review and note changes in the risk profiles of clients, *i.e.*, downgrading from high risk to normal or low risk, and upgrading from low risk to normal or high risk;
- To review and approve changes in the sensitivity of watch list name screening on Base60;

STR Reporting

- To note the suspicious transaction reports filed pursuant to the approval of the AML Management Committee;

Alerts Monitoring

- To approve changes in alert scenarios, rules, parameters and thresholds in AML alert management and transaction monitoring systems;
- To review and approve reports on transactions disposed as false positive;

Disposition of Issues

- To review and recommend actions for AML critical issues;
- To review and approve reports on transactions disposed via Triage;
- To review and note closure of accounts;

Compliance Testing and Monitoring

- To review and approve AML compliance risk assessment;
- To review and approve the annual testing plan and changes thereto;
- To review the findings of Compliance Testing for AML and approve sanctions to be imposed as a result of such findings;
- To monitor and oversee timely compliance and responses to BSP/AMLC findings on regular or special examination in relation to AML.

Policy and Manuals

- To review the Bank's MLPP for the approval of the Board of Directors;
- To review and approve the Manuals on the following:
 - a. System;
 - b. Alerts
 - c. Policy;
 - d. Testing

Others

- To review and approve training plan for the Board and bank employees on AML;
- To note the Covered Transactions Reports;
- To note the AML risk indicators set by the Risk Oversight Committee;
- To confirm minutes of the AML Management Committee;
- To monitor the status of requests for information by the regulators, *i.e.*, BSP and AMLC.

7. The Trust Committee

Composition:

At least five (5) members including (i) the president or any senior officer of the bank and (ii) the trust officer. The remaining committee members, including the chairman, may be any of the following: (i) non-executive directors or independent directors who are not part of the Audit

Committee or (ii) those considered as qualified independent professionals, provided that in case there are more than five (5) Trust Committee members, the majority shall be composed of qualified non-executive members

Members:

Juan B. Santos (ID) – chairperson

Cesar E.A. Virata

Gil A. Buenaventura

Armando M. Medina (ID)¹

Lourdes M. Ferrer

Lilia R. Bautista (ID)²

¹Resigned effective January 29, 2018.

²Appointed as member on January 29, 2018.

The Trust Committee is a special committee which reports directly to the Board of Directors and is primarily responsible for overseeing the fiduciary activities of the Bank. Its activities in 2017 include the following:

- Approval of new policies and guidelines
 - Inclusion of the definition of Legislated and Quasi-Judicial Trust in the Trust Policy Manual (TPM)
 - Revision of TPM on the definition of Safekeeping based on the FRPTI;
 - Revision of policy on inter-account transactions to provide the procedure on cascading among the portfolio managers of the assets available for sale or inter-account transfers
 - Revision of Trust Operations Manual to incorporate additional internal controls and/or reconciliation procedures to ensure accuracy of regulatory reports and timely detection and correction of errors, if any.
 - Revision of Trust Risk Manual to include provision on validation and reporting of RCSA results
 - Revision of Rizal UITF Online Facility Guidelines
 - Revised policies on records management and retention for Trust and Investment Group (TIG);
 - Revision of various policies related to AMLA requirements for Trust accounts (FATCA supplemental form)
 - Policy on validation of client's address in lieu of sending thank you letters
 - Revised Self-Assessment Forms for the Trust Committee
 - Guidelines on the periodic review of directed equity investments
 - Policy revision allowing non-residents to invest in the Rizal Peso fixed income funds
 - Policy on handling discretionary and non-discretionary accounts
 - Updating of guidelines and procedures for e-submission of BSP requirements;
 - Revision of Trust Operations Manual on the reinforcement and inclusion of additional controls over the quarterly preparation and submission of Financial Reporting Package for Trust Institutions (FRPTI)
 - Streamlining of procedures and guidelines on the closure/termination of accounts
 - Guidelines on provisioning for financial assets of TIG
 - Amendment of credit approval limits of TIG
 - Revisions on the administrative review policies and guidelines
 - Revised Trust Committee Charter
- Conducted oversight of trust business

- Review of Trust performance for 2017
 - Approval of Trust business plans for 2018
 - Approval of the Audited Financial Statements of TIG and the Rizal UITFs for 2016 (February 2017)
 - Discussions on the results of the Self-Assessment of the Trust Committee for 2016
 - Review of monthly financial performance of Trust for 2017
 - Discussions of impact of new regulations issued on the trust business
 - Review of industry landscape and trends (quarterly)
 - Monthly review of status of trust loan portfolio and past due loans
 - Annual status report on ROPAs held by Trust
 - Performance review of accounts (February 2017)
 - Administrative review of accounts (Year-round as presented by management)
 - Report on compliance with client prescribed limits (quarterly)
 - Monthly review of pre-need assets
 - Discussions on the monthly market updates and investment strategies of Trust
 - Product development efforts for 2017
 - Discussions on accounts opened and closed on a monthly basis together with new mandates obtained
 - Review of organization structure, succession plan for Trust and other HR matters
 - Discussions on the implementation of PFRS9 by January 1, 2018
- Evaluation and approval of management recommendations on the investment and disposition of funds or properties held in trust
 - Approval of lines for local financial institutions (November and December 2017)
 - Approval of lines of foreign financial institutions (July 2017)
 - Accreditation of stockbrokers (Sept 2017)
 - Approval of credit lines for corporate borrowers and bond issuers (as necessary)
 - Approval of the list of investment outlets for various accounts (as necessary)
 - Approval of various issues (bonds, IPOs and preferred shares) offered in the market
 - Approval of list of equity issues (September 2017)
 - Management of risks in the conduct of the trust business
 - Monthly discussions and review of various risk management reports (market risk, credit risk, operational risk, reputation risk, strategic risk, legal risk)
 - Discussions on incident reports and issues affecting Trust
 - Monitoring of the proper implementation of approved policies and guidelines
 - Review of compliance with applicable laws and regulations
 - Development of systems to enhance productivity and customer service
 - Updates on regulatory developments affecting the Trust business

8. The Technology Committee

Composition:

At least three (3) members of the Board of Directors.

Members:

Helen Y. Dee – *Chairperson*

Cesar E.A. Virata

Gil A. Buenaventura

Armando M. Medina (ID)*

Vaughn F. Montes (ID)*

*Resigned effective January 29, 2018.

The Technology Committee exercises authority over all IT Project Steering Committees of the various RCBC Business Groups and subsidiaries (The Group), with the principal purpose of assisting the Board in fulfilling the following oversight responsibilities:

- Approves major IT investments.
- Manages and aligns IT initiatives across the Group.
- Reviews status of major projects.
- Prioritizes IT initiatives, when warranted.
- Evaluates emerging IT solutions for use of the Group.
- Reviews and resolves IT risks and other IT related issues raised in the TechCom.
- Ensures compliance to BSP rules and regulations relating to Information Technology.

9. The Personnel Evaluation and Review Committee

Composition:

A Chairperson, who shall be a member of the Board of Directors, and other members who may either be directors or senior management officers of RCBC. The Head of the Internal Audit Group shall sit during meetings as a resource person.

Members:

Helen Y. Dee – Chairperson

Rowena F. Subido – Head, Human Resources Group

Jonathan C. Diokno – Head, Retail Banking Group

Margarita B. Lopez – Head, Operations Group and Digital Banking Group

Florentino M. Madonza- Head, Controllership Group

Regino V. Magno* – Head, Business Risk Group

George Gilbert G. Dela Cuesta – Head, Legal Affairs Group

*Retired on February 25, 2018

The Personnel Evaluation and Review Committee is created by the Board of Directors for the following purposes:

- To act as an independent body in the evaluation and review of cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee resulting to an actual or potential loss to the Bank of at least One Million Pesos (Php1,000,000.00).
- To ensure that the appropriate preventive, corrective and disciplinary measures are imposed on cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee.
- Such other purposes as may be necessary in the performance and discharge of its functions.

Advisory Board

The Bank has an Advisory Board that provides informed guidance to the Board of Directors. Members of the Advisory Board are appointed by the Board of Directors. They do not have any voting rights but contribute by way of providing non-binding but relevant advice during board meetings. While the By-Laws allow for up to 10 members in the Advisory Board, the Bank has 3 appointed Advisory Board members. Each of these members is considered as business leaders and is of known probity and integrity. The members of the Advisory Board are Atty. Lilia B. De Lima (as Independent Member), Mr. Francis C. Laurel and Ms. Yvonne S. Yuchengco.

Shareholdings in the Company

As of December 31, 2017, only the following stockholders own more than 5% of RCBC's common stock:

Title of Class	Name, Address of record owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	Pan Malayan Management & Investment Corporation Address: 48/F Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue Makati City Relationship with issuer: RCBC is a subsidiary of PMMIC	Pan Malayan Management & Investment Corporation <i>The records in the possession of the Bank show that the beneficial ownership of this company belong to the shareholders of record of said company. The Bank has not been advised otherwise.</i>	Filipino	594,248,081 *	42.45%
Common	Cathay Life Insurance Corporation Address: 296 Ren Ai Road Sec4 Taipei 10633 Taiwan R.O.C. Relationship with Issuer: Stockholder		Non-Filipino	326,929,297	23.35%
Common	International Finance Corporation (IFC) & IFC Capitalization (Equity) Fund, L.P. Address: 2121 Pennsylvania Avenue, NW Washington, DC 20433 USA Relationship with Issuer: Stockholder		Non-Filipino	71,151,505	5.08%

The following **directors and officers** directly and indirectly own shares in RCBC:

Title of Class	Name of Beneficial Owner	Amount and nature of record / beneficial ownership		Citizenship	Percent of Class (%)
		Par Amount	Nature		
Directors					
Common	Helen Y. Dee	10,116,790	R / B	Filipino	0.07
Common	Gil A. Buenaventura	50	R / B	Filipino	0.00
Common	Cesar E.A. Virata	1,001,670	R / B	Filipino	0.01
Common	Lilia R. Bautista	50	R	Filipino	0.00
Common	Vaughn F. Montes	50	R	Filipino	0.00
Common	Florentino M. Herrera III	34,670	R / B Filipino	Filipino	0.00
Common	Richard G.A. Westlake	10	R	New Zealander	0.00
Common	Tze Ching Chan	10	R	Chinese	0.00
Common	Yu - Shing Peng	10	R	R.O.C. Taiwan	0.00
Common	Armando M. Medina	1,950	R	Filipino	0.00
Common	John Law	10	R	French	0.00
Common	Gabriel S. Claudio	10	R	Filipino	0.00
Common	Melito S. Salazar Jr.	10	R	Filipino	0.00
Common	Adelita A. Vergel de Dios	10	R	Filipino	0.00
Common	Juan B. Santos	50	R	Filipino	0.00
	Subtotal	11,155,350			
Executive Officers					
Common	Evelyn Nolasco	27,000	B	Filipino	0.00
	Subtotal	27,000			
	TOTAL	11,182,350			

Shareholders' Rights and Protection of Minority Stockholders' Interest

The Bank respects the rights of the stockholders as provided for in the Corporation Code; namely:

1. Right to vote on all matters that require their consent or approval;
2. Right to inspect the books and records of the Bank;
3. Right to information;
4. Right to dividends; and
5. Appraisal right.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights, *i.e.*, any shareholder or group of shareholders with at least five percent (5%) share of the total outstanding shares of the company shall be allowed to propose any relevant item for inclusion in the agenda for the meeting.

Right to Nominate Candidates for Board of Directors

The By-Laws of the Bank allows to all shareholders, including minority stockholders, the right to nominate candidates for the Board of Directors.

Voting Right

The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the Bank. The stockholders shall be encouraged to personally attend such meetings.

In case the stockholders cannot attend the annual and special stockholders' meetings, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholders' favor.

The Board shall take the appropriate steps to remove excessive costs and other administrative impediments to the stockholders' participation in meetings, whether in person or by proxy. Accurate and timely information shall be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

A director shall not be removed without cause if it shall deny minority stockholders representation in the Board.

Conduct of Shareholders' Meeting

Stockholders are encouraged to personally attend shareholders' meetings. In case the stockholders cannot attend the annual and special stockholders' meetings, they are apprised ahead of time of their right to appoint a proxy. Accurate and timely information is made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. Stockholders are allowed to pose questions and/or raise matters in person during the meeting and are addressed by the Chairperson, members of the Board and/or management.

The last Annual Stockholders' Meeting was held on June 27, 2017. The Bank hired an independent party, Punongbayan & Araullo, to count and validate votes cast at the said meeting. Proper and timely disclosures were made immediately after the ASM. Results of the meeting as well as minutes thereof are available in the Bank's website.

Right to Inspection

All stockholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

Right to Information

The stockholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Bank's shares, dealing with the Bank, relationships among directors and key officers, and the aggregate compensation of directors and officers.

The minority stockholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

The minority stockholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority stockholders shall be allowed

to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

Dividend Policy

Article XI, Section 1 of the By-Laws of the Bank, provides that dividends shall be declared and paid out of the surplus profits of the Bank as often and at such times as the Board of Directors may determine after making provisions for the necessary reserves in accordance with law and the regulations of the Central Bank of the Philippines.

As a policy, management shall determine the amount of dividends to be declared and present the recommendation for the declaration of the same to the Board of Directors for approval. If it has stipulated dividend payment obligations, the Bank shall declare dividends in accordance with its commitment.

The Bank ensures compliance with pre-requisites set by the BSP for the declaration of dividends.

The net amount available for dividends is also in accordance with the formula provided under § X136.3 of the BSP's Manual of Regulations for Banks, as follows:

Amount of unrestricted or free earned surplus and undivided profits less:

- a. Bad debts against which valuation reserves are not required by the BSP to be set up;
- b. Unbooked valuation reserves, and other unbooked capital adjustments required by the BSP, whether or not allowed to be set up on a staggered basis;
- c. Deferred income tax;
- d. Accumulated profits not yet received but already recorded by a bank representing its share in profits of its subsidiaries under the equity method of accounting;
- e. Accrued interest as required to be excluded pursuant to Item "d" of Subsec. X305.4, net of booked valuation reserves on accrued interest receivable or allowance for uncollectible interest on loans; and
- f. Foreign exchange profit arising from revaluation of foreign exchange denominated accounts.

For purposes of the subsection, any balance of *Paid-in Surplus* account may be included in the amount available for stock dividends.

Appraisal Right

The stockholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines.

Investor Relations Program

The Board shall commit at all times to fully disclose material information dealings. It shall cause the timely filling of all required information for the interest of its shareholders and other stakeholders. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC and Philippine Stock Exchange (PSE) by the responsible committee or officer through the Bank's Compliance Officer. Material Information emanating from the Board of Directors shall be disclosed and the responsibility of the Corporate Information Officer (CIO). The CIO shall be responsible for efficiency providing information and addressing concerns of its shareholders and other stakeholders through the Bank webpage which provides complete information about the Bank in a form that is user-friendly.

Transactions between related parties shall be disclosed to include the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship of the financial statements.

All material information about the Bank, *i.e.*, anything that could adversely affect share price, shall be publicly disclosed. Such information and/or transactions shall include, among others, earnings results, acquisition or disposal of significant assets, related party transactions, board membership changes, shareholdings of directors and officers and any changes thereto, and such material events or information which are required to be disclosed pursuant to the SRC and its Implementing Rules and Regulations.

Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management, corporate strategy, and off balance sheet transactions.

All disclosed information shall be released via the approved and established stock exchange procedure for corporate announcements as well as through the annual report.

The governance of the bank shall be adequately transparent to its shareholders and other stakeholders.

The Bank shall designate authorized signatories and alternates for disclosures. All disclosures or information state or relayed by the authorized signatory shall be presumed to have been made with the approval of the Chairman of the board, and principal officers of the Bank. The officers, including the signatories and their alternates, shall be responsible and liable for the truthfulness of the disclosures.

Other Stakeholders

Creditors' Rights

It is the policy of the Bank to conduct its business in an efficient and fair manner in order for it to meet its contractual obligations to its depositors, subordinated debt noteholders, and service providers. In the event of any liquidation or bankruptcy proceeding, such creditors have preference over the assets of the Bank in accordance with Philippine laws on preference of credits.

As a listed company, the Bank discloses, either through its website or the required stock exchanges, the relevant terms and conditions of their investment and fund-raising activities.

Supplier/Contractor Selection and Criteria

The Bank has a board-approved Policy on Outsourcing in accordance with BSP Circular No. 765 re: "Revised Outsourcing Framework for Banks." The Bank's policy provides for guidelines, processes, and controls in managing outsourcing risks. The Bank is required under the policy and in accordance with the BSP Circular to conduct due diligence on service providers to ensure their integrity, technical expertise, operational capability, financial capacity, and suitability to perform the outsourced activity.

In certain cases as permitted by law and regulations, the supplier/contractor selection process is being handled by House of Investments, Inc. (HOI), an affiliate of the Bank.

HOI's Procurement Shared Services has the following policies:

- a. Code of Ethics for Procurement
- b. Code of Ethics for Suppliers
- c. Supplier Management
- d. Policies in Choosing a Supplier

- e. Procurement Process
- f. Contract Management
- g. Manual Structure, Use, Revisions/Amendments
- h. Early Involvement in Procurement

Suppliers are evaluated based on compliance with user requirements, quality, performance record in the industry, technical competence, customer service, design, delivery, dependability. Accreditation of new suppliers is based on recommendations of procurement heads or officers and is evaluated and approved by the HOI's PSS Manager and General Manager. Accredited suppliers are likewise subject to performance evaluation.

Environmentally-friendly Value Chain

The Bank has adopted its Policy on Social and Environmental Management System in order to promote sustainable practices for both the Bank and its clients that will mutually enhance profitability, and minimize any negative environmental, social and reputation impacts of the Bank's financing activities and its clients' operation, and to encourage loan borrowers to adhere to the preservation and development of the natural, social, and cultural environment which will redound to their own company's best interest .

The Policy applies to borrowers of the Bank whose business operations/projects have environmental impacts and risks that should be managed in an on-going basis in relation to the environmental and social concerns of the Bank. In addition to the regular credit evaluation process, review/evaluation of all credit application/proposal for project/s for financing shall also consider social & environmental requirements such as the International Finance Corporation (IFC) Exclusion List, applicable national laws on environment, health, safety and social issues and any standards established therein; and IFC Performance Standards. Environmental risk categories are assigned and credit approval obtained in accordance with requirements depending on the risk category. Environmental covenants are incorporated in the Loan/Credit Agreement, and periodically evaluated and monitored.

Internal Control

Effective internal control is the foundation of safe and sound banking. It reduces the possibility of significant errors and irregularities, and in the event of occurrence, said internal control assists in timely detection. A properly designed and consistently enforced system of operational and financial internal controls helps the Bank's Board of Directors and Management to safeguard the Bank's resources, produce reliable financial reports and comply with applicable laws and regulations.

The Bank has established an effective internal control system to ensure that the Bank is managed and controlled in a sound and prudent manner. It includes the following critical components:

- Control Environment

Control environment is the framework under which internal controls are developed, implemented and monitored. It consists of the mechanisms and arrangements that ensure internal and external risks to which the company is exposed to are identified, and appropriate and effective internal controls are developed and implemented to manage said risks soundly.

The control environment emanates from the Board of Directors and reflects Management's commitment to internal controls. In line with this, the Management has ensured the strategic implementation of internal controls that provide for an organizational structure that establishes clear lines of authority and responsibility for monitoring adherence to prescribed policies, effective risk assessment, timely and accurate financial and regulatory reports, and adequate procedures to safeguard and manage the Bank's assets.

- Risk Assessment

Risk assessment is the identification and analysis of relevant inherent and residual risks and the corresponding control mechanisms that can adversely affect the achievement of the Bank's objectives. The assessment helps determine the adequacy and effectiveness of control mechanisms in mitigating risks and the strengths and weaknesses of the risk environment.

The Corporate Risk Management Services Group (CRISMS) has come up with a Risk Management Manual which provides a detailed discussion on each type of risk including the identification, measurement and management of risks.

The assessment of control mechanisms in managing inherent and residual risks by the business units is an effective risk engine in the risk management process. By determining and assessing the risks involved in banking operations, the Bank can decide what types of controls are needed and how they should be managed.

- Control Activities

Control activities refer to the policies and procedures designed to help ensure that all bank personnel are properly guided by the control measures established by the Bank. Control activities form an integral part of the daily activities of the Bank. An effective internal control system requires that appropriate control mechanisms are set up, with control activities defined at every business level. In this regard, the Bank has ensured that control activities, which are directed through policies and procedures, are designed and implemented to address the risks involved in banking operations.

The control activities implemented by the Bank include, but are not limited to, the following:

- a. Establishing approvals and authorization for transactions and activities;
- b. Reconciliation;
- c. Review of operating performance and exception reports;
- d. Establishing safeguards or physical controls for use of assets and records;
- e. Segregation of duties to reduce a person's opportunity to commit and conceal fraud or errors;
- f. Requirement on mandatory leaves;
- g. Rotation of duties; and
- h. Number control

- Management Reporting System

Another element in an effective internal control program involves accurate accounting and comprehensive information and communication systems that are relevant to decision-making. These systems not only capture information and generate necessary reports, but also enable all personnel to understand their roles in the overall control system, how their activities relate to others, and their accountability for the activities they conduct.

- Monitoring Activities and Correcting Deficiencies

Monitoring activities entails assessing the quality of performance over time and making any necessary modifications to correct any deficiencies.

The overall effectiveness of the Bank's internal controls is monitored on an ongoing basis. In view of changing internal and external conditions, Management continually monitors and evaluates the Bank's internal control system to ensure that these are adequate and continue to function properly. Periodic assessment and evaluation of control mechanisms used in managing risks are conducted by the business units in coordination with internal audit, risk management and other support units.

Internal control deficiencies, whether identified by business units, internal audit or other control personnel, are reported in a timely manner to the appropriate management level so that the same can be addressed immediately.

Internal control is the responsibility of all employees of the Bank. Everyone in the organization is responsible in ensuring that the internal control measures being adopted by the organization are properly and strictly enforced and are effectively operational. The channels of communication have ensured that all employees fully understand and adhere to policies and procedures affecting their work, and that other relevant information is properly communicated to the appropriate personnel. Likewise, the Bank's internal audit, risk management unit and external audit provide an objective, independent review of bank activities, internal controls and management information systems to help the Board of Directors and the Management monitor and evaluate internal control adequacy and effectiveness.

Compliance Function

The compliance function of the Bank facilitates the effective management of compliance risks or risks of legal or regulatory sanctions, material financial loss, or loss to reputation that a bank may suffer as a result of its failure to comply with laws, rules, related self-regulatory organization standards, and codes of conduct applicable to its activities.

The Compliance Function is discharged by the Regulatory Affairs Group (RAG) headed by the Chief Compliance Officer (CCO). The RAG is a separate and independent unit with no business function. It reports to the Board of Directors through the Audit and Compliance Committee and the AML Committee.

The Regulatory Affairs Group shall facilitate the effective management of compliance risks by:

- a. Advising the board of directors and senior management on relevant laws, rules and standards, including keeping them informed on developments in the area;
- b. Apprising Bank personnel on compliance issues, and acting as a contact point within the Bank for compliance queries from its personnel;
- c. Establishing written guidance to staff on the appropriate implementation of laws, rules and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines;
- d. Identifying, documenting and assessing the compliance risks associated with the Bank's business activities, including new products and business units;
- e. Assessing the appropriateness of the Bank's compliance procedures and guidelines, promptly following up any identified deficiencies, and where necessary, formulating proposals for amendments;
- f. Monitoring and testing compliance by performing sufficient and representative compliance testing; and
- g. Maintaining a constructive working relationship with the BSP and other regulators.

The functions of the RAG are discharged by the following divisions which are under the direct supervision of the CCO:

- a. The Regulatory Affairs Divisions (RADs) performs horizon scanning and impact assessment of new regulations and market trends, and the embedding of rules and regulations to the Bank's policies, procedures, and controls.

- b. The Anti-Money Laundering and Fraud Management Division (AFMD) is responsible for the monitoring, analysis, disposition and investigation of AML and fraud alerts; reporting of possible suspicious transactions and detected fraud; monitoring filing of reports on crimes and losses; filing of covered transactions report and suspicious transactions report; preparing and recommending new policies; recommending new or updating AML and fraud alert rules; and, maintaining Base60 and Predator parameters.
- c. The Testing and Monitoring Division (TMD) is responsible for the identification, assessment and monitoring of compliance risks and level of compliance of the different business lines, products and services with the relevant regulations governing banks.
- d. The Standards and Resource Management Division (SRMD) shall serve as support to the overall operations of RAG. Functions include project management for key compliance projects; dissemination and reporting of regulatory issuances; planning, and administrative matters

Internal Audit

The Bank has in place an independent internal audit function headed by the Chief Audit Executive (CAE) who functionally reports to the Audit and Compliance Committee.

The scope of work of Internal Audit encompasses the examination and evaluation of all business systems, processes, operation, function and activities within the Bank including functions that are outsourced, its subsidiaries and branches. Such scope of work determines the adequacy and effectiveness of the Bank's risk management, control and governance process to provide reasonable assurance that:

- Risks are appropriately identified and managed in the context of current and potential risks;
- Interaction with various groups occurs as needed;
- Programs, plan and objectives are achieved;
- Resources are acquired economically , used efficiently and protected adequately;
- Quality and continuous improvement are fostered in the Bank's control process;
- Significant financial, managerial and operating information is accurate, reliable and timely;
- Employees' actions including performance of trading activities are in compliance with policies, standards, procedures and applicable laws and regulations;
- Significant legislative or regulatory issues impacting the Bank are appropriately recognized and addressed including areas of interest to regulators such as, among others monitoring of compliance with relevant laws, rules and regulations, including but not limited to the assessment of the adequacy of capital and provisions; liquidity level; regulatory and internal reporting;
- Management and financial information system including the electronic information system and electronic banking services are reliable and effective and resulting data has integrity.

The Internal Audit subscribes to and complies with all applicable professional standards and code of ethics, including the Institute of Internal Auditors – "International Standards for the Professional Practice of Internal Auditing," Information Systems Audit and Control Association and the relevant requirements of the Bangko Sentral ng Pilipinas and other bank regulators.

An independent assessment of the effectiveness of the internal audit function is conducted every 3 or 5 years by an external auditor through a quality assurance review. In 2015, the internal audit function underwent full external quality assessment review by an independent assessor and the latest Quality Assurance Report was released on November 25, 2015.

The External Auditor

External Audit Fees and Services. The Audit and Compliance Committee is empowered to appoint the external auditor of the Bank and approve all auditing and non-audit services. It recommends to the Board the selection of external auditor considering independence and effectiveness and recommends the fees to be paid.

The following are audit and non-audit fees paid to the bank's external auditor, Punongbayan and Araullo, in 2017:

2017	Audit Fee (in Million Pesos)	Non-Audit Fee (in Million Pesos)	Total (in Million Pesos)
Parent	P 3.35	P0.50	P3.85
Group	P11.24	P1.73	P12.97

Non-audit fees include engagements for the quarterly review and agreed upon procedures in connection with the Bank's Offering Circulars.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. In connection with the audits of the Bank's financial statements for the two (2) most recent years ended December 31, 2017 and 2016, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.

Policies

Code of Conduct

All employees are governed by the Bank's Code of Conduct, which revolves around the Core Values of the company. It is designed to serve as a guide to employees on how they should conduct themselves within and outside the Bank premises and in dealing with clients/customers and co-associates.

Adherence to this Code is the responsibility of each and every associate. It is administered uniformly throughout the Bank and is independent of the practices of other banks. It is a condition for continuous employment. Any breach of this Code may result in disciplinary action ranging from reprimand to termination of employment, depending on the gravity of the offense, after the observance of due process.

The Code of Conduct is divided into five parts as follows:

- A. Treatment of Clients
- B. Treatment of Bank Assets
- C. Treatment of Others
- D. Conflict of Interests
- E. Knowledge, Understanding & Compliance

Anti-Corruption Policies

Under Part D of the Code of Conduct on Conflict of Interests, to avoid conflict of interest, employees are to conduct business transactions for the Bank in accordance with Bank policy and avoid direct or indirect use of the Bank's goodwill, reputation, funds and property or other resources for personal gain. This involves, among other things, accepting gifts, entertainment or favors from customers or suppliers; outside employment; outside directorship; and receiving commissions or benefits from customers or suppliers.

Gifts and Entertainment. The Bank does not allow solicitation of gifts, directly or indirectly, from customers or suppliers. Under no circumstance do employees accept, directly or indirectly, payments, loans, kickbacks, special privileges or services in exchange for favors.

Favors. The Bank does not buy business. This is obtained on the merits of the Bank's products, services and people. It does not bend rules nor offer money, illegal or inappropriate favors of unusual value to obtain or retain business. In this regard, any and all significant donations or contributions to or through a customer for whatever purpose using Bank property or funds should be with the prior authorization of the concerned Group Head. Should said donation or contribution be through the purchase of a raffle or lottery ticket, any prize or winnings therefrom, regardless of whether the ticket is in the employee's possession or in the employee's name, must be turned over to the Bank.

Receiving Commissions or Benefits. Employees must avoid situations which may unduly influence the relationships with customers or suppliers in a position to transact business with the Bank. Employees must make sure that the procedures laid down in providing customer services or in purchasing goods and services are strictly followed. Employees who have a direct hand in choosing companies from which purchases of the Bank's business requirements are to be made, are discouraged to use said authority to obtain commissions or leverage to purchase the same item/s for personal interests at terms not otherwise available to his/her colleagues or the public. Suppliers and customers are chosen based on merit and not on what can be gained from them.

The Code of Conduct is a main topic included in the Bank's Employee Orientation Program which is held on a regular basis.

The Code of Discipline provides for penalties for violations of the Code of Conduct. Administrative cases are handled in accordance with the Bank's Administrative Cases Procedure and existing laws. The Personnel Evaluation and Review Committee, as mentioned, acts as an independent body in the evaluation and review of cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee and ensures that the appropriate preventive, corrective and disciplinary measures are imposed on cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee.

Use of Insider Information

There are laws that prohibit the use of inside information when buying, selling or trading publicly traded securities, including RCBC securities. Inside information can take many forms, but always includes information which is not available to the public and which might influence an investor's decision to buy, sell or hold securities in a company.

Under the Code of Conduct, employees are prohibited from buying, selling or trading RCBC securities or the securities of other companies about which employees have inside information, until that information becomes public. In addition, this information should not be shared with anyone else, including family members or friends or anyone about trading in any securities based on this information.

Whistleblowing Policy

The Bank's Whistleblowing Policy is a key element in safeguarding the Bank's integrity. It aims to enhance the Bank's transparency and system for combating practices that might damage its activities and reputation. Protecting the integrity and reputation of the Bank requires the active support of its stakeholders, particularly its employees.

The following are the basic principles of the Bank's Whistleblowing Policy:

1. Employees and other stakeholders must be provided with alternative and sufficient channels for whistleblowing and communication. In certain instances, they must be able to bypass the main channels for whistleblowing if these prove inappropriate;
2. Employees and other stakeholders making the report in good faith should at all times be protected against reprisals;
3. Identity of the whistleblower making the report in good faith should remain confidential;
4. Reported incidents shall be verified in an appropriate manner, and if confirmed, the Bank must take the necessary actions;
5. The rights of any person implicated in any report must be respected.

Reports of any actual or suspected criminal activities, unlawful acts or omissions, fraud, violations of the Code of Conduct and other bank policies, danger to health and safety, improprieties or malpractice in the workplace, including those relative to matters of financial reporting, internal control and/or auditing may be sent through YGC's Open Communication system at www.rcbc.com/TalktoUs.

AMLA

The Bank's Money Laundering and Terrorist Financing Prevention Program (MLPP) is a comprehensive and risk-based policy geared toward the promotion of high ethical and professional standards and the prevention of the of the bank being used, intentionally or unintentionally for money laundering and terrorist financing. The MLPP is consistent with the Anti-Money Laundering Act of 2001, as amended, The Terrorism Financing Prevention and Suppression Act of 2012, and BSP Circular No. 706, as amended. The MLPP is updated at least once every two years. This covers policies on Know Your Customer procedures, Record Keeping and Retention, Training, Risk Profiling and Covered and Suspicious Transaction Alerts Management. Central to improving the Bank's compliance to AML/CFT related regulations is the revision of the MLPP at least once every two years. The revised MLPP addresses the requirement outlined in new regulations and addresses changes in Bank practices considered significant as part of its ongoing process of re-framing the Bank's Compliance Program.

Related Party Transactions

In May 2016, the Board approved the revised Policy on Related Party Transactions following BSP's issuance of Circular No. 895 or Guidelines on Related Party Transactions on December 14, 2015. The said policy adopted the definition of "related party transactions" under the circular which are transactions or dealings with related parties of the Bank, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited, to the following:

- On- and off-balance sheet credit exposures and claims and write-offs;
- Investments and/or subscriptions for debt/equity issuances;
- Consulting, professional, agency and other service arrangements/contracts;
- Purchases and sales of assets, including transfer of technology and intangible items (e.g. research and development, trademarks and license agreements)
- Construction arrangements/contracts;
- Lease arrangements/contracts;
- Trading and derivative transactions;
- Borrowings, commitments, fund transfers and guarantees;
- Sale, purchase or supply of any goods or materials; and
- 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.

The term “related parties” under the Bank’s policy is broader in scope as includes members of the Advisory Board and consultants of the Bank.

The Bank constituted the Related Party Transactions Committee and RPT Management Committee to review and approve, as the case may be, related party transactions.

The Related Party Transactions Committee is a board-level committee that reviews material related party transactions to ensure that the terms are no less favorable to the Bank than terms available to any unconnected third party under the same or similar circumstances. A transaction is considered “material” if it involves an amount of at least P10,000,000.00, or the transaction requires Board approval such as in the case of DOSRI loans and other credit transactions. Material related party transactions are approved by the Board and subsequently presented to the stockholders at the Annual Stockholders Meeting for confirmation.

Transactions below the materiality threshold of P10,000,000.00 are reviewed and approved by the RPT Management Committee composed of Group Heads of the following units, or their respective designates:

1. Controllership Group
2. Operations Group
3. Corporate Risk Management Services (“CRISMS”) Group
4. Retail Banking Group
5. Corporate Planning Group

Transactions approved the RPT Management Committee are confirmed by the Board of Directors.

The Bank observes the following limits on exposures to related parties:

	INDIVIDUAL	AGGREGATE
LOANS / CREDIT	25% of Capital	50% of Capital
OTHER CONTRACT	NONE	10% of Capital

Breaches in the foregoing limits are reportable to the Board of Directors with the decision of the Board to accept the exposure or to take steps to address the breaches, as may be necessary, duly documented in the minutes of the meeting.

Under BSP Circular No. 895, Banks are required to submit a report on material exposures to related parties, which shall include the material RPTs of their non-bank financial subsidiaries and affiliates within 20 calendar days after the end of the reference quarter.

Details of the Bank’s major related party transactions in 2017 are described below:

- The total amount of Parent Company DOSRI loans was at P553 million as of end December 2016 and was at P509 million by end of December 2017.
- RCBC and certain subsidiaries engage in trade of investment securities as counterparties to the transaction. These transactions are priced similar to transactions with other counterparties outside the Group and there are no unsettled transactions as of the end of each reporting period.
- RCBC’s and certain subsidiaries’ retirement funds covered under their defined benefit post-employment plan maintained for qualified employees are administered and managed by RCBC’s and RSB’s Trust Departments in accordance with the respective trust agreements covering the plan. The retirement fund neither provides guarantee or surety for any obligation of the Group nor its investment in its own shares of stock covered by any restriction and liens.

- RCBC and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RCBC Realty Corporation (RRC). Rental expense incurred by the Group related to this lease arrangements is included as part of Occupancy and Equipment-related account in the statements of profit or loss. RCBC's lease contract with RRC is effective until December 31, 2020 after it was renewed in 2015 for another five years.
- RCBC entered into sublease agreements with certain subsidiaries which occupy several floors of RCBC Plaza.
- In October 2013, RCBC and RSB entered into a lease agreement covering certain office and parking spaces of RSB Corporate Center at a monthly rental fee of P7. The monthly rental payments are subject to an escalation rate of 5% annually effective in 2014 up to the 5th year of the lease term. The lease is for a period for five years which shall end in October 2018 and renewable as may be agreed by the parties.
- RCBC has a Service Agreement (the Agreement) with RBSC, wherein RBSC shall provide RCBC with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operation of RCBC's credit card business.
- The Bank entered into a Memorandum of Agreement with HI, a member of the YGC, for the procurement of outsourcing services. Under the agreement, HI is the Bank's sole representative in negotiating the terms of the contracts with selected suppliers or service providers for the procurement of certain outsourcing services, primarily IT related services. The agreement stipulated that HI would not charge fees for its service except for its share in the savings generated from suppliers and service providers. Moreover, HI is obligated to ensure that the contracts they initiate do not prejudice the Bank in any way and that the Bank does not pay more than the cost of buying the items without aggregation.
- The Bank has service agreements with RCBC Savings Bank (RSB) and Bankard Inc. (now RBSC) for the in-sourced internal audit services. The Bank provides full-scope audit services to RSB and limited audit services to Bankard Inc., specifically IT audit, operations audit and financial statements review. Also, the Bank has formalized the service agreements for the internal audit services being provided to subsidiaries namely: RCBC Capital Corp., RCBC Securities, Inc., RCBC Forex Brokers Corp., Merchant Savings and Loan Association, Inc. (Rizal Microbank), RCBC Leasing and Finance Corporation and Niyog Property Holdings, Inc.
- The Bank has a service agreement with RCBC Forex Brokers Corporation (RCBC Forex) for in-sourced services, to be rendered by the following business units: 1) business and operational risk, 2) compliance, 3) internal audit, 4) information technology, and 5) human resources. The services shall be limited to: compliance with relevant laws, rules and regulations, market, liquidity, and operational risk management, internal audit, information technology, review of salary and processing of payroll on a bi-monthly basis, and implementation of exclusive succession planning, human resources information system and database administration and organization of training programs.
- The Bank has a service agreement with RCBC Forex and RSB for the referral of money service business customers to RCBC Forex, to facilitate the purchase and/or sale of foreign currencies. The services to be rendered are relative to account opening and compliance with customer identification regulatory requirements.

(J) Undertaking to Provide Annual Report

The Bank undertakes to provide each stockholder without charge a copy of the annual report on SEC Form 17-A upon written request to the Bank addressed to:

Atty. George Gilbert G. dela Cuesta
Corporate Secretary
Rizal Commercial Banking Corporation
46/F, Yuchengco Tower, RCBC Plaza
6819 Ayala Ave. cor. Sen. Gil J. Puyat Ave.
Makati City

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						1	7	5	1	4
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Company Name

[illegible]

Principal Office (No./Street/Barangay/City/Town/Province)

[illegible]

Form Types

1	7	-	A
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Department requires the report

S	E	C	
---	---	---	--

Secondary License Type: If Applicable

	N	A	
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COMPANY INFORMATION

Company's Email Address:

www.fcbc.com

Company's Telephone Numbers

(632) 894 9000

Manuscript Number

	N/A
--	-----

No. of Stockholders _____

758Annual Meeting
Month/Day

Last Monday of June

Fiscal Year
MonthDay

12/31**CONTACT PERSON INFORMATION**

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

Name of Contact Person

Carmela V. Silverio

English Address:

webmaster@rchg.com

Telephone Numbers

(632) 394 9000

Job Number

	N/A
--	-----

Contact Person's Address

Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen Gil Puyat Avenue, Makati City

Note: 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 corporations records with the Commission and/or non-receipt of Notice of Delinquencies. Further, non-receipt of Notice of Delinquencies shall not excuse the corporation from liability for its delinquencies.

(e) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in the Accrued Interest, Taxes and Other Expenses account in the statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.21 *Borrowing Costs*

Borrowing costs are recognized as expense in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.22 *Income Taxes*

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, tax authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statement of profit or loss.

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax assets are reassessed at the end of each reporting period. Previously unrecognized deferred tax assets are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

- (b) *Corporate* – principally handles loans and other credit facilities and deposit and current accounts for corporate, small and medium enterprises and institutional customers.
- (i) *Treasury* – principally provides money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale banking.
- (d) *Others* – consists of other subsidiaries except for RSB and Rizal Microbank which are presented as part of Retail.

These segments are the basis on which the Group reports its primary segment information. Other operations of the Group comprise the operations and financial control groups. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to primary business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

For secondary segments, revenues and expenses are attributed in geographic areas based on the location of the resources producing the revenues, and in which location the expenses are incurred.

There were no changes in the Group's operating segments in 2017 and 2016.

8.2 Analysis of Primary Segment Information

Primary segment information (by business segment) on a consolidated basis as of and for the years ended December 31, 2017, 2016 and 2015 follow:

	Retail	Corporate	Treasury	Others	Total
2017:					
Revenues					
From external customers					
Interest income	P 19,692	P 14,705	P 3,398	P 501	P 38,296
Interest expense	(4,262)	(2,210)	(2,161)	(256)	(15,889)
Net interest income	15,430	5,495	1,237	245	22,407
Non-interest income	3,944	2,126	1,738	1,125	8,933
	19,374	7,621	2,975	1,370	31,340
Intersegment revenues					
Interest income	-	2,892	-	7	2,899
Non-interest income	-	-	-	499	499
	-	2,892	-	506	3,398
Total revenues	19,374	10,513	2,975	1,876	34,738
Expenses					
Operating expenses excluding depreciation and amortization	11,840	1,998	551	986	15,375
Depreciation and amortization	833	94	13	341	1,271
	12,673	2,092	564	1,327	16,656
Segment operating income	P 6,701	P 8,421	P 2,411	P 549	P 18,082

28. RELATED PARTY TRANSACTIONS

The Group and Parent Company's related parties include its ultimate parent company, subsidiaries, entities under common ownership, key management personnel and others.

A summary of the Group's and Parent Company's transactions and outstanding balances of such transactions with related parties as at and for the year ended December 31, 2017, 2016 and 2015 is presented below:

	Notes	Group					
		2017		2016		2015	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
Stockholders							
Loans and receivables	28.1	(P' 55)	P' 316	(P' 551)	P' 521	(P' 557)	P' 456
Deposit liabilities	28.2	(751)	480	(1,745)	1,211	(1,545)	508
Interest expense on deposits	28.2	5	-	6	-	5	-
Issuance of shares of stock	28.2	-	-	-	-	7,727	-
Interest income from loans and receivables	28.1	86	-	21	-	27	-
Associates							
Deposit liabilities	28.2	266	277	(55)	11	(60)	16
Interest expense on deposits	28.2	3	-	5	-	3	-
Dividend	12	59	-	124	-	76	-
Related Parties Under Common Ownership							
Genarum Ownership							
Loans and receivables	28.1	84	38	(541)	-	(1,066)	541
Deposit liabilities	28.2	2,695	2,851	(2,124)	156	(598)	2,242
Interest expense on deposits	28.2	9	-	16	-	16	-
Occupancy and equipment related expenses	28.5(a)	715	-	926	-	829	9
Miscellaneous expense – other	28.2	67	-	52	-	54	-
Interest income from loans and receivables	28.1	-	-	19	-	35	-

REPUBLIC OF THE PHILIPPINES)
 MAKATI CITY) S.S.

CERTIFICATION

I, **GEORGE GILBERT G. DELA CUESTA**, incumbent Corporate Secretary of the Rizal Commercial Banking Corporation (the "Bank"), a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen Gil Puyat Avenue, Makati City, do hereby certify that, to the best of my knowledge, except for those indicated below, none of the directors and officers listed in the Information Statement work with the government.

Mr. Gabriel S. Claudio currently serves as a member of the Board of Directors of the Philippine Amusement and Gaming Corporation (PAGCOR). Attached is a copy of the latest authority from the Board of Directors of PAGCOR allowing Mr. Gabriel S. Claudio to sit on the Board of Directors of the Bank.

IN WITNESS WHEREOF, I have hereunto signed this Certification and Undertaking this MAY 11 2018 at Makati City, Philippines.


GEORGE GILBERT G. DELA CUESTA
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 11 2018 at Makati City, affiant **GEORGE GILBERT G. DELA CUESTA** who is personally known to me exhibiting to me his SSS ID No. 33-3032245-5 and IBP ID Lifetime Member No. 03276.

Doc. No. 7
 Page No. 3
 Book No. 405
 Series of 2018.


ATTY. CATALINO VICENTE L. ARABIT
 Notary Public
 Appointment No. M-20(2017-2018)
 Until 31 December 2018
 PTR NO. 6516390;01-04-18; Makati City
 IBP NO. 0202005;01-04-18; Makati City
 ROLL NO. 40345
 21st Floor Yuchengco Tower 2, RCBC Plaza
 Ayala Avenue, Makati City



May 9, 2018

SECURITIES AND EXCHANGE COMMISSION

SEC MAIN OFFICE

Secretariat Building, PICC Complex

Roxas Boulevard, Metro Manila Philippines

ATTENTION: **ATTY. TERESITA J. HERBOSA**
Chairperson

SUBJECT: Director Gabriel S. Claudio

Dear Chairperson Teresita J. Herbosa:

We write pursuant to the request of Director Gabriel S. Claudio who has been appointed as a Director of the Philippine Amusement and Gaming Corporation ("PAGCOR") by the President of the Republic of the Philippines and is currently one of the Independent Directors of the Rizal Commercial Banking Corporation ("RCBC"), and in compliance with the requirement of the Securities and Exchange Commission ("SEC").

Please be informed that the Board of Directors of PAGCOR does not object against Mr. Gabriel S. Claudio, an appointed director of PAGCOR, to concurrently hold the position of Independent Director in RCBC, subject to existing laws, rules and regulations, and to any conflict of interest that may arise in the future.

Very truly yours,

THE BOARD OF DIRECTORS
PAGCOR


ANDREA D. DOMINGO

Chairperson/Chief Executive Officer


ALFREDO C. LIM

President/Chief Operating Officer


REYNALDO E. CONCORDIA
Director


CARMEN N. PEDROSA
Director

Copy Furnished:

DIRECTOR GABRIEL S. CLAUDIO

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ARMANDO M. MEDINA**, Filipino, of legal age and a resident of 7 Doña Aurora St., Tahanan Village, Paranaque, Metro Manila, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the Rizal Commercial Banking Corporation and have been its independent director since February 26, 2003. Pursuant to SEC Memorandum Circular No. 4 series of 2017, I have a maximum of 9 years (cumulative) from 2012, or until 2021, within which to serve as Independent Director.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
RCBC Savings Bank	Independent Director	2003/02/17 to present
RCBC Capital Corporation	Independent Director	2011/02/17 to present
Malayan Insurance Co. Inc.	Independent Director	2011/07/26 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding or I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. I am not in government service/affiliated with a government agency or GOCC.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

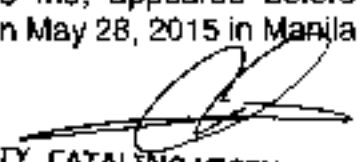
8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this day of MAY 10 2018 at Makati City.


ARMANDO M. MEDINA
Affiant

SUBSCRIBED AND SWORN to before me this day of MAY 10 2018 at MAKATI CITY, affiant, who is personally known to me, appeared before me and exhibited to me his Passport No. EC4279016 issued on May 28, 2015 in Manila and valid until May 27, 2020.

Doc. No. 429
Page No. 89
Book No. 104
Series of 2018.


ATTY. CATALINO VICENTE L. ARABIT
Notary Public
Appointment No. M-2012017-2018;
Exp. 31 December 2018
PTR NO. 6614390-01-04-13; Makati City
JBP NO. 020206 01-04-13, Makati City
ROLL NO. 40145
21st Floor, Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LILIA R. BAUTISTA**, Filipino, of legal age and a resident of 33 A. Rita St., San Juan City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the Rizal Commercial Banking Corporation and have been its independent director since July 25, 2016.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
RFM Corporation	Independent Director	2005 to present
Transnational Diversified Group, Inc.	Independent Director	2006 to present
Lopez Holdings, Inc.	Independent Director	Feb. 2018 to present
CIBI Foundation	Trustee	2016 to present
Pamantasan ng Lungsod ng Maynila	Professor	2016 to present
Philippine Judicial Academy	Professorial Lecturer II	2010 to present
Philja Development Center	Director (Holdover)	2010 to present
(National Group) Permanent Court of Arbitration	Member	2008 to present
St. Martin de Porres Charity Hospital	Trustee and Legal Counsel	2012 to present
Jose Rizal University	Dean, Law School	5/1/2012 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, Its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding or I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		


6. I am not currently in government service/affiliated with a government agency or GOCC.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this day of MAY 10 2018 at Makati City.


LILIA R. BAUTISTA
Affiant

SUBSCRIBED AND SWORN to before me this day of MAY 10 2018 at Makati City, affiant, who is personally known to me, appeared before me and exhibited to me her Passport No. EC1817562 issued on August 6, 2014 in Manila and valid until August 5, 2019.

Doc. No. 490
Page No. 83
Book No. 807
Series of 2018.


ATTY. CATALINO VICENTE L. ARABIT
Notary Public
Appointment No. M-2012017-2018
Until 31 December 2018
PTR NO. 1635490-01-04-18, Makati City
DTI NO. 02020805-04-18, Makati City
RDO NO. 40145
*** Floor Yuchengco Tower 2, RCB Plaza
Ayala Avenue, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MELITO S. SALAZAR**, Filipino, of legal age and a resident of 7 Tulips St., St. Dominic IV, Culiat, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the Rizal Commercial Banking Corporation and have been its independent director since June 27, 2016.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Sun Life of Canada Prosperity Balanced Fund, Inc.	Independent Director	6/20/2014 to present
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.	Independent Director	6/2/2014 to present
Sun Life Prosperity GS Fund, Inc.	Independent Director	6/20/2014 to present
Sun Life of Canada Prosperity Philippine Stock Index Fund	Independent Director	2/1/2015 to present
Sun Life Prosperity Wellspring Fund	Independent Director	2017 to present
Sun Life Prosperity Voyager Fund	Independent Director	2017 to present
Sun Life Prosperity Achiever Fund 2038, Inc.	Independent Director	2018 to present
Sun Life Prosperity Achiever Fund 2048, Inc.	Independent Director	2018 to present
Chamber of Commerce of the Philippine Islands	Director and Vice President	7/1/2012 to present
Philippines First Insurance Corp.	Independent Director	July 2007 to present
Omnipay Inc.	Chairman	2013 to present
Quickminds Corporation	Chairman and President	April 2015 to present
YANMAR Philippines	Independent Director	4/15/2015 to present
Concepcion Industrial Corporation	Independent Director	9/1/2013
Manila Bulletin	Columnist	2006 to present
TECO Philippines	Independent Director	April 2015 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

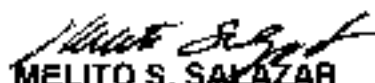
NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding or I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

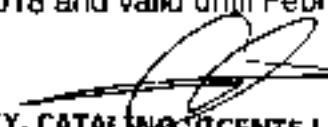
OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. I am not in government service/affiliated with a government agency or GOCC. I am, however, a Regent at the Philippine Normal University. I was appointed in 2014 on part-time status.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this day of MAY 10 2018 at Makati City.


MELITO S. SAKAZAR
 Affiant

SUBSCRIBED AND SWORN to before me this day of MAY 10 2018 at Makati City, affiant who is personally known to me appeared before me and exhibited to me his Passport No. P5932777A issued on February 7, 2018 and valid until February 6, 2028


ATTY. CATALINA VICENTE L. ARABIT
 Notary Public
 Appointment No. M-7562017 20191
 Exp. 01-12-2020
 Roll No. 001629.003-04 Makati City
 Exp. 02/2018 01-04-18 Makati City
 Roll No. 40145
 Office: Independence Tower 2, P.O. Box
 Ayala Avenue, Makati City

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 Page No. 87
 Book No. 404
 Series of 2018.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GABRIEL S. CLAUDIO**, Filipino, of legal age and a resident of 800 Alpha Road, Alpha Village, Capitol Hills Drive, Old Balara, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the Rizal Commercial Banking Corporation and have been its independent director since July 25, 2016.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Philippine Amusement & Gaming Corporation	Member, Board of Directors	Jul-16 to present
Ginebra San Miguel, Incorporated	Member, Board of Directors	Jun-11 to present
Risk & Opportunities Assessment Management	Vice Chairman/Member, Board of Directors	Nov-11 to present
Conflict Resolution Group Foundation (CORE)	Member, Board of Directors	Sep-10 to present
Toby's Youth Sports Foundation	Member, Board of Directors	Mar-11 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding or I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A		

6. I have the required written permission or consent from the head of the Philippine Amusement and Gaming Corporation to be an independent director in the Rizal

Commercial Banking Corporation, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this day of MAY 10 2020 at Makati City.



GABRIEL S. CLAUDIO
Affiant

SUBSCRIBED AND SWORN to before me this day of MAY 10 2020 at Makati City, affiant, who is personally known to me, appeared before me and exhibited to me his Passport No. EC3575904 issued on March 3, 2015 in Manila and valid until March 2, 2020



ATTY. CATALINO VICENTE L. ANADIT

Notary Public
Appointment No. M-20(2017-2018)
Until 31 December 2019
PTR NO. 6616790, 01-04-18; Makati City
IBP NO. 020718:01-04-18; Makati City
ROLL NO. 40145
11th Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

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CERTIFICATION OF INDEPENDENT DIRECTOR

I, VAUGHN F. MONTES, Filipino, of legal age and a resident of 30 Nottingham St. Hillsborough Alabang Village, Cupang, Muntinlupa 1770, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the Rizal Commercial Banking Corporation and have been its independent director since September 26, 2016.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Parents for Education Foundation (PAREF)	Trustee	2000 to present
PAREF Southridge School for Boys	Chairman and President	2014 to present
PAREF Westbridge School for Boys	Trustee	2000 to present
PAREF Northfield School for Boys	Trustee	2000 to present
Foundation for Economic Freedom	Trustee	2014 to present
Center for Family Advancement	President	2017 to present
Center for Excellence in Governance	Director	2016 to present
Institute for Corporate Directors	Teaching Fellow - Corporate Governance	2015 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Rizal Commercial Banking Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (RCBC and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

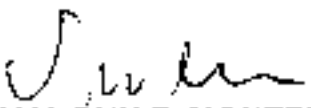
NAME OF DIRECTOR/ OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NA		

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Alleged irregular securities trade (suit filed against all DBP Directors)	Securities and Exchange Commission SEC En Banc Case No. 09-16-414/Sec En Banc Case No. 09-16-415	Awaiting resolution of the Commission En Banc
State offense investigated (suit filed against all DBP Directors)	Office of the Ombudsman IOMB-C-C-16-0408, OMB-C-A-16-0360; Business Driven Resource Realignment Program)	Case dismissed
State offense investigated (suit filed against all DBP Directors)	Office of the Ombudsman (July 2015 complaint re GCG-approved bonuses given to more than 2,200 DBP employees)	Awaiting resolution of the Ombudsman. There has been no action on the case by the Ombudsman ever since the complaint was filed in 2015.
State offense investigated (suit filed against all DBP Directors)	Office of the Ombudsman (OMB-L-A-16-0543: Loan to Province of Marinduque)	Case dismissed

6. I am not in government service/affiliated with a government agency or GOCC. I am, however, a national consultant on Public Private Partnerships (PPP) Risk Management to Department of Finance/Bureau of Treasury (from December 2011 to December 2016) and national consultant on PPP Risk Management to the National Economic Development Authority/PPP Center (from February 2012 to the present), both under the Asian Development Bank Technical Assistance Grant on PPP Program. The posts are appointive and part-time.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five days from its occurrence.

Done, this day of MAY 19 2018 at Makati City.


VAUGHN F. MONTES
 Affiant

SUBSCRIBED AND SWORN to before me this day of MAY 19 2018 at Makati City, affiant, who is personally known to me, appeared before me and exhibited to me his Passport No. EC1633576 issued on July 15, 2014 and valid until July 14, 2019

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ATTY. CATALINA VICENTE L. ARABIT
 Notary Public
 Appointment No. M-20(2017-2019)
 Exp'd 31 December 2018
 PTR NO. 5c15590111-04 (R) Makati City
 JRP NO. 020208-01-04-04; Makati City
 ROLL NO. 40145
 11th Floor, Yuchengco Tower 2, RCBC Plaza
 Ayala Avenue, Makati City

INTERNAL USE



We believe in you.

11 May 2018

MR. VICENTE GRACIANO P. FELIZMENIO, JR.*Director*

Markets and Securities Regulation Department

Securities and Exchange Commission

Secretariat Building, PICC Complex

Roxas Boulevard, Pasay City 1307

Subject: **Undertaking to Submit Certification of Independent
Director Issued by Atty. Adelita A. Vergel De Dios**

Dear Director Felizmenio:

In connection with the Preliminary Information Statement (SEC Form 20-IS) of the Rizal Commercial Banking Corporation, and as required by your Good Office, the Bank undertakes to submit to the Securities and Exchange Commission the Certification of Independent Director issued by Atty. Adelita A. Vergel De Dios as soon as the same becomes available. Atty. De Dios is currently abroad, with very limited access to emails and calls, and we are still in the process of securing information on her return to the Philippines. We shall duly inform the Commission once we have more information on the matter.

Thank you very much for your kind consideration.

Very truly yours,


ATTY. GEORGE GILBERT G. DELA CUESTA
Corporate Secretary