CR03074-2025

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) 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

000-599-760-000

6. Address of principal office

6819 Ayala cor. Gil J. Puyat Ave., Makati City
Postal Code
0727

7. Registrant's telephone number, including area code

8894-9000

8. Date, time and place of the meeting of security holders

June 30 2025, 4:00 P.M., Virtual meeting via https://www.rcbc.com/ASM2025

9. Approximate date on which the Information Statement is first to be sent or given to security holders

May 30, 2025

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

Atty. George Gilbert G. Dela Cuesta

Address and Telephone No.

46/F Yuchengco Tower, RCBC Plaza 6819 Ayala Ave cor. Sen. Gil Puyat Ave., Makati City - 88949000

11. 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):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	2,419,536,359

13. Are any or all of registrant's securities listed on a Stock Exchange?

☑ Yes ☐ No

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

Philippine Stock Exchange - common

RCBC

Rizal Commercial Banking Corporation
RCB

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting
References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules

Date of Stockholders' Meeting	Jun 30, 2025
Type (Annual or Special)	Annual
Time	4:00 p.m.
Venue	Virtual Meeting via https://www.rcbc.com/ASM2025
Record Date	May 29, 2025

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information
Please see attached Preliminary Information Statement as submitted to the SEC.

Filed on behalf by:

Name	Rosanna Espiño
Designation	Assistant Corporate Secretary

COVER SHEET

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

8894-94-55

Company Telephone Number

PRELIMINARY INFORMATION STATEMENT

1 2	3 1		0 6	
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

GSED

Secondary License Type, If Applicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

812

Total No. Of Stockholders

Domestic

Foreign ----------------------

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks= pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM IS
INFORMATION STATEMENT PURSUANT TO SECTION 17.1 (b)
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: **000-599-760-000**

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) 8894-9000**

8. Date, time and place of the meeting of the security holders: **June 30 2025, 4:00 P.M. via virtual meeting. The link for the virtual meeting will be provided to stockholders of record who register to confirm their attendance.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **May 30, 2025**

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):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common	(as of May 5, 2025) 2,419,536,359

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 30, 2025
Time	:	4:00 P.M.
Place	:	There is no physical place for the meeting The meeting will be held virtually. The link for the virtual meeting will be provided to stockholders of record who register to confirm their attendance.
Complete mailing address of Principal office	:	21st 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 30, 2025

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 other 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, exchange, transfer, mortgage, pledge, 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 directors.

None of the directors of the Bank has informed the Bank of his/her 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 3 years.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

Class of Voting Securities As of April 30, 2025, 2,419,536,359 Common shares and 266,194 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 29, 2025 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 ballot, 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. As allowed by the Revised Corporation Code and the Commission's rules, the Board of Directors, on April 28, 2025, issued a resolution allowing voting through remote communication or in absentia.

Security Ownership of Certain Record Owners of more than 5% (as of March 31, 2025)

(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** (PMMIC) 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 *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.*	Filipino	820,634,773*	33.92% This includes certificated shares (24.56%) and shares under PCD Nominee (9.36%)

	Atty. Guia Margarita Y. Santos and Michele Marie Y. Dee are authorized to vote the certificated shares (594,248,085) of PMMIC. *RCBC Securities, Inc.'s Marilen B. Zuñiga and Simeon A. Lorica, Jr. are authorized to vote the 226,386,688 shares of PMMIC under PCD Nominee.*				
	Sumitomo Mitsui Banking Corporation (SMBC) Address: 1-1-2 Marunouchi, Chiyoda-Ku,Tokyo,Japan 100-0005 Relationship with Issuer: Stockholder *Hiroki Nakatsuka and Taichi Tanaka are authorized to vote the certificated shares (168,619,976) of SMBC.* *RCBC Securities, Inc.'s Marilen B. Zuñiga and Simeon A. Lorica, Jr. are authorized to vote the 315,287,246 shares of SMBC under PCD Nominee.*	Sumitomo Mitsui Banking Corporation *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.*	Non-Filipino	483,907,222	20.00% This includes certificated shares (6.97%) and shares under PCD Nominee (13.03%)
	Cathay Life Insurance Co. LTD (Cathay) Address: No. 296 Ren Ai Road Sec. 4 Taipei R.O.C. (Taiwan) 10633 Relationship with Issuer: Stockholder *HSBC's Karina del Rosario and Paul Arthur O. Austria are authorized to vote the shares of Cathay which are all under PCD Nominee.*	Cathay Life Insurance Co.Ltd. *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.*	Non-Filipino	452,018,583	18.68% (Shares are under PCD Nominee)

**Combined Direct and Indirect Shares of PMMIC*

No other individual or corporation under PCD Nominee Corp. holds shares in excess of 5%.

The participants under PCD owning more than 5% of the voting securities (common) are (as of March 31, 2025):

Name	Shares	% of Total
RCBC Securities, Inc.	685,990,710	28.35%
The Hongkong and Shanghai Banking Corp. Ltd.	523,342,559	21.63%

Security Ownership of Certain Record Owners of more than 5% (as of March 31, 2025)

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, 2025)

Title of Class	Shares	% of Total
Common	1,063,390,386	43.95 %
Preferred	0	0.00

Security Ownership of Management (as of April 30, 2025)

Title of Class	***Name of Beneficial Owner/ Position***		***Amount and Nature of Beneficial Ownership "r"/"b"****	***Citizen-ship***	***Percent of Class***
a. Board of Directors:					
Common	Helen Y. Dee	Chairperson	P4,380.00 "r" P14,918,680.00 "b"	Filipino	0.06%
Common	Cesar E. A. Virata	Director/ Corporate Vice-Chairman	P1,670 "r" P1,382,670.00 "b"	Filipino	0.01%
Common	Eugene S. Acevedo	President and CEO	P3,441,000.00 "b"	Filipino	0.01%
Common	Gil A Buenaventura†	Director	P50.00 "r"	Filipino	0.000%
Common	Armando M. Medina	Director	P1,950.00 "r"	Filipino	0.000%
Common	John Law	Director	P10.00 "r"	French/ Taiwanese	0.000%
Common	Shih-Chiao (Joe) Lin	Director	P10.00 "r"	R.O.C./ Taiwanese	0.000%
Common	Gayatri P. Bery	Director	P10.00 "r"	American	0.000%
Common	Hiroki Nakatsuka	Director	P10.00 "r"	Japanese	0.000%
Common	Katsufumi Uchida	Director	P10.00 "r"	Japanese	0.000%
Common	Juan B Santos	Independent Director	P50.00 "r"	Filipino	0.000%
Common	Gabriel S Claudio	Independent Director	P10.00 "r"	Filipino	0.000%
Common	Vaughn F Montes	Independent Director	P50.00 "r"	Filipino	0.000%
Common	Laurito E. Serrano	Independent Director	P10.00 "r"	Filipino	0.000%
Common	Erika Fille T. Legara	Independent Director	P10.00 "r" P50,000 "b"	Filipino	0.000%
b. Senior Management:					
Common	Xavier Y. Zialcita	Senior Vice President	P30.00 "r" P244,850 "b"	Filipino	0.00%
c. Directors & Principal Officers (as a Group)			P20,045,460.00		0.08%

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

† Mr. Buenaventura was a director until his demise on April 21, 2025.

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. Juan B. Santos
ii. Mr. Gabriel S. Claudio
iii. Mr. Vaughn F. Montes, PhD
iv. Mr. Laurito E. Serrano
v. Ms. Erika Fille T. Legara, PhD

(b) Nominees for Directors:

i. Ms. Helen Y. Dee
ii. Mr. Cesar E.A. Virata
iii. Mr. Eugene S. Acevedo
iv. Mr. Armando M. Medina
v. Mr. John Law
vi. Mr. Shih-Chiao (Joe) Lin
vii. Ms. Gayatri P. Bery
viii. Mr. Hiroki Nakatsuka
ix. Mr. Katsufumi Uchida

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. Juan B. Santos, Mr. Gabriel S. Claudio, Mr. Vaughn F. Montes, Mr. Laurito E. Serrano, and Ms. Erika Fille T. Legara as Independent Directors.

The Corporate Governance and Nominations Committee composed of three (3) members, two (2) 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 Vice President and higher. The Directors will be nominated and elected in accordance with SRC Rule 38.

All the nominated directors comply with all the qualifications required of a director mentioned under Section 132 (for director) of the Manual of Regulations for Banks (MORB) and do not possess any of the disqualifications mentioned under Section 138 (for director) of the MORB.

Likewise, pursuant to the Code of Corporate Governance for Publicly-Listed Companies (2016), all the directors for re-election 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.

There is a vacancy in the Board of Directors due to the untimely demise of Director Gil A. Buenaventura on April 21, 2025. The remaining members in the Board of Directors still constitute a quorum. Under the Amended By Laws, whether any vacancy in the Board shall be filled or not shall be left to the discretion of the Board of Directors except only when the remaining members do not constitute a quorum. The Board of Directors will fill the vacancy when they deem appropriate.

The Independent Directors, Mr. Juan B. Santos, Mr. Gabriel S. Claudio, Mr. Vaughn F. Montes, Mr. Laurito E. Serrano, and Ms. Erika Fille T. Legara 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:

Directors	(Age)/ *Citizenship*	*Position/Period which they have served*
Helen Y. Dee	[redacted]	Board Chairperson (June 27, 2005 to present) Director (March 28, 2005 to present)

Ms. Dee is the Bank's Chairperson. Ms. Dee is also the Chairperson of House of Investments, Inc, Petroenergy Resources Corporation all of which are PSE-listed companies. She is also the Chairperson of Pan Malayan Management and Investment Corporation, Malayan Insurance Co. Inc., Landev Corporation, Hi-Eisai Pharmaceutical Inc., Malayan Educational Systems, Inc. and Manila Memorial Park Cemetery. Among the top companies where she holds a directorship position are Philippine Long Distance Telephone Company and Sun Life Grepa Financial, Inc. She graduated from Assumption College with a Bachelor of Science degree in Commerce and completed her Master's in Business Administration at De La Salle University.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Becoming Obsessed with the Customer - 2021 Annual Corporate Governance Session (PLDT), Sunlife Advanced Corporate Governance and AML Refresher Course (Sunlife Philippines) Annual Corporate Governance Enhancement Session - Agile Leadership : A Conversation with Ms. Anna Wintour (PLDT); BSP Awareness- Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC): Going from Good to Great; 2022 Targeted Financial Sanctions Training; Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 Targeted Financial Sanctions Course (AMLC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); Anti-Money Laundering and Counter-Terrorism Financing Fundamentals Course (AMLC); AMLC Registration and Reporting Guidelines Course (AMLC).

Company	**Position**
Philippine Long Distance Telephone Company	Director
Landev Corp.	Chairperson
Malayan Education System, Inc.	Chairperson
House of Investments, Inc.	Chairperson
HI-Eisai Pharmaceuticals, Inc.	Chairperson
Manila Memorial Park Cemetery, Inc.	Chairperson
Petro Energy Resources Inc.	Chairperson
Malayan Insurance Co. Inc.	Chairperson
MICO Equities, Inc.	Chairperson
YGC Corporate Services, Inc.	Chairperson / President
Luis Miguel Foods	Director
Shayamala Corporation	Chairperson
Honda Cars Philippines, Inc.	Director
Isuzu Philippines, Inc.	Director
Luisita Industrial Park Corporation	Director
Pan Malayan Management & Investment Corporation	Chairperson
AY Holdings, Inc.	Chairperson
RCBC Realty Corporation	Chairperson

Pan Malayan Express, Inc.	Chairperson
Pan Malayan Realty Corporation	Chairperson
Honda Cars Kalookan, Inc.	Director
GPL Holdings, Inc.	Chairperson
La Funeraria Paz Sucat, Inc.	Chairperson
Xamdu Motors, Inc.	Chairperson
Philippine Integrated Advertising Agency, Inc.	Director
Sun Life Grepa Financial, Inc.	Chairperson
RCBC Leasing and Finance Corporation	Chairperson
Petrowind Energy Inc.	Chairperson
ET Yuchengco, Inc.	Chairperson
Y Realty, Inc.	Director
Malayan High School of Science, Inc.	Chairperson
Malayan Colleges Laguna, Inc.	Trustee
Malayan Colleges of Mindanao, Inc.	Chairperson
Yuchengco Center, Inc.	Chairperson
A.T. Yuchengo, Inc.	Chairperson
AY Foundation, Inc.	Chairperson
RCBC Land, Inc.	Director / President
Mayahin Holdings Corporation	Chairperson
US-Philippines Society	Director

Cesar E.A. Virata [redacted] Director (1995 to present)
Corporate Vice Chairperson (June 22, 2000 to present)

Mr. Virata has been a Director since 1995, Corporate Vice Chairman since June 2000 and Senior Adviser from 2007. Mr. Virata's roster of companies where he is also a Director and/or Chairman, Board of Adviser includes, RCBC Trust Corporation, RCBC Realty Corp., RCBC Land, Inc., Malayan Insurance Co., Inc, ALTO Pacific Co., Inc., Malayan Education System, Inc., RCBC Bankard Services Corporation, Yuchengco Center, Yuchengco Museum, AY Foundation, Business World Publishing Corporation, Lopez Holdings Corporation, Investment & Capital Corporation of the Philippines, City & Land Developers, Inc., Cavitex Holdings, Inc., and World Trade Center Management, Inc.

Mr. Virata has held important/key positions in the Philippine government, including Prime Minister, Secretary/Minister of Finance, Chairman of the Committee on Finance of the Batasang Pambansa (National Assembly) and member of the Monetary Board. He was Chairman of the Board of Investments, Undersecretary for Industry. He was also Chairman of the Land Bank of the Philippines and Philippine National Bank. He has served as Governor for the Philippines to the World Bank, the Asian Development Bank and the International Fund for Agriculture Development. He was Chairman of the Development Committee of the World Bank and International Monetary Fund from 1976 to 1980 and Chairman of the Board of Governors of the Asian Development Bank.

Prior to his Government positions, he was a Professor and Dean of the College of Business Administration of the University of the Philippines and Principal, SyCip Gorres Velayo and Company, Management Services Division. Mr. Virata has also held membership in various international committees/fora in the past, including: Bretton Woods Committee, Group of 30, Institute of International Finance, Rockefeller Tripartite Commission for Asia, Davos Forum, World Development Committee of the World Bank and IMF, ADB Forum.

Mr. Virata graduated from the University of the Philippines with degrees in Mechanical Engineering and Business Administration (Cum Laude). He completed his Master's Degree in Business Administration (Industrial Management) from the Wharton Graduate School University of Pennsylvania.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Corporate Governance Training: Cybersecurity and Supply Chain Disruption (Lopez Holdings Corporation); Economic & Political Briefing (Lopez Holdings Corporation); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); 2024 Corporate Governance (Lopez Holding Corporation-SGV).

Company	**Position**
ATAR VI Property Holding Company, Inc.	Chairperson
Malayan Insurance Co., Inc.	Director
RCBC Realty Corporation.	Director
Business World Publishing Corporation	Vice Chairperson / Ind. Director
Malayan Education System, Inc.	Trustee
YGC Corporate Services, Inc.	Director
ALTO Pacific Company, Inc.	Chairperson
RCBC Land, Inc.	Director / President
RCBC Bankard Services Corporation	Chairperson
AY Foundation, Inc.	Trustee
City and Land Developers, Inc.	Chairperson / Independent Director
Cavitex Holdings, Inc.	Director
Yuchengco Center, Inc.	Trustee
World Trade Center Management, Inc.	Director
Tan Yan Kee Foundation, Inc.	Trustee
IFI Support Foundation, Inc.	Trustee
Yuchengco Museum, Inc.	Trustee
UCM Philippine Foundation, Inc.	Chairperson
RCBC Trust Corporation	Vice Chairperson
UP Business Research Foundation, Inc.	Chairman Emeritus
Phil. Dealing System Holding Corporation	Chairman Emeritus
Cavite Historical Society, Inc.	Chairman Emeritus
Lopez Holdings Corp.	Adviser
Investment & Capital Corporation of the Phils.	Adviser

Eugene S. Acevedo [redacted] Director, President and CEO (July 1, 2019 to present)

Mr. Acevedo is the Bank's President and Chief Executive Officer. He has over thirty years (35) years of banking experience gained from local and multinational banks including Union Bank of the Philippines, CitySavings Bank, Philippine National Bank, and Citibank Philippines, Singapore and Hong Kong.

He is a Magna Cum Laude graduate from the University of San Carlos where he earned a degree in Bachelor of Science in Physics in 1984. He has a Master's degree in Business Administration from the Asian Institute of Management where he now serves in the Board of Trustees. He completed the Advanced Management Program at the Harvard Business School. He holds Professional Certificates in Clean Power from Imperial College London, Digital Marketing from The Wharton School, and Customer Experience from The CX Academy (Ireland).

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC)

Company	**Position**
Amadeus Arabica Corp	Director
Holly Tree Holdings	Chairperson
Rizal Microbank, Inc. – A Thrift Bank of RCBC	Chairperson
RCBC Capital Corporation	Director
RCBC Leasing and Finance Corporation	Vice Chairperson
RCBC Rental Corporation	Director
Asian Institute of Management	Vice Chairperson
Philippine Payments Management, Inc.	Director
YGC Corporate Services, Inc.	Director
Asian Bankers Association	Director
Bankers Association of the Philippines	Director
University of San Carlos	Trustee
RCBC Trust Corporation	Director

Gil A. Buenaventura† [redacted] Director (July 1, 2016 to April 21, 2025)

Mr. Buenaventura had been a Director of the Bank since July 2016 and had since been sitting as a member of the Bank's Executive Committee until his demise on April 21, 2025. He was also President and Chief and Executive Officer of the Bank until June 30, 2019. He held directorship and trusteeship positions in De La Salle Philippines School System, Malayan Insurance Company, Inc., House of Investments, Inc., and Manila Memorial Park Cemetery, Inc. He was also an Independent Director of Basic Energy Corporation. He graduated with a Bachelor of Arts degree, major in Economics, from the University of San Francisco, California, and with a Master's of Business Administration in Finance from the University of Wisconsin.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); BSP Awareness - Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

†*Mr. Buenaventura was a Director until his demise on April 21, 2025.*

Company	Position until April 21, 2025
Malayan Insurance Company, Inc.	Director
House of Investments, Inc.	Director
Manila Memorial Park Cemetery, Inc.	Director
De La Salle Lipa	Trustee
Basic Energy Corporation	Independent Director

Armando M. Medina [redacted] Director (January 1, 2021 to present)

Mr. Medina was an Independent Director of the Bank from 2003 to 2020. He became a regular director of the Bank starting January 1, 2021. He is a member of the Bank's Executive Committee. He was an Independent Director of Malayan Insurance, Co. Inc. until September 28, 2023. .He served as an Independent Director of RCBC Capital Corporation until December 31, 2021. He graduated from De La Salle University with a Bachelor of Arts degree in Economics and a Bachelor of Science degree in commerce with a major in Accounting.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); Executive Briefing Center: Plenary- Culture, Innovation, & Transformation (AWS-YGC); Executive Briefing Center: Industry Block 1: Banking, Financial Services, and Insurance (AWS-YGC); Understanding Climate Risks: Launch of The ASEAN Climate Governance Network (CGM); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); BSP Awareness- Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC); POGOs and Scams: Their Roots and Solutions (Yuchengco Center).

Company	Position
NA	NA

John Law [redacted] Director (April 27, 2015 to present)

Mr. Law has been a Director of the Bank since April 2015. He is also currently a Director of Far East Horizon Ltd. in Hong Kong and Khan Bank in Mongolia. He served as Senior Advisor for Greater China for Oliver Wyman from Jan 2013 through December 31, 2020. He holds a Bachelor of Science degree, major in Psychology, from Chung Yuan University in Taiwan; a Master's of Business Administration degree from Indiana University; and a Master's of Arts degree, major in Poetry, from the University of Paris, France.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); BSP Awareness - Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business

Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	Position
Far East Horizon Ltd. (Hong Kong)	Director
Khan Bank (Mongolia)	Director

Shih-Chiao (Joe) Lin [redacted] Director (March 25, 2019 to present)

Mr. Lin has been a Director of the Bank since March 25, 2019. He has been with Cathay Life Insurance for over 20 years and is currently an Executive Vice President there. He graduated with a Bachelor's degree in Business Administration from the National Chengchi University and holds an MBA from the National Taiwan University.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2021 Cathay Sustainable Finance and Climate Change Summit; 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); 2022 Cathay Sustainable Finance and Climate Change Summit; Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); 2023 CommonWealth Economic Forum; Speed of Trust(Franklin Convey); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	Position
Cathay Life Insurance Company, Ltd.	Executive Vice President
Cathay Lujiazui Life Insurance Company Ltd.	Director

Gayatri P. Bery [redacted] Director (July 27, 2020 to present)

Ms. Bery has been a Director of the Bank and Risk Oversight Committee member since July 2020. She most recently served as Chief Operating Officer, Asia Pacific Global Capital Markets at Morgan Stanley (Hong Kong) where she was also a member of the Steering Committee of Morgan Stanley's HK Women's Business Alliance Team. Her past work experiences include being an investment advisor in Hong Kong and roles at Morgan Stanley & Co. Incorporated (New York), Ranieri & Company (New York), and Drexel Burnham Lambert (New York). Ms. Bery graduated with a Bachelor of Science degree in Applied Mathematics/Computer Science from Carnegie Mellon University (Pennsylvania, USA), and obtained a Master of Business Administration (Beta Gamma Sigma) from Columbia Business School (New York, USA). In 2023, she was conferred as a Qualified Risk Director® after being awarded a Certificate in Risk Governance® from the DCRO Institute.

Recent training/continuing education (2021 to present): 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); Certificate in Risk Governance (DCRO Institute); 2023 Webinar: BSP Guidelines on the Implementation of the Environment and Social Risk Management System (BAIPHIL); Anti-Money Laundering Act Compliance in the Age of the Digital World (BAIPHIL); 2024 YGC Annual

Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	Position
Clearwater China Investments Limited	Director
AmCham Charitable Foundation (Hong Kong)	Trustee

Hiroki Nakatsuka [redacted] Director (COB July 31, 2023 to present)

Mr. Nakatsuka was an Advisory Board Member of the Bank from 2021 until July 2023 and, after that, became a Director and a Member of the Executive Committee of the Bank. He has been with Sumitomo Mitsui Banking Corporation (SMBC) for over 30 years and is currently the Managing Director of Asia Growing Markets Department of SMBC. He used to be the General Manager of the Manila Branch and the Chief Representative of the Manila Representative Office of SMBC. During his stay in Manila at the time, he was also a director of the Bankers Association of the Philippines. He was a guest professor of Kindai University from 2010 until 2012. He graduated with a Bachelor of English degree from Kansai Gaidai University. He finished the BIPA Program (Indonesian Language Program) at Universitas Indonesia.

Recent training/continuing education (2023 to present): The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 Executive Learning Series: ESG Best Practices for Business Innovations (YGC-RCBC); Corporate Governance Orientation Program (Institute of Corporate Directors); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 Cybersecurity Fundamentals (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	Position
Sumitomo Mitsui Banking Corporation	Managing Director of Asia Growing Markets Department
Sumitomo Mitsui Financial Group	Managing Director of Asia Growing Markets Department

Katsufumi Uchida [redacted] Director (COB July 31, 2023 to present)

Mr. Uchida has been a Director of the Bank since the close of business on July 31, 2023. He currently holds positions in SMBC as Managing Executive Officer, and Head of Asia Pacific Division. He also serves as Managing Executive Officer of SMFG. He joined SMBC in 1990 and has spent over 20 of his more than 35 years with the company outside Japan, including Brussels, Hong Kong, Singapore and London, assuming various leadership roles. He graduated from the Waseda University of Japan, majoring in Political Science and Economics.

Recent training/continuing education (2023 to present): Corporate Governance Orientation Program (Institute of Corporate Directors); 2024 Cybersecurity Fundamentals (YGC-RCBC; 1 of 2 sessions). 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC)

Company	Position
Sumitomo Mitsui Banking Corporation	Managing Executive Officer
	Head of Asia Pacific Division
Sumitomo Mitsui Financial Group	Managing Executive Officer

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.

Juan B. Santos [redacted] Independent Director (November 2, 2016 to present); Lead Independent Director

Mr. Santos has been an Independent Director of the Bank since November 2016. He serves as Lead Independent Director of the Bank. He holds director, trustee, and advisory positions in various companies including St. Luke's Medical Center, PHINMA Corporation, and Allamanda Management Corporation, Member of the Board of Advisors of East-West Seeds Co., Mitsubishi Motor Phil. Corporation; Consultant of Marsman-Drysdale Group of Companies, among others. Prior to joining the Bank, he was the Chairman of the Social Security Commission. He served briefly as Secretary of Trade and Industry and was CEO and Chairman of Nestle Philippines, Singapore, and Thailand. He also served as Director of various publicly listed companies, including the Philippine Long Distance Telephone Company, Philex Mining Corporation, San Miguel Corporation, Equitable Savings Bank, Inc., and PCI Leasing and Finance, Inc. He holds a Bachelor of Science in Business Administration degree from the Ateneo de Manila University and a degree in Foreign Trade from the Thunderbird School of Management in Arizona, USA. He completed his Advanced Management Course at the International Institute for Management Development in Lausanne, Switzerland.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Executive Briefing Center: Industry Block 1: Banking, Financial Services, and Insurance (AWS-YGC); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); AMLA Compliance Overview, Targeted Financial Sanctions, and Updates (ICD); 2022 Advanced Corporate Governance Training (ICD); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); Regulations on the Disclosure of Beneficial Ownership Information (SEC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); Corporate Governance Training (Center for Global Best Practices); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC). 2024 PHINMA Group Corporate Governance Training conducted by SGV & CO. on overview of Corporate Governance, Cybersecurity, Business Continuity Management and Sustainability.

Company	**Position**
St. Luke's Medical Center	Trustee
Allamanda Management Corporation	Director
House of Investments, Inc.	Independent Director
PHINMA Corporation	Independent Director
RCBC Trust Corporation	Chairperson / Independent Director
Marsman Drysdale Foundation, Inc.	Trustee
Marsman Drysdale Agribusiness Holdings, Inc.	Director
Mitsubishi Motor Phil. Corp.	Advisory Board
East-West Seed Co. Inc. (Phils.)	Advisory Board
Marsman-Drysdale Group	Consultant

Gabriel S. Claudio [redacted] Independent Director (July 25, 2016 to present)

Mr. Claudio has been an Independent Director of the Bank since July 2016. He has directorships in Ginebra San Miguel, Incorporated, Risk & Opportunities Assessment Management, Conflict Resolution Group Foundation (CORE), and Toby's Youth Sports Foundation. He served as political adviser to former presidents Fidel V. Ramos and Gloria Macapagal-Arroyo and held various positions in the Cabinet and government including: Presidential Political and Legislative Adviser, Chief of the Presidential Legislative Liaison Office, Cabinet Officer for Regional Development for Eastern Visayas, and Acting Executive Secretary. He also previously served as Director of the Philippine Amusement and Gaming Corporation (PAGCOR), Chairman of the Board of Trustees of the Metropolitan Water and Sewerage System, Director of the Development Bank of the Philippines, and Director of the Philippine Charity Sweepstakes Office. He holds an AB Communication Arts degree from the Ateneo de Manila University.

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	**Position**
Toby's Youth Sports Foundation	Director
Conflict Resolution Group Foundation (CORE)	Trustee
Ginebra San Miguel, Inc.	Director
Risk & Opportunities Assessment Management, Inc.	Vice Chairperson

Vaughn F. Montes, Ph.D. [redacted] Independent Director (September 26, 2016 to present)

Dr. Montes has been an Independent Director of the Bank since September 2016. He is a former Trustee at the Institute of Corporate Directors (ICD) as well as a current Teaching Fellow on Corporate Governance courses of the ICD. He is a Director of the Center for Excellence in Governance. He was a national consultant for Risk Management to the NEDA PPP Center under an ADB technical assistance grant from December 2011 to October 2022. He is a Trustee and Founding Fellow of the Foundation for Economic Freedom. He is an Adjunct Faculty member at the Asian Institute of Management. He was formerly a Trustee at Parents for Education Foundation ("PAREF"), and Chairman and President at PAREF Southridge School for Boys. He continues to be in the board of the Southridge Afternoon School Foundation. He worked in Citibank over a period of 25 years in various capacities including: Senior Economist in Philippine Debt Restructuring Committee; Head of the International Corporate Finance Unit; and Director and Head of Public Sector. He worked as an Associate Economist at the Wharton Econometric Forecasting Associates in Philadelphia USA. He holds an AB (Bachelor of Arts) Economics degree from the Ateneo de Manila University, an MS (Master of Science) Industrial Economics degree from the Center for Research and Communications (now University of Asia and the Pacific), and a PhD in Business Economics from the Wharton Doctoral Programs, University of Pennsylvania, USA..

Recent training/continuing education (2021 to present): Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); RCBC Digital Academy Executive Learning Series (YGC-Deloitte); 2021 ICD Distinguished Corporate Governance Speaker Series – Becoming a Board

Room Star; BSP Awareness – Raising Session on Institutional Risk Assessment and Results of the 2022 Thematic Review on Targeted Financial Sanctions (ABCOMP); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); 2022 9th SEC-PSE Corporate Governance Forum; The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	Position
Center for Excellence in Governance	Director
Foundation for Economic Freedom	Trustee
RCBC Trust Corporation	Independent Director
Southridge Afternoon School Foundation	Trustee
Institute for Corporate Directors	Teaching Fellow-Corporate Governance
Asian Institute of Management	Adjunct Faculty Member

Laurito E. Serrano [redacted] Independent Director (March 20, 2019 to present)

Mr. Serrano has been an independent director of the Bank since March 2019 and likewise an independent director of RCBC Trust Corporation since January 2024. Mr. Serrano was part of the Audit & Business Advisory Group and was a partner of SGV & Co - Corporate Finance Consulting Group. He is currently in the financial advisory practice working with clients mostly in the private sector.

Mr. Serrano also concurrently serves as an independent director of public entities such as Axelum Resources Corp., Belle Corporation, Anglo Philippine Holdings Inc, Century Peak Holdings Corporation, and Premium Leisure Corporation, and a director in Malayan Insurance Company and MRT Development Corporation.

Mr. Serrano's past experience includes, among others, directorships in 2Go Group, Inc., Pacific Online Systems Corporation, Atlas Mining & Development Corporation, Metro Global Holdings Group, Fil-Estate Group, Metro Rail Transit Group, Travellers Hotels Philippines, Inc. (Resorts World), MJCI Investments, Inc., United Paragon Mining Corp., Sagittarius Mining Corporation, and Philippine Veterans Bank.

Mr. Serrano holds a Bachelor of Science degree in Commerce (Major in Accounting) from the Polytechnic University of the Philippines and has a Master's in Business Administration degree from the Harvard Graduate School of Business.

Recent training/continuing education (2020 to present): Best Practices to Manage ML/TF Risks from Online Sexual Exploitation of Children Coursed through Banks and MSBs, and ML/TF Typologies (ARCCO-Phil.); BSP Supervisory Assessment Framework to replace CAMELS and ROCA Rating Systems for BSFIs (ABCOMP and Baiphil); Crypto Assets for Corporates (Center for Global Best Practices); Revised Corporation Code of the Philippines (Center for Global Best Practices); Building Better Bankers: Fostering a Stronger KYE Program (ABCOMP); Leveraging on FinTech: Financial Services Under the New Economy Arrangement (ABCOMP); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); ESG Best Practices for Business Innovations (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	Position
Axelum Resources Corporation	Independent Director
Anglo Philippine Holdings Inc	Independent Director
MRT Development Corporation	Director
Premium Leisure Corporation	Independent Director
RCBC Trust Corporation	Independent Director
Belle Corporation	Independent Director
Century Peak Holdings Corporation	Independent Director
Malayan Insurance Co., Inc.	Independent Director

Erika Fille T. Legara, Ph.D. [redacted] Independent Director (July 25, 2022 to present)

Dr. Legara has been an independent director of the Bank since July 2022. She is a scientist, educator, and advisor specializing in data science and artificial intelligence (AI), as well as data and AI strategy, governance, infrastructure, and education. She is a Certified AI Governance Professional through the International Association of Privacy Professionals (IAPP). She currently serves as the Managing Director and Chief AI and Data Officer for the Department of Education (DepEd) Center for AI Research (E-CAIR, previously CAIR under the DTI), fulfilling her responsibilities as a Highly Technical Consultant (HTC) through non-profit organization SEAMEO Innotech, a DepEd partner. At the Asian Institute of Management, Dr. Legara holds two key positions: Associate Professor of Data Science (*on professional development leave*) and Aboitiz Chair in Data Science. Previously, she was a scientist at A*STAR in Singapore, where she collaborated with government institutions and industry leaders on various Research and Development initiatives.

Dr. Legara has received numerous accolades, including the TOYM and TOWNS awards, as well as the National Academy of Science and Technology Outstanding Young Scientist Award in 2020. She was named an Asia 21 Young Leader (Class of 2022) and, in 2024, received the Tatler Impact Award for Science and Innovation while also being listed in Tatler Asia's Most Influential. Dr. Legara was recognized as one of the Asian Scientist 100 in 2023 and is the first Filipino to receive the DCRO Institute Certificate in Cyber Risk Governance.

Dr. Legara graduated cum laude with a Bachelor of Science in Physics from the University of the Philippines, Diliman, where she also earned her Master's and PhD in Physics (G.W.A. 1.0/1.0). She furthered her education by completing the Leading Smart Policy Design program at the J.F. Kennedy School of Government, Harvard University, Executive Education in 2021, and the Ethics for AI program at the London School of Economics and Political Science in March 2023. In 2024, she completed the AI Governance Professional training under the International Association of Privacy Professionals.

Recent training/continuing education (2022 to present): Professional Directors Program, including the Corporate Governance Orientation Program (ICD); 2022 YGC Annual Corporate Governance Seminar: Going from Good to Great (YGC-RCBC); Keeping Ahead of Cyber Risk's New Normal (YGC-RCBC); The Future of AI: Microsoft on Generative AI (YGC-RCBC); 2023 YGC Annual Corporate Governance Seminar: Building Trust and Ethical Leadership/Enhancing Corporate Governance for Sustainable Success (YGC-RCBC); 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption (YGC-RCBC).

Company	Position
Asian Institute of Management	Associate Professor of Data Science (on leave)
	Aboitiz Chair in Data Science
Cortex Innovations Corporation	Director

Department of Education (DepEd) Center for AI Research in partnership with SEAMEO Innotech (non-profit organization)	Consultant with title of Managing Director and Chief AI and Data Officer

Please see the Annual Report Accompanying the Information Statement (Annex A) for reports on attendance, performance appraisal, and compensation of directors.

(d) Executive Officers:

Executive Vice-Presidents

CARIASO, Reginaldo Anthony B.	Deputy Chief Executive Officer (starting January 1, 2025) Group Head (until December 31, 2024)	Office of the President & Chief Executive Officer Office of the Group Head-Operations
CORONEL, Elizabeth E.	Group Head	Office of the Group Head-Institutional Banking
LIM, Richard C.	Group Head	Office of the Group Head-Retail Banking
PEDROSA, Alberto Magno N.	Treasurer / Group Head	Office of the Group Head - Treasury
SANTIAGO, Bennett Clarence D.	Chief Risk Officer / Group Head (starting January 1, 2025) Group Head (until December 31, 2024)	Office of the Group Head – Risk Management Office of the Group Head – Credit Management
VILLANUEVA, Angelito M.	Chief Innovation and Inclusion Officer/ Group Head	Office of the Group Head – Digital Enterprise & Innovations

First Senior Vice-Presidents

ALVAREZ, Ma. Christina P.	Group Head	Office of the Group Head – Corporate Planning
DELA CUESTA, George Gilbert G.	Group Head / Corporate Secretary	Office of the Group Head – Legal Affairs and Corporate Secretariat
ESTRELLA, Brent C.	FSVP, Control & Governance Transformation (starting January 1, 2025) Chief Compliance Officer / Group Head (until December 31, 2024)	Office of the President & Chief Executive Officer Compliance Office and Office of the Group Head – Regulatory Affairs
MADONZA, Florentino M.	Group Head	Office of the Group Head – Controllership
RAMOS, Robert Rol Richard Raymond B.	President	RCBC Trust Corporation (Seconded)
RODRIGUEZ, Joseph Colin B.	Subsidiaries Treasury Risk Officer	Office of the Group Head – Treasury
SUBIDO, Rowena F.	Group Head	Office of the Group Head – Human Resources
TIROL, Martin Roberto G.	Group Head	Office of the Group Head – Transaction Banking

Senior Vice-Presidents 2

DE VILLA, Ramil M.	Group Head	Office of the Group Head – Consumer Lending
ONG, Arniel Vincent B.	President and Chief Executive Officer	RCBC Bankard Services Corporation (Seconded)
TOMAS, Juan Gabriel IV R.	Group Head (starting January 1, 2025) Chief Risk Officer / Group Head (until December 31, 2024)	Office of the Group Head - Operations Office of the Group Head – Risk Management
WIENEKE, Jacqueline Grace B.	Group Head	Office of the Group Head – Wealth Management

Senior Vice-Presidents 1

BORROMEO, Jose Maria P.	Segment Head	Asset & Liability Management Segment
BUENAFLOR, Enrique C.	Segment Head	Corporate Cash Management Segment
CABUDOY, Ma. Pamela Katrina M.	Group Head	Office of the Group Head – Data Science & Analytics
CANIZA, Jose Manuel E.	Division Head	Trading Division
CANLAS, Karen K.	Division Head	Relationship Management Division 2
CRUZ, Antonio Manuel Jr. E.	Segment Head	Chinese Corporate Banking
DEL ROSARIO, Crispina D.	Sales Director	North East Luzon Regional Office
DELA CRUZ, Simplicio B.	President & CEO	Rizal Microbank, Inc. – A Thrift Bank of RCBC (Seconded)
DIOSO, Sheila Ricca G.	Chief Compliance Officer / Group Head (starting January 1, 2025) Chief Audit Executive / Group Head (until December 31, 2024)	Office of the Group Head – Regulatory Affairs (Compliance) Office of the Group Head – Internal Audit
DY, Evangeline M.	Sales Director	Makati North Regional Office
ESTACIO, Benjamin E.	Regional Service Head	Mindanao Service Region
GUERZON, Angeluz T.	Group Head	Office of the Group Head – Asset Management & Remedial
LAMBERTE, Armi M.	Chief Sustainability Officer / Division Head	Sustainable Finance Division
MANOTOK, Ma. Teresa R.	Internal Sales Business Head	Consumer Loans Internal Sales Division
MARIANO, Mercelu S.	Division Head	Relationship Management Division 3
MENDOZA, Jose Jayson L.	President	RCBC Leasing and Finance Corporation (Seconded)
MERCADO, Cesaria Aileen R.	Sales Director	Laguna & South Luzon Ecozone Regional Office
MIRAL, Gerardo G.	Division Head	Japanese & Economic Zone Banking Division 2
PERALTA, Richard M.	Segment Head	Branch Services Support Segment
QUIOGUE, Nancy J.	Regional Service Head	North Metro Manila Service Region
REYES, Alma D.	Sales Director (*retired effective December 20, 2024)	Central Luzon Regional Office

REYES, Ismael S.	SVP, Retail & Microbank Transformation (starting January 1, 2025) Segment Head (until December 31, 2024)	Office of the President & Chief Executive Officer RBG Marketing & Strategy Segment
REYES, Maria Evangeline T.	Segment Head	Head Office Operations Segment
ROQUE, Yvonne A.	Segment Head	Branch Operations & Control Segment
SANTOS, Raoul V.	President	RCBC Securities, Inc. (Seconded)
SARIA, Carren T.	Sales Director	Manila Regional Office
SARMIENTO, Jose Rene Y.	Segment Head	Conglomerates and Global Corporate Banking
SELIRIO, Libertine R.	Division Head (*retired effective November 1, 2024)	CBG-Business Development Division
SO, Johan C.	Division Head	Conglomerates & Global Corporate Banking Division 4
SORIANO, Elvira D.	OIC Group Head (starting January 1, 2025) Division Head (until December 31, 2024)	Office of the Group Head – Internal Audit IAG Division 5 Team 2
TORRES, Lea B.	Division Head (*retired effective November 1, 2024)	CBG-Business Development Division
TORRES, Randy B.	Housing Loans Business Head	Office of the Housing Loans Business Head
VALDES, Emmanuel Mari K.	Division Head	Emerging Affluent and Affluent Market Segment Division
VICENTE, Anna Christina M.	Group Head (*resigned effective January 1, 2025)	Office of the Group Head – Small & Medium Enterprise Banking
YU, Jean Valen W.	Group Head	Office of the Group Head - Marketing
ZAMORA, Paula Fritzie C.	Segment Head	Financial Institutions & Support Segment
ZANTUA, Nilo C.	Group Head (*resigned effective October 1, 2024)	Office of the Group Head - ITSSG
ZIALCITA, Xavier Y.	SVP, Strategic Initiatives	Office of the President & CEO

Ten of the Directors and most of the Executive Officers mentioned herein have held positions in the Bank 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/profit sharing 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 Group, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, tax assessments, claims from customers and third parties, etc., with amounts not reflected in the financial statements. Management does not anticipate losses from these transactions that will adversely affect the Group's operations.

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

Alleged Unauthorized Transfer of funds – Bank of Bangladesh

In February 2016, four (4) allegedly unauthorized fund transfers were made into four (4) accounts with the Bank from Bangladesh Bank's account with the Federal Reserve Bank of New York (NY Fed), before being further dispersed to other banks and casinos. In August 2016, the MB imposed a P1 billion fine upon the Bank, which it paid in full, without any effect on its ability to perform its existing obligations or its operations.

U.S. Litigation relating to the Bangladesh Bank Incident

Failing to prosecute the Bank under the Federal Racketeer Influence and Corrupt Organizations Act, Bangladesh Bank initiated a second complaint before the New York State Court ("NY State Court"), on May 27, 2020. The Bank has since sought the dismissal of this second case, citing (a) New York's lack of personal jurisdiction over it; (b) the impropriety of New York as a forum, given the ongoing related proceedings in the Philippines and the location of material witnesses/evidence; and (c) the untenable nature of the fraud charge against the Bank due to the lack of any fiduciary duty to Bangladesh Bank.

In a Decision/Order dated January 13, 2023, the NY State Court denied the Bank's Motion to Dismiss, ruling, among others, that (a) it has jurisdiction over the case, as the Bank's mere act of maintaining correspondent accounts in New York is purportedly tantamount to conducting business in the said jurisdiction; (b) it is irrelevant that the Bank was not the entity which initiated the transfer of funds; (c) the NY State Court will focus on the theft which occurred in New York and not the laundering of the funds stolen; and (c) the location of the witnesses/documents favor New York.

The Bank appealed the Decision/Order dated 13 January 2023 before the New York Appellate Division ("Appeal Court"). As will be discussed below, the Appeal Court denied the appeal, and thus, the preparation for the trial continues.

The Bank likewise participated in the May 16, 2023 court-mandated mediation; which, however, failed and was terminated. The parties are currently availing of the different modes of discovery as directed by the NY State Court, the deadline of which is now 7 May 2025. Thereafter, Depositions are expected to commence on 12 May 2025.

U.S. Appellate Litigation at the Supreme Court of the State of New York Appellate Division, First Judicial Department (the NY Appellate Division, First Judicial Department) relating to the Bangladesh Bank Incident

The Bank filed its appeal on the aforecited January 13, 2023 Decision/Order of the NY State Court, and timely filed its Appellant's Brief on July 19, 2023. The Bank argued that, in denying its Motion to Dismiss, the NY State Court practically reversed its earlier Decision/rulings on the very same issues which had resulted in the dismissal of the case against the Philippine casinos.

The Bank further pointed out that (a) the NY Appellate Division, First Judicial Department in Bangladesh Bank v. Rizal Commercial Banking Corp. 216 AD 3d590 (the Bloomberry case) has affirmed (1) the correctness of the aforesaid dismissal, as with the NY State Court's ruling that New York does not have a substantial nexus to the action; and (2) that the Philippines is a viable alternate forum; and (b) given the lack of material distinction between the facts/circumstances of the now-final Decision in the Bloomberry case and the Bank's case, the assailed NY State Court's Decision/Order dated January 13, 2023 violates the said judicial precedent and must be set aside.

Bangladesh Bank, on the other hand, (a) made it appear that the NY Fed was the target of the supposed conspirators when (1) its Complaint states otherwise; and (2) the NY Fed, in the Bloomberry case, stated that there was no evidence of any attempt to actually penetrate the Federal Reserve System or that the same was compromised; (b) now claimed that it is a quasi in rem resident of New York via its ownership of a bank account in New York with hundreds of millions of dollars; and (c) tried to downplay the significance of the Bloomberry case Decision, claiming that the Philippine casinos were involved in money laundering while the Bank was involved in the conspiracy and theft of funds.

In its 29 February 2024 Decision, the Appellate Division, First Judicial Department of the Supreme Court of the State of New York dismissed against the Bank, three (3) causes of action, namely: conversion, aiding and abetting conversion, and conspiracy to commit conversion. However, it was also ruled that the case can proceed against the Bank on the other causes of action. Appeals were filed but all were denied.

Accordingly, no further development is expected in this case.

Philippine Litigation relating to the Bangladesh Bank Incident

After initially issuing differing rulings on whether Bangladesh Bank was properly served with summons and even dismissing the case, the Makati Trial Court, in its Resolution dated May 31, 2023, (a) reinstated the same; and (b) deputized Bangladesh Bank's Philippine counsel to serve summons upon its client, citing Sec. 13, Rule 14 of the 2019 Amendments to the 1997 Rules of Civil Procedure. The Makati Trial Court reiterated this ruling in its Resolution dated October 11, 2023, which denied Bangladesh Bank's Motion for Reconsideration.

Instead of appealing the resolution of the trial court, Bangladesh Bank filed a Memorandum of Authorities dated 7 December 2023 with the Makati Trial Court, a copy of which was received by the Bank on 19 February 2024. In an Order dated 27 February 2024, the Makati Trial Court held that the matter regarding Bangladesh Bank's state immunity is deemed submitted for resolution.

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:

RCBC is a 33.92% owned subsidiary of Pan Malayan Management and Investment Corporation (PMMIC), the holding company of the flagship institutions of the Yuchengco Group of Companies (YGC). As of March 31, 2025, Sumitomo Mitsui Banking Corporation owns 20.00% and Cathay Life Insurance Co. Ltd. (Cathay) also owns 18.68% interest in RCBC.

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 basis or above board, with any transaction, whether or not a price is charged, 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. The same has been institutionalized in the Bank's Policy on Related Party Transactions (the Policy).

The Policy adopts an expanded definition of "related parties." Related parties include directors, officers, stockholders and related interests (DOSRI) as defined under the General Banking Law, BSP Circular 895, and other related issuances, as well as members of the Advisory Board of the Bank, entities within the conglomerate of which the Bank is a member, and subsidiaries of related parties. The Bank maintains a database of related parties which is regularly updated to capture organizational and structural changes within the YGC.

Transactions with related parties involving an amount of at least P10.0 million pesos, or significant transactions with related parties requiring Board approval regardless of amount, are reportable to the RPT Board Committee. On the other hand, related party transactions involving amounts below the materiality threshold of P10.0 million pesos are reportable to the RPT Management Committee.

Related parties, through their respective account officers, are enjoined to notify the appropriate RPT Committee of any potential related party transaction as soon as they become aware of it. The RPT Board Committee is composed of at least three members of the Board of Directors, two (2) of whom are independent directors, including the Chairperson. The RPT Management Committee is composed of heads of the Controllership Group, Operations Group, Risk Management Group, Retail Banking Group, and Corporate Planning Group, or their selected designates.

If a transaction is determined to be a related party transaction, the said transaction and all its relevant details are required to be submitted to the appropriate RPT Committee for evaluation.

Once determined to be on arm's length terms, related party transactions evaluated by the RPT Board Committee are thereafter endorsed to the Board of Directors for approval. Transactions reviewed and approved by the RPT Management Committee are presented to the Board of Directors for confirmation. In the event that a member of the Board has an interest in the transaction under evaluation, the said member shall not participate in the discussion and shall abstain from voting on the approval of the related party transaction. Pursuant to BSP Circular No. 895, as amended, and the Bank's Corporate Governance Manual, the Bank's significant transactions with its DOSRI and related parties were confirmed by majority vote of the Bank's stockholders during the last annual stockholders' meeting on June 24, 2024.

The review of related party transactions is part of the compliance testing of the Compliance Office as well as audit work program of the Internal Audit Group.

The Group's significant transactions with its related parties as of end December 2024 include loans and receivables and deposit liabilities. The total amount of loans outstanding was at P28.8 billion (Note 27.2, Notes to Financial Statements) while total deposit liabilities was at P39.9 billion (Note 27.3, Note to Financial Statements) as of December 31, 2024.

The Bank complies with existing BSP regulations on loans, credit accommodations and guarantees to its DOSRI.

In the ordinary course of business, the Group has loan transactions with each other, their other affiliates, and with certain DOSRIs. Under existing policies of the Group, these loans are made substantially on the same terms as loans to other non-related individuals and business of comparable risks.

Under current BSP regulations, the amount of loans to each DOSRI, 70% of which must be secured, should not exceed the amount of his unencumbered deposit and book value of his investment in the Bank. In the aggregate, loans to DOSRIs, generally, should not exceed the total capital funds or 15% of the total loan portfolio of the Bank and/or any of its lending and non-banking financial subsidiaries, whichever is lower. However, non-risk loans are excluded in both individual and aggregate ceiling computations. As of December 31, 2024 and 2023, the Group and the Parent Company are in compliance with these requirements.

The total amount of Group and Parent Company DOSRI loans, excluding loans granted as fringe benefits to officers which are excluded from the individual ceiling were both nil in 2024 and 2023.

Certain of the Bank's major related party transactions are described below:

- *Sale and Purchase of Securities* - The Parent Company and certain subsidiaries engage in the trading 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 (Note 27.4, Notes to Financial Statements).
- *Retirement Fund* - The Parent Company and certain subsidiaries' retirement funds covered under their post-employment plan maintained for qualified employees are administered and managed by the RCBC Trust Corporation in accordance with the respective trust agreements covering the plan (Note 27.5, Notes to Financial Statements).
- *Sale and leaseback of properties to Frame Properties, Inc.* - In 2023, the Parent Company transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to post-employment defined benefit plan as contribution to the plan assets (Note 27.5, Notes to Financial Statements).
- *Sale of ATYC to ATYCI* - The Parent Company sold a portion of its ATYC bank premises and investment properties to ATYCI and immediately leased back from the latter. In

October 2022, the Parent Company entered into a five-year lease agreement with ATYCI. The Parent Company's lease contract is effective until September 30, 2027 [Notes 27.7(a) and 27.7b), Notes to Financial Statements].

- *Lease contracts with RCBC Realty Corp. (RRC) and Sub-lease Agreements with Subsidiaries* - The Parent Company and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RRC. The occupancy of some of subsidiaries in RCBC Plaza is covered by sublease agreements with RCBC. RCBC's lease contract with RRC is effective until December 31, 2025. (Note 27.7(b), Notes to Financial Statements).

- *Increase in shareholding of SMBC* - On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share. The additional capital infusion was made on July 31, 2023. [Notes 27.7(d), Notes to Financial Statements].

- *Donation of Properties from NPHI to RCBC.* - On July 7, 2023, NPHI executed a deed of donation transferring to the Parent Bank certain real estate properties with a carrying amount of P2. On November 6, 2023, these properties were subsequently sold by the Parent Bank to PMMIC for a total consideration amounting to P57. [Notes 27.7(e), Notes to Financial Statements].

- *Sale of Tarlac Property to Tarlac Terra Ventures, Inc.* - On December 29, 2023, the Parent Company sold a property located in Tarlac with a selling price of P2,673 and a carrying amount of P385 resulting to a P2,288 gain, presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss. (Notes 27.7(f), Notes to Financial Statements).

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

- *Service Agreement with RCBC Bankard Services Corp. (RBSC)* - The Parent Company has Service Agreement with RBSC, wherein RBSC shall provide the Parent Company with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operations of the Parent Company's credit card, and personal and salary loans business. [Note 27.7(c), Notes to Financial Statements].

- The Bank has service agreements with RBSC for the in-sourced internal audit services. The Bank provides limited audit services to RBSC, 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., Rizal Microbank, Inc., and RCBC Leasing and Finance Corporation.

- The Bank has a service agreement with RCBC Forex Brokers Corporation (RCBC Forex) for in-sourced services, 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 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 has a service agreement with RCBC International Finance Limited (RIFL) to facilitate the remittance tie-up and account solicitation arrangement agreement with RIFL which is based in Hongkong.
- The Bank has an agreement with RCBC Rental Corporation for the financing of the lease of 1,600 new ATMs with a term of 60 months.
- The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries which is eliminated during consolidation, accreditation of RCBC Trust agent and of insurance companies, 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 regulations, 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 27 of the Financial Statements annexed to this Information Statement (please see Notes to Financial Statements, Annex "B-1").

6. <u>Compensation of Directors and Executive Officers</u>

Executive Compensation:

Information as to the aggregate compensation paid or accrued during the last three fiscal years of the Bank's Directors, Chief Executive Officer and four other most highly compensated executive officers and all other officers as a group is presented below (in thousand pesos):

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES			
Names	**Principal Position**	**Aggregate Compensation** (net of Bonuses)	**Bonuses**
2025 Estimate			
Eugene S. Acevedo	President & Chief Executive Officer	110,700	36,833
Reginaldo Anthony B. Cariaso	Executive Vice President		
Richard C. Lim	Executive Vice President		
Alberto Magno N. Pedrosa	Executive Vice President		
Angelito M. Villanueva	Executive Vice President		
2024 Actual			
Eugene S. Acevedo	President & Chief Executive Officer	105,899	34,857
Reginaldo Anthony B. Cariaso	Executive Vice President		
Richard C. Lim	Executive Vice President		
Alberto Magno N. Pedrosa	Executive Vice President		
Angelito M. Villanueva	Executive Vice President		
2023 Actual			
Eugene S. Acevedo	President & Chief Executive Officer	98,146	33,829
Redentor C. Bancod	Senior Executive Vice President		
Richard C. Lim	Executive Vice President		
Alberto Magno N. Pedrosa	Executive Vice President		
Angelito M. Villanueva	Executive Vice President		

Officers as a Group Unnamed		
2025 Estimate	4,682,418	1,343,067
2024 Actual	4,256,744	1,220,970
2023 Actual	4,178,657	1,104,210
All Directors (Fees and Other Compensation)*		
2024 Estimate		151,044
2023 Actual		125,624
2021 Actual		155,118

** Inclusive of per diem of Directors amounting to P14.2 million in 2023, P15 million in 2024 and P15.5 million in 2025 (estimate).*

Profit Sharing Bonus and Per Diem of Directors

Pursuant to Article V of the By-Laws of the Bank, the members of the Board of Directors, the Advisory Board and the Executive Committee are entitled to per diem for every meeting they attended. Directors who hold executive or management position do not receive directors' fees or per diems.

Likewise, Article XI of the By-Laws the Bank entitles the members of the Board of Directors, the Advisory Board and the Executive Committee of the Bank to profit sharing bonus at a maximum of 2% but not less than 1% of the net earnings resulting from the operation of the Bank during the preceding year, after provisions for taxes and after deductions as may be required by law or regulations. For the year 2024, total fees and other compensation of all Directors amounted to P125.6 million, inclusive of P15.0 million representing per diem paid for the meetings they attended during the year.

For the protection of its directors from threats against the security of their persons, property, and private data, the Bank presents above the aggregate compensation of the members of the Board of Directors and Advisory Board for 2024, inclusive of bonuses received in accordance with the By-Laws. A report on the total compensation per director shall be presented to the stockholders during the Annual Stockholders' Meeting of the Bank on June 30, 2025, and a similar report will be directly submitted to the SEC.

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. <u>Independent Public Accounts</u>

Punongbayan and Araullo (P&A) acts as the independent auditor of RCBC, RCBC Forex Brokers Corporation, and RCBC Leasing and Finance Corporation since 2006, of RCBC Capital Corporation since 2003, of Rizal Microbank, Inc.- A Thrift Bank of RCBC since 2008 and of RCBC-JPL Holding Company, Inc. since 2009.

In connection with the audits of the Bank's financial statements for the two (2) most recent years ended December 31, 2024 and 2023, 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 for the year ended December 31, 2005 and they will be recommended for re-appointment at the scheduled annual stockholders' meeting. For the 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 in 2010 and 2011. Mr. Murcia was replaced by Mr. Benjamin P. Valdez in 2012 and 2013. For the years 2014 to 2017, Ms. Maria Isabel E. Comedia was the handling/signing partner of the Bank. She was replaced by Mr. Anthony L. Ng in 2018 but returned in 2022 and was the handling/signing partner in 2023 and 2024 as well.

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

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

8. <u>Compensation Plans</u> – Not Applicable

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. <u>Authorization or Issuance of Securities Other than for Exchange</u> – Not applicable

10. <u>Modification or Exchange of Securities</u> – Not applicable

11. <u>Financial and Other Information</u>

a. Financial statements meeting the requirements of SRC Rule 68, as amended
Please see Annex "B". This includes the Statement of Management Responsibility and Supplementary Schedules required by SRC Rule 68 (Please see Annex "B-1"),

To be attached as Annex "B-2" to the Definitive Information are the Interim Financial Statements for the First Quarter 2025 (17Q). The same are not yet available as of the filing of this Preliminary Information Statement).

b. Management's Discussion and Analysis (MD & A) or Plan of Operation
Please see Annual Report Accompanying the Information Statement, 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 are expected to be present at the meeting, will have the opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions:

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

12. <u>Acquisition or Disposition of Property</u> – Please see Notes 13 and 14 of the attached Audited Financial Statements in Annex B

13. <u>Restatement of Accounts</u> – Please see Note 2 of the attached Audited Financial Statements in Annex B

D. OTHER MATTERS

15. <u>Action with Respect to Reports</u>

The Management Report, as set forth in the Annual Report, and the Minutes of the previous stockholders' regular meeting held on June 24, 2024 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 24, 2024 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during said meeting, such as: (a) approval of the 2023 Annual Report and Audited Financial Statements, (b) ratification of actions and proceedings of the Board of Directors, different Committees and Management during the year from July 3 2023 to June 24, 2024, (d) confirmation of significant transactions with DOSRI and related parties, (e) election of directors, and (f) appointment of external auditor. A copy of the Minutes for the foregoing meeting is attached as Annex E.

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 24, 2024) up to the date of the meeting (June 30, 2025). These include, among others, those that involve day-to-day operations, administration and management of the corporate affairs such as approval of loans, write-offs, restructuring of past due accounts, sale of ROPOAs, appointment/resignation of directors/officers, authorization of officers, sanctions/disciplinary measures imposed to erring officers/employees, and authority to file or handle criminal/civil complaints.

16. **Matters Not Required to be Submitted** – Not applicable

17. **Amendment of Charter, By-Laws or Other Documents** – Not applicable

18. Other Proposed Action – Not applicable

19. Voting Procedures

The vote required for election or approval.

In the election of Directors, the fourteen (14) 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 whether given *in absentia,* by remote communication 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 absentia*, by remote communication, 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.

The procedures for voting are also detailed in the Procedure for the Annual Stockholders' Meeting, the Proxy Form, and the Vote Ballot with Instructions and Procedures, all of which are attached to this Information Statement on the pages that follow the Notice of Meeting.

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

E. OTHER CERTIFICATIONS

Attached as Annex "C" is the written certification by the Corporate Secretary that none of the directors and officers listed herein work in government.

Attached as Annexes "D" to "D-4" are the Certifications of Independent Directors.

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 5, 2025.

RIZAL COMMERCIAL BANKING CORPORATION

By:

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

RCBC
Partners Through Generations

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be advised that the Annual Stockholders' Meeting of the Bank will be conducted virtually through https://www.rcbc.com/ASM2025 on **June 30, 2025 at 4:00 P.M.**, for the purpose of considering and acting on the following matters:

1. Approval of the Minutes of the Annual Meeting of the Stockholders held on June 24, 2024
2. Approval of the Annual Report and the Audited Financial Statements for 2024
3. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year
4. Confirmation of significant transactions with DOSRI and related parties
5. Appointment of External Auditor
6. Election of Directors
7. Such other matters as may properly come before the meeting

Enclosed is a copy of the Information Statement pursuant to Section 20-IS of the Securities Regulation Code, as well as a copy of the Agenda and Rationale/Explanation for the Agenda Items.

Only stockholders of record at close of business on **May 29, 2025** will be entitled to participate and vote at the meeting or any adjournment thereof. Votes shall be cast by ballot in accordance with the attached form and procedures.

The meeting will be conducted virtually, i.e. there will be no physical meeting, on June 30, 2025. Stockholders may participate in the virtual meeting either by remote communication by themselves or by proxy, or by casting their votes in absentia. For this purpose, stockholders must register and/or cast their votes by sending a registration email to RCBC-ASM-2025@rcbc.com in accordance with the attached procedures **until 5:00 pm of June 22, 2025.** Only stockholders or their proxies who duly register by email shall be allowed to access the virtual meeting at https://www.rcbc.com/ASM2025

We are not soliciting your proxy. If you opt to attend the meeting by proxy, please submit a duly-accomplished proxy substantially in the form attached hereto together with your registration email.

The validation of ballots and proxies shall be held on **June 23, 2025 at 9:00 am** at the Office of the Corporate Secretariat.

Due to logistical limitations at the virtual meeting, only relevant comments and questions on agenda items which are submitted by email to CorSecRCBC@rcbc.com **by 5:00 pm of June 27, 2025** will be considered during the open forum.

May 5, 2025 Makati City, Metro Manila, Philippines.

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

PROCEDURE FOR THE ANNUAL STOCKHOLDERS' MEETING

1. Only stockholders of record at close of business on **May 29, 2025** (Stockholders) will be entitled to participate and vote at the meeting or any adjournment thereof.

2. The meeting will be conducted virtually, i.e. there will be no physical meeting, on June 30, 2025.

3. Stockholders may participate in the virtual meeting either by remote communication by themselves or by proxy, or by casting their votes in absentia. For this purpose, Stockholders must duly register by sending a **registration email** to RCBC-ASM-2025@rcbc.com **by 5:00 pm of June 22, 2025**. Only duly registered stockholders shall be counted for purposes of quorum.

4. **REGISTRATION** - The **registration email** should contain the following:

   a. Form of participation (choose one)
   (i) stockholder by remote communication
   (ii) proxy by remote communication
   (iii) vote in absentia

   b. Information of the stockholder
   (i) name
   (ii) address
   (iii) telephone number
   (iv) mobile number
   (v) valid and active email address

   For corporate stockholders, please include the following information:
   (i) name of authorized representative
   (ii) mobile number of authorized representative
   (iii) valid and active email address of authorized representative

   c. Supporting documents – Each must be in either JPEG or PDF format and must not exceed 400 KB.

   For individual stockholders:
   (i) Scanned copy of a valid government-issued ID with photo, signature and personal details, preferably with residential address.

   For corporate stockholders:
   (i) Scanned copy of Secretary's Certificate attesting to the authority of the representative to participate by remote communication for and on behalf of the Corporation
   (ii) Scanned copy of the authorized representative's valid government-issued ID with photo, signature and personal details, preferably with residential address

   d. Duly accomplished Proxy Form (for those attending through proxy by remote communication). If a stockholder opts to attend through proxy by remote communication but does not indicate the name of the proxy, the stockholder shall be deemed to have appointed the Chairperson as his proxy.

   e. Duly Accomplished Vote Ballot
   Each stockholder personally attending by remote communication or voting in absentia shall submit a duly accomplished Vote Ballot.

5. Duly registered Stockholders who signified attendance by remote communication or their identified proxies shall receive an email with a link and password for the meeting.

6. **OPEN FORUM** - Due to logistical limitations at the virtual meeting, only relevant comments and questions on agenda items which are submitted by email to CorSecRCBC@rcbc.com **by 5:00 pm of June 27, 2025** with subject: **QUESTIONS/COMMENTS** will be considered during the open forum. The Corporate Secretary will reply, by email, to relevant comments and questions received after the June 27, 2025 cut-off and until the end of the meeting on June 30, 2025.

7. **VOTING** - Votes of duly registered Stockholders can only be cast through ballots or proxies. The ballot or proxy should be substantially in the form provided in the Definitive Information Statement and filled in accordance with the instructions set forth therein. All ballots and proxies should be received by the Bank together with the registration email not later than **5:00 pm of June 22, 2025**. Failure of the Stockholder to send his/her votes as stated herein shall be deemed a vote of approval for all the agenda items.

   If a Stockholder avails of the option to vote through ballots and also issues proxy votes with differing instructions, the ballots shall replace the proxy votes issued by the Stockholder.

8. Validation of ballots and proxies will be on **June 23, 2025 at 9:00 am.**

9. Stockholders shall be responsible for their own internet connectivity during the virtual meeting.

10. The proceedings of the meeting will be recorded.

Should you have questions or requests for clarification on the procedure for attending the annual stockholders' meeting through remote communication, please email them to CorSecRCBC@rcbc.com with subject: **CLARIFICATION NEEDED**.

P R O X Y

KNOW ALL MEN BY THESE PRESENTS:

That I, _____________________, a stockholder 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 30, 2025 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 Chairperson of the meeting chosen in 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 24, 2024 *(Agenda Item No. 3)*	☐	☐	☐
2. Approval of the Annual Report and the Audited Financial Statements for 2024 *(Agenda Item No. 4)*	☐	☐	☐
3. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year from June 24 2024 to June 30, 2025 *(Agenda Item No. 5)*	☐	☐	☐
4. Confirmation of Significant Transactions with DOSRI and Related Parties *(Agenda Item No. 6)*	☐	☐	☐
5. Appointment of Punongbayan & Araullo as External Auditor *(Agenda Item No. 8)*	☐	☐	☐
6. Other Matters (At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting). *(Agenda Item No. 9)*	☐	☐	☐

(proposal 7 on next page)

7. Election of Directors (Regular Directors and Independent Directors) *(Agenda Item No. 7)*

REGULAR DIRECTORS
a. Ms. Helen Y. Dee
b. Mr. Cesar E.A. Virata
c. Mr. Eugene S. Acevedo
d. Mr. Armando M. Medina
e. Mr. John Law
f. Mr. Shih-Chiao (Joe) Lin
g. Ms. Gayatri P. Bery
h. Mr. Hiroki Nakatsuka
i. Mr. Katsufumi Uchida

INDEPENDENT DIRECTORS
j. Mr. Juan B. Santos
k. Mr. Gabriel S. Claudio
l. Mr. Vaughn F. Montes, PhD
m. Mr. Laurito E. Serrano
n. Ms. Erika Fille T. Legara, PhD

For All ☐ **Withhold For All** ☐ **Exceptions** (please state**)** ☐ ______________________________
____
____

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 30, 2025 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 ____________________ 2025.

____
(Signature Over Printed Name)
☐ Stockholder
☐ Authorized Representative of Stockholder
Date: ________________, 2025

PLEASE SEE NEXT PAGE FOR OTHER INFORMATION AND INSTRUCTIONS

OTHER INFORMATION AND INSTRUCTIONS FOR THE PROXY FORM

1. *Submission of Proxy*

(a) The proxy form must be duly completed, signed and dated by the stockholder or his duly authorized representative, and received by email via RCBC-ASM-2025@rcbc.com together with the stockholder's registration mail by **5:00 pm of June 22, 2025.** If the name of the proxy is not specified, the stockholder shall be deemed as having appointed the Chairperson as proxy.
(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 by email via RCBC-ASM-2025@rcbc.com not later than **5:00 pm of June 27, 2025**. A proxy is also considered suspended if an individual stockholder signifies by email to RCBC-ASM-2025@rcbc.com on or before **5:00 pm of June 27, 2025** that he is attending the meeting by remote communication.

3. *Validation of Proxy*

The validation of proxies will be held on **June 23, 2025** at **9:00 am** 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.

VOTE BALLOT

___ Attending by remote communication **___ Voting in absentia**

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 24, 2024 *(Agenda Item No. 3)*	☐	☐	☐
2.	Approval of the Annual Report and the Audited Financial Statements for 2024 *(Agenda Item No. 4)*	☐	☐	☐
3.	Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year from June 24, 2024 to June 30, 2025 *(Agenda Item No. 5)*	☐	☐	☐
4.	Confirmation of Significant Transactions with DOSRI and Related Parties *(Agenda Item No. 6)*	☐	☐	☐
5.	Appointment of Punongbayan & Araullo as External Auditor *(Agenda Item No. 8)*	☐	☐	☐
6.	Other Matters (At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting). *(Agenda Item No. 9)*	☐	☐	☐

7. Election of Directors (Regular Directors and Independent Directors) *(Agenda Item No. 7)*

REGULAR DIRECTORS
a. Ms. Helen Y. Dee
b. Mr. Cesar E.A. Virata
c. Mr. Eugene S. Acevedo
d. Mr. Armando M. Medina
e. Mr. John Law
f. Mr. Shih-Chiao (Joe) Lin
g. Ms. Gayatri P. Bery
h. Mr. Hiroki Nakatsuka
i. Mr. Katsufumi Uchida

INDEPENDENT DIRECTORS
j. Mr. Juan B. Santos
k. Mr. Gabriel S. Claudio
l. Mr. Vaughn F. Montes, PhD
m. Mr. Laurito E. Serrano
n. Ms. Erika Fille T. Legara, PhD

For All	**Withhold For All**	**Exceptions** (please state**)**
☐	☐	☐ ______________________________
		______________________________
		______________________________

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.

Where no specific instruction is clearly indicated above in any, some, or all of the items, the vote shall be deemed as a vote "FOR" with respect to Proposal 1 to 6, and "FOR ALL" with respect to Proposal 7.

IN WITNESS WHEREOF, I, the undersigned stockholder have cast the foregoing Vote Ballot at _____________________ this ________day of ___________________ 2025

____

(Signature Over Printed Name)

- □ Stockholder
- □ Authorized Representative of Stockholder

Date: ________________ , 2025

RIZAL COMMERCIAL BANKING CORPORATION

AGENDA

ANNUAL MEETING OF THE STOCKHOLDERS

DATE	:	June 30, 2025
TIME	:	4:00 P. M.
PLACE	:	Virtual Meeting https://www.rcbc.com/ASM2025

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 24, 2024
4. Approval of the Annual Report and the Audited Financial Statements for 2024
5. Ratification of the actions and proceedings of the Board of Directors, different Committees and Management during the year from June 24, 2024 to June 30, 2025.
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 / EXPLANATION
FOR AGENDA ITEMS REQUIRING SHAREHOLDERS' APPROVAL

1. Proof of Due Notice of the Meeting

Rationale/ Explanation: Only stockholders of record as of **May 29, 2025** 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 link to the virtual meeting, a statement of the matters to be taken up at such meeting, shall be published for 2 consecutive days in 2 newspapers of general circulation in both print and online formats in accordance with the rules of the Securities and Exchange Commission. The Corporate Secretary shall confirm that due notice of the meeting was made.

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, or with votes cast in absentia who duly registered through RCBC-ASM-2025@rcbc.com as of June 22, 2025. On the basis of such registration, the Corporate Secretary shall declare whether or not a quorum exists for the Annual Stockholders Meeting. Stockholders who cast their votes in absentia shall be deemed present for purposes of quorum.

3. Approval of the Minutes of the Annual Meeting of the Stockholders held on June 24, 2024

Rationale/ Explanation: Approval of the June 24, 2024 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, including, (a) approval of the Minutes of the 2023 meeting, (b) approval of the 2023 Annual Report and Audited Financial Statements, (c) ratification of actions and proceedings of the Board of Directors, different Committees and Management during the year 2023 (after ASM) to 2024 (before ASM), (d) confirmation of significant transactions with DOSRI and related parties, (e) election of directors, and (f) appointment of external auditor. The said Minutes is available on the Bank's website and attached to the Information Statement.

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 2024

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 2024. The financial statements as of December 31, 2024 will also be presented and endorsed for approval by the Board of Directors and the Audit Committee. The Audited Financial Statements for 2024 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.

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**

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 24, 2024) up to the date of the meeting (June 30, 2025). These include, among others, those that involve the day-to-day operation, administration and management of the corporate affairs such as approval of loans, special projects, material transactions, restructuring of past due accounts, sale of ROPOAs, appointment/ resignation of directors/ officers, sanctions/disciplinary measures imposed to erring officers/ employees, authority to file criminal/civil complaints, and related matters.

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 2024 include: loans/receivables and deposit liabilities; trading of investment securities; processing of sale and leaseback of properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to post-employment defined benefit plan as contribution to the plan assets; sale of a portion of ATYC bank premises and investment properties to ATYCI and immediately leased back from the latter under a five-year lease effective until September 30, 2027; lease contracts with RCBC Realty Corporation and sub-lease agreements with subsidiaries for occupancy in the RCBC Plaza; various service agreements with RCBC Bankard Services Corporation, RCBC Forex Brokers Corporation, RCBC Capital Corporation, RCBC Securities, Inc., Rizal Microbank – A Thrift Bank of RCBC, RCBC Leasing and Finance Corporation, RCBC International Finance Limited, and RCBC Trust Corporation; agreement with RCBC Rental Corporation for the financing of 1,600 new ATMs with a term of 60 months; and the administration and management of some of the subsidiaries' retirement funds; various outsourcing contracts with GAIC Manpower Service, Inc.; and insurance coverage with Malayan Insurance Co. Inc.. The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries, accreditation of RCBC Trust agent and of insurance companies, and regular banking transactions (including purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances).

All transactions are at arms' length. 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. These are also provided in the Annual Report accompanying the Information Statement, Annex A.

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.

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

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 are 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 RCBC for the year 2025, including their proposed remuneration. The profile of the external auditor is 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.

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.

10. Open Forum

Rationale/ Explanation: Due to logistical limitations at the virtual meeting, only relevant comments and questions on agenda items which are submitted by email to CorSecRCBC@rcbc.com with subject: **QUESTIONS/COMMENTS by 5:00 pm of June 27, 2025** will be considered during the open forum. The Corporate Secretary will reply, by email, to relevant comments and questions received after the June 27, 2025 cut-off and until the end of the meeting on June 30, 2025.

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, 2024 are contained in the latest annual report available to the security holders in the website at the Annual Stockholders' meeting on June 30, 2025. They are also attached to the Information Statement.

(B) Management Discussion and Analysis of Financial Conditions and Results of Operations (2020-2022) and Plan of Operation

2022

After two years of strict quarantine protocols due to the COVID-19 pandemic, the Philippines returned to a state of almost normalcy in 2022. Mobility restrictions further eased, face-to-face classes and 100% onsite work resumed, and businesses returned to their full capacity as the number of COVID-19 cases remained muted throughout the year.

As a result, the Philippine economy continued to climb out of the recession brought by the pandemic as it grew by 7.6% in 2022. This growth outturn is higher than market expectations, even beating the 6.5%-7.5% government target, as consumer spending spurred growth despite higher inflation. Although, growth was partly magnified by lower base effect due to hard lockdowns in 2021. Nonetheless, consumer spending, which made up 76% of the economy, grew remarkably by 8.3%, or its fastest on record. Meanwhile, on the supply side, economic growth was mainly driven by the recovery in industries such as wholesale and retail trade, manufacturing, and construction following a sustained economic reopening. Continued growth in OFW remittances and BPO revenues, as well as the resumption in foreign tourism since February 2022 further supported overall economic growth.

Inflation was elevated globally in 2022 as the Russia-Ukraine war dealt a major shock to global markets, disrupting production and trade. Prices of commodities such as oil, coal, metals, and wheat surged following the war. Global crude oil prices went up, especially during early-2022 as it reached a high of US$130 per barrel in March, ending the year 6.7% higher than the previous year. In the US, the war led to risks of recession amid higher inflation, which prompted Fed to aggressively tighten its monetary policy, raising its interest rates by 425 basis points in 2022. Locally, average inflation went up to 5.8% in 2022 vs. 3.9% in the previous year, even reaching its peak of 8.1% in December, amid higher input prices and supply chain disruptions. Inflation hovered above Bangko Sentral ng Pilipinas (BSP)'s 2%-4% target band. Similar to US, this prompted BSP to aggressively tighten its monetary policy as it raised its key policy rate by 350 basis points in 2022, ending the year at its new 14-year high of 5.50%. Aggressive Fed rate hikes also led to stronger US dollar vs. other global currencies, which bloated the Philippines' import bill, and higher global interest rates. USD/Php closed the year at 55.755, higher by 9.3% year-on-year, after reaching its record high of 59.000 in October. Meanwhile, local interest rates (Php BVAL yields) ended the year higher by 200-300 basis points vs. end-2021.

Financial and Operating Highlights

Balance Sheet

BALANCE SHEET			
In Million Pesos	**2022**	**2021**	**2020**
Total Assets	1,154,108	959,133	772,106
Investment Securities	374,365	219,235	88,064
Loans and Receivables (Net)	558,869	538,302	491,284
Total Deposits	857,244	672,459	535,788
Capital Funds	116,361	111,080	101,378

In the middle of 2022, RCBC hit another milestone when its Total Assets breached the P1.0 trillion-mark and ended the year with a record high of P1.2 trillion. This represents a growth of 20.3% or P195.0 billion versus end of 2021. Significant movements are discussed below:

Cash and other Cash Items increased by 23.1% or P3.4 billion from P14.7 billion to P18.1 billion due to the additional cash requirements of the 28 new branches and 107 new ATMs and to service withdrawals during the holidays.

Due from BSP increased by 20.4% or P26.5 billion from P130.2 billion to P156.7 billion mainly attributable to higher level of term deposits as short term investment and higher pesonet deposits as clearing account to service electronic fund transfers.

Due from Other Banks decreased by 52.0% or P6.3 billion from P12.2 billion to P5.8 billion mainly due to the net decrease in foreign bank placements as a result of redeployment of funds.

Loans Arising from Reverse Repurchase Agreement decreased by 25.4% or P3.0 billion from P11.7 billion to P8.7 billion also as a result of redeployment of funds.

Total Investment Securities, representing 32.4% of Total Resources, increased by 70.8% or P155.1 billion from P219.2 billion to P374.4 billion attributable to the 131.0% or P65.2 billion increase in Financial Assets at Fair Value Other Comprehensive Income (FVOCI); 54.3% or P88.8 billion increase in Investments at Amortized Cost; and 20.0% or P1.2 billion increase in Financial Assets at Fair Value Through Profit or Loss (FVTPL).

Investment in Associates – net, increased by 10.2% or P35.0 million from P344.0 million to P379.0 million on account of higher income from associates.

Bank Premises, Furniture, Fixture & Equipment - net, decreased by 11.0% or P1.4 billion from P12.7 billion to P11.3 billion mainly due to the sale of ATYC properties.

Investment Properties – net, decreased by 26.8% or P956.0 million from P3.6 billion to P2.6 billion representing the investment property portion of the sold ATYC properties.

Deferred Tax Assets (DTA) increased by 16.7% or P534.0 million from P3.2 billion to P3.7 billion as a result of the recognition of DTA on MCIT, Net Operating Loss Carry-Over and net increase in allowance for credit losses during the year.

Deposit Liabilities were recorded at P857.2 billion and represented 74.3% of Total Resources. Demand deposits grew by 20.5% or P29.8 billion from P144.8 billion to P174.6 billion and accounted for 15.1% of Total Resources. Savings deposits grew by 7.8% or P17.8 billion from P228.5 billion to P246.2 billion and accounted for 21.3% of Total Resources. Time deposits reached P436.4 billion, grew by 45.9% or P137.3 billion from P299.2 billion and accounted for 37.8% of Total Resources.

Bills Payable increased by 19.2% or P10.8 billion from P55.9 billion to P66.7 billion as alternative sources of funds.

Bonds Payable decreased by 14.7% or P12.8 billion from P87.2 billion to P74.4 billion attributable to the maturities of the P31.2 billion fixed rate bonds, net of the P14.8 billion **s**ustainability bond issuance during the year.

Accrued Taxes, Interest and Other Expenses increased by 38.2% or P2.3 billion from P6.1 billion to P8.4 billion mainly due to higher interest expense on Time Deposits as a result of the significant increase in volume and hike in interest rates.

Other Liabilities increased by 17.5% or P4.6 billion from P26.4 billion to P31.0 billion primarily due to the increase on finance lease liability recognition and unclaimed deposits.

Total Liabilities stood at P1.0 trillion and represented 89.9% of Total Resources.

Other Comprehensive Income decreased by 232.4% or P4.5 billion from P1.9 billion to P6.4 billion losses mainly due to decline in Net Unrealized Gains on Financial Assets at FVOCI securities.

Retained Earnings increased by 23.0% or P9.7 billion from P42.4 billion to P52.1 billion mainly on account of the net income during the year, net of cash dividends paid during the year.

Total Capital Funds were recorded at P116.4 billion and accounted for 10.1% of Total Resources.

Income Statement

INCOME STATEMENT			
In Million Pesos	**2022**	**2021**	**2020**
Interest Income	45,835	37,111	36,952
Interest Expense	14,619	8,280	10,671
Net Interest Income	31,216	28,831	26,281
Other Operating Income	13,238	7,563	11,632
Gross income	44,454	36,394	37,913
Impairment Losses	5,706	6,048	9,375
Operating Expenses	25,100	22,535	22,045
Tax Expense	1,568	728	1,475
Net income	12,080	7,083	5,018
Attributable to:			
Parent Company's Shareholders	12,080	7,082	5,020
Non-controlling Interests	0	1	(2)

The Bank booked a Net Income of P12.08 billion in 2022, higher by 70.6% or P5.0 billion, year-on-year. The record-high net income was a result of the following:

Total Interest Income increased by 23.5% or P8.7 billion from P37.1 billion to P45.8 billion and accounted for 103.1% of total operating income. Interest income on loans and receivables increased by 9.6% or P3.1 billion from P31.9 billion to P35.0 billion due to growth in average volume and average yield. It accounted 78.7% of total operating income. Interest income on Trading and Investment Securities increased by 119.3% or P5.3 billion from P4.4 billion to P9.8 billion due to combined effects of higher average volume and average yield; it accounted for 21.9% of total operating income. Due from BSP and Other Interest Income, on the other hand, increased by 45.5% or P347.0 million from P763.0 million to P1.1 billion mainly due to higher average yield of placements with the BSP.

Total Interest Expense increased by 76.6% or P6.3 billion from P8.3 billion to P14.6 billion and accounted for 32.9% of total operating income. Interest expense on Deposit Liabilities increased by 147.8% or P6.0 billion from P4.1 billion to P10.1 billion primarily due to growth in volume and higher average costs; it represented 22.6% of total operating income. Interest expense on Bills Payable and Other Borrowings increased by 8.1% or P341.0 billion from P4.2 billion to P4.6 billion due to growth in volume, net of lower average costs year-on-year.

The BSP implemented successive rate hikes starting May 2022 to December 2022. The benchmark rate ended at 5.5% for the year with a cumulative rate hike of 350 basis points.

As a result, Net Interest Income increased by 8.3% or P2.4 billion from P28.8 billion to P31.2 billion.

The Bank booked total Impairment Losses of P5.7 billion, down by 5.7% or P342.0 million from P6.0 billion last year due to impairment recovery from settlement of loan, net of the impact of the annual updating of expected credit loss components. It represented 12.8% of total operating income.

Other Operating Income increased by 75.0% or P5.7 billion from last year's P7.6 billion to P13.2 billion. This accounted for 29.8% of total operating income, and is broken down as follows:

- Service fees and commissions increased by 20.2% or P920.0 million from P4.5 billion to P5.5 billion mainly due to higher fees from retail transactions. It represented 12.3% of total operating income;
- Gain on assets sold – net, significantly increased by 2,957.4% or P3.0 billion from P101.0 million to P3.1 billion as a result of gain on sale of ATYC properties and various acquired assets;
- Foreign exchange gains – net, increased by 765.7% or P1.4 billion from P181.0 million to P1.6 billion due to higher foreign position profits;
- Trust fees increased by 5.9% or P23.0 million from P392.0 million to P415.0 million due to significant increase in volume of trust portfolio year-on-year;
- Trading and securities gains (losses) – net, decreased by 104.3% or P900.0 million from P863.0 million gain to P37.0 million loss due to lower realized trading gains and unrealized marked-to-market gains;
- Share in net earnings of subsidiaries and associates increased by 166.7% or P20.0 million due to higher equity earnings from Investments in Associates;
- Miscellaneous income increased by 84.6% or P1.2 billion from P1.5 billion to P2.7 billion mainly on account of the gain on settlement of loan, dividend and other income.

Operating Expenses, which accounted for 56.5% of total operating income, increased by 11.4% or P2.6 billion from P22.5 billion to P25.1 billion due to the following:

- Total Employee benefits increased by 3.0% or P192.0 million from P6.4 billion to P6.6 billion. It represented 14.8% of total operating income;
- Taxes and licenses, which accounted for 10.4% of total operating income, increased by 33.7% or P1.2 billion from P3.5 billion to P4.6 billion mainly due to increase in gross revenues and higher documentary stamp tax, which are volume-related;
- Depreciation and amortization was recorded at P3.0 billion. It represented 6.8% of total operating income;
- Occupancy and equipment-related expenses increased by 3.1% or P88.0 million from P2.8 billion to P2.9 billion. It represented 6.5% of total operating income;
- Miscellaneous expenses increased by 16.0% or P1.1 billion from P6.8 billion to P7.9 billion largely due to the increase in volume-related expenses. It accounted for 17.9% of total operating income.

Tax Expense increased by 115.4% or P840.0 million from P728.0 million to P1.6 billion mainly due to higher final tax on investments securities and higher income year-on-year.

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2022	2021	2022	2021
Return on Average Assets (ROA)	1.2%	0.8%	1.2%	0.8%
Return on Average Equity (ROE)*	11.2%	6.7%	11.2%	6.7%
Risk-based Capital Adequacy Ratio (CAR)	15.3%	15.2%	15.0%	14.9%

Common Equity Tier 1 Ratio	12.3%	12.2%	12.0%	11.8%
Non-Performing Loans (NPL) Ratio	2.0%	3.3%	1.9%	3.2%
Non-Performing Assets (NPA) Ratio	1.5%	2.7%	1.4%	2.6%
Net Interest Margin (NIM)	3.7%	4.1%	3.7%	4.1%
Cost-to-Income Ratio	56.5%	61.9%	55.8%	61.4%
Loans-to-Deposit Ratio**	63.4%	76.3%	62.4%	74.9%
Current Ratio	0.5	0.6	0.5	0.6
Liquid Assets-to-Total Assets Ratio	0.2	0.2	0.2	0.2
Debt-to-Equity Ratio	8.9	7.6	8.8	7.6
Asset-to- Equity Ratio	9.9	8.6	9.8	8.6
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.9	1.9	2.0	2.0
Earnings per Share (EPS)**				
Basic	P 5.42	P 3.09	P 5.42	P 3.09
Diluted	P 5.42	P 3.09	P 5.42	P 3.09

**Net of dividends on Hybrid Tier 1 Securities*
***Excluding Interbank loans and Loans under Reverse Repurchase Agreement*

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RIZAL MICROBANK, INC.	Audited	
In Php 000s (Except EPS)	**2022**	**2021**
Net Income (Loss)	19,592	(9,938)
Return on Average Assets (ROA)	1.3%	-0.7%
Return on Average Equity (ROE)	3.9%	-2.0%
Risk-based Capital Adequacy Ratio (CAR)	29.1%	31.0%
Non-Performing Loans (NPL) Ratio	1.3%	3.0%
Non-Performing Assets (NPA) Ratio	3.6%	4.6%
Earnings (Loss) per Share (EPS)	1.74	(0.88)

RCBC CAPITAL CORPORATION and Subsidiaries	Audited	
In Php 000s (Except EPS)	**2022**	**2021**
Net Income	149,435	315,427
Return on Average Assets (ROA)	3.6%	7.3%
Return on Average Equity (ROE)	4.8%	9.6%
Risk-based Capital Adequacy Ratio (CAR)	46.9%	38.5%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	1.26	2.67

RCBC FOREX BROKERS CORPORATION	Audited	
In Php 000s (Except Loss per Share)	**2022**	**2021**
Net Income	5,761	1,725
Return on Average Assets (ROA)	3.5%	1.0%
Return on Average Equity (ROE)	3.7%	1.1%
Capital to Total Assets	95.9%	95.7%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Loss per Common Share*	(36.48)	(44.55)

*Net of 12% dividend on preferred shares equivalent to P12 per share

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In Php 000s (Except Loss per Share)	**2022**	**2021**
Net Loss	(5,820)	(8,176)
Return on Average Assets (ROA)	-5.1%	-7.5%
Return on Average Equity (ROE)	-5.4%	-7.7%
Capital to Total Assets	94.5%	95.4%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share	(2.33)	(3.27)

RCBC TELEMONEY EUROPE S.P.A *	Audited	
In Php 000s (Except EPS)	**2022**	**2021**
Net Income	0.0	0.0
Return on Average Assets (ROA)	0.0%	0.0%
Return on Average Equity (ROE)	0.0%	0.0%
Capital to Total Assets	-158.5%	-158.5%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Earnings per Share (EPS)	0.00	0.00

**In the process of liquidation.*

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	**2022**	**2021**
Net Income	8,028	(3,458)
Return on Average Assets (ROA)	5.7%	-2.2%
Return on Average Equity (ROE)	-7.5%	3.1%
Capital to Total Assets	-70.8%	-80.1%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Earnings (Loss) per Share (EPS)	0.04	(0.02)

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)	**2022**	**2021**
Net Income	53,003	22,490
Return on Average Assets (ROA)	9.4%	4.0%
Return on Average Equity (ROE)	10.1%	4.3%
Capital to Total Assets	93.7%	93.6%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Earnings per Share (EPS)	38.11	16.17

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except EPS)	**2022**	**2021**
Net Income (Loss)	(107,834)	147,883
Return on Average Assets (ROA)	-0.9%	1.3%
Return on Average Equity (ROE)	-4.7%	6.8%
Capital to Total Assets	19.1%	17.4%
Non-Performing Loans (NPL) Ratio	13.0%	8.3%
Non-Performing Assets (NPA) Ratio	11.2%	5.4%
Earnings (Loss) per Share (EPS)	(0.04)	0.05

CAJEL REALTY CORPORATION	Audited	
In Php 000s (Except Loss per Share)	**2022**	**2021**
Net Loss	(430)	P (476)
Return on Average Assets (ROA)	-0.8%	-0.9%
Return on Average Equity (ROE)	-0.8%	-0.9%
Capital to Total Assets	99.9%	100.0%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Loss per Share	(0.72)	(0.80)

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 Risk-based 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 of NPLs) / (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.*

2023

2023 was a difficult year for the Philippines that ended with slower paced economic growth than 2022. The economy faced challenges with high interest rates, inflation, global headwinds and delays in government spending. However, growth continued at a moderate 5.6% driven by gains in tourism, manufacturing, resilient remittance inflows, and export growth.

The year's blunted gains fall short of the 6.0%-7.0% Development Budget Coordination Committee (DBCC) growth projection for 2023. Of all the issues faced by the economy, inflation took center stage this year, reaching a 14-year peak of 8.7% in January driven by an uptick in food, energy and transport prices. The full year average inflation rate reached 6.0%, up from 2022's 5.8% and contributed to the BSP's decision to raise rates to a 16-year high of 6.5%. Inflation was sharply felt by consumers with food inflation averaging 8.0% over the year, up from the 6.1% average seen in 2022. The outlook for Philippine agriculture entering into 2024 is gloomy due to the El Niño, which may cause droughts and further complicate the economy's issues with food supply and prices. These problems are not endemic to the Philippines though, the entire world struggled with inflation in 2023, and other countries' efforts to subdue price inflation such as India's rice export ban have affected the Philippine market and further raised domestic prices. Aside from inflation, the Philippines' GDP growth was also hampered by sluggish public spending over the first half of the year. Government final consumption expenditure contracted by -7.1% in the second quarter, with another -1.8% contraction in the fourth quarter despite the implementation of spending catch-up plans.

While growth was slower than expected, 5.6% was higher than the Philippines' mean GDP growth for the past 10 years and higher than the growth rates projected by neighboring countries such as Malaysia, Indonesia and Thailand. Despite inflationary pressures and high interest rates household consumption expenditure grew 5.6% for the whole year. Remittance inflows for 2023 grew by 2.9% which may have helped cushion the consumer base from price inflation. Tourism was a major standout in 2023, strong private consumer spending drove domestic tourism growth and international receipts grew by 124.9% year-on-year to P482.5 billion. Another noteworthy sector is financial and insurance activities which grew 8.9% over the year and is the largest contributor to service sector growth in 2023.

Financial and Operating Highlights

Balance Sheet

BALANCE SHEET			
In Million Pesos	**2023**	**2022**	**2021**
Total Assets	1,238,332	1,154,108	959,133
Investment Securities	330,742	374,365	219,235
Loans and Receivables (Net)	649,929	558,869	538,302
Total Deposits	956,712	857,244	672,459
Capital Funds	152,275	116,361	111,080

RCBC's Total Assets stood at P1.2 trillion as of December 31, 2023. This represents a growth of 7.3% or P84.2 billion, year-on-year. The significant movements are discussed below:

Cash and Other Cash Items increased by 9.9% or P1.8 billion due to higher cash in vault and additional cash requirements of the 108 new ATMs to service higher withdrawals during the holidays.

Due from BSP decreased by 3.1% or P4.9 billion year-on-year. It represented 12.3% of Total Resources.

Due from Other Banks increased by 155.2% or P9.1 billion to fund usage of international cards and as a result of net movements of balances maintained with local and foreign banks as part of the liquidity management of the Bank.

Loans Arising from Reverse Repurchase Agreements increased by 310.4% or P27.1 billion on account of higher placement with the BSP.

Total Investment Securities, representing 26.7% of Total Resources, decreased by 11.7% or P43.6 billion attributable to net maturities of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) and Investment Securities at Amortized Cost.

Loans and Receivables – net, increased by 16.3% or P91.1 billion as a result of the sustained growth in consumer, small medium enterprises and corporate loans. It represented 52.5% of Total Resources.

Investments in Associates – net, increased by 34.3% or P130.0 million on account of the initial investment in RCBC Trust Corporation and higher income from associates.

Bank Premises, Furniture, Fixture & Equipment – net, decreased by 19.0% or P2.1 billion due to the sale of various real estate properties.

Investment Properties – net, decreased by 79.2% or P2.1 billion due to reclassification of various properties to non-current assets held for sale under other resources and sale of various accounts.

Deferred Tax Assets (DTA) increased by 54.4% or P2.0 billion mainly due to recognition of deferred tax asset on retirement plan, minimum corporate income tax and impairment provision.

Other Resources – net, increased by 42.8% or P5.8 billion largely due to recognition of net defined benefit asset, reclassification of investment properties to non-current assets held for sale and higher creditable withholding tax year-on-year.

Total Liabilities stood at P1.1 trillion with an increase of P48.3 billion or 4.7%. The significant movements are discussed below:

Deposit Liabilities increased to P956.7 billion, grew by 11.6% or P99.5 billion mainly coming from Current and Savings Account (CASA) deposits which grew by 19.3% or P81.3 billion. Time deposits reached P454.6 billion and grew by 4.2% or P18.1 billion.

Bills Payable decreased by 23.7% or P15.8 billion primarily due to net maturities of local and foreign borrowings during the year.

Bonds Payable decreased by 53.0% or P39.5 billion attributable to the maturities of the USD450.0 million Senior Notes and P13.7 billion Green Bonds during the year.

Accrued Taxes, Interest and Other Expenses increased by 43.4% or P3.7 billion mainly due to the increases in accrual of interest on time deposits and taxes.

Total Capital Funds stood at P152.3 billion with an increase of P35.9 billion or 30.9% on account of the P26.7 billion capital infusion and the P12.2 billion net income for the year, reduced by the P3.3 billion dividends paid during the year and actuarial gains/(losses) on net defined benefit plan.

Income Statement

INCOME STATEMENT			
In Million Pesos	**2023**	**2022**	**2021**
Interest Income	66,289	45,835	37,111
Interest Expense	32,660	14,619	8,280
Net Interest Income	33,629	31,216	28,831
Other Operating Income	16,368	13,238	7,563
Gross income	49,997	44,454	36,394
Impairment Losses	6,888	5,706	6,048
Operating Expenses	29,594	25,100	22,535
Tax Expense	1,298	1,568	728
Net income	12,217	12,080	7,083
Attributable to:			
Parent Company's Shareholders	12,218	12,080	7,082
Non-controlling Interests	(1)	0	1

RCBC recorded a Net Income of P12.2 billion in 2023 driven by the following:

Total Interest Income increased by 44.6% or P20.5 billion driven by the growth in volume and better yields. Interest income on loans and receivables was higher by 41.3% or P14.4 billion; interest income on trading and investment securities increased by 35.7% or P3.5 billion and other interest income higher by 228.2% or P2.5 billion.

Total Interest Expense increased by 123.4% or P18.0 billion due to higher interest expense on deposit liabilities by 178.8% or P18.0 billion as a result of successive rate hikes and growth in average volume.

As a result, Net Interest Income amounted to P33.6 billion from P31.2 billion and represented 67.3% of total operating income.

The Group booked Impairment Losses of P6.9 billion, higher by 20.7% or P1.2 billion due to last year's recognition of impairment recovery. Excluding such recovery in 2022, Impairment loss provision should have been down by 7.2% or P534.2 million.

Other Operating Income of P16.4 billion grew by 23.6% or P3.1 billion and this accounted for 32.7% of total operating income on account of the following:

- Gain on assets sold – net higher by 117.4% or P3.6 billion due to gain on sale of various real estate properties;
- Service fees and commissions higher by 21.7% or P1.2 billion largely from the increase in fee-based income;
- Trading and securities gains up by 1,300.0% or P481.0 million on account of better marked to market valuation;
- Gain on disposal of subsidiaries higher by P243.0 million year-on-year due to sale of wholly-owned subsidiaries, NPHI and CRC;
- Share in net earnings of subsidiaries and associates increased by 187.5% or P60.0 million due to higher equity earnings from Investment in Associates;
- Foreign exchange gains – net, lower by 101.0% or P1.6 billion on account of lower position profits, net of higher foreign exchange income from commercial transactions; and
- Miscellaneous income lower by 33.1% or P895.0 million mainly due to lower gain on settlement of loan and lower rental income year-on-year.

Operating Expenses amounted to P29.6 billion, higher by 17.9% or P4.5 billion on account of the following:

- Employee benefits higher by 8.9% or P587.0 million largely due to increase in headcount;
- Occupancy and equipment-related costs higher by 12.2% or P354.0 million largely due to higher information technology costs and increase in rental expenses;
- Taxes and licenses grew by 40.7% or P1.9 billion due to higher revenue-related gross receipts taxes and volume-driven documentary stamp taxes;
- Depreciation and amortization higher by 10.8% or P328.0 million on account of higher amortization on Right-Of-Use (ROU) assets and computer software; and
- Miscellaneous expenses higher by 16.8% or P1.3 billion largely due to higher credit card-related expenses and increase in regulatory fees, which are both volume-driven.

Provision for Income Tax was lower by 17.2% or P270.0 million mainly due to the recognition of deferred income tax on retirement and impairment losses.

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		**Parent**	
	2023	**2022**	**2023**	**2022**
Return on Average Assets (ROA)	1.1%	1.2%	1.1%	1.2%
Return on Average Equity (ROE)*	9.5%	11.2%	9.5%	11.2%
Risk-based Capital Adequacy Ratio (CAR)	17.4%	15.3%	17.2%	15.0%
Common Equity Tier 1 Ratio	14.7%	12.3%	14.5%	12.0%
Non-Performing Loans (NPL) Ratio	1.6%	2.0%	1.5%	1.9%

Non-Performing Assets (NPA) Ratio	1.3%	1.5%	1.2%	1.4%
Net Interest Margin (NIM)	3.4%	3.7%	3.4%	3.7%
Cost-to-Income Ratio	59.2%	56.5%	59.5%	55.8%
Loans-to-Deposit Ratio**	65.1%	63.4%	64.3%	62.4%
Current Ratio	0.5	0.5	0.5	0.5
Liquid Assets-to-Total Assets Ratio	0.2	0.2	0.2	0.2
Debt-to-Equity Ratio	7.1	8.9	7.1	8.8
Asset-to- Equity Ratio	8.1	9.9	8.1	9.8
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.4	1.9	1.4	2.0
Earnings per Share (EPS)**				
Basic	P 5.07	P 5.42	P 5.07	P 5.42
Diluted	P 5.07	P 5.42	P 5.07	P 5.42

**Net of dividends on Hybrid Tier 1 Securities*
***Excluding Interbank loans and Loans under Reverse Repurchase Agreement*

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RIZAL MICROBANK, INC.	**Audited**	
In Php 000s (Except EPS)	**2023**	**2022**
Net Income (Loss)	3,150	19,592
Return on Average Assets (ROA)	0.2%	1.3%
Return on Average Equity (ROE)	0.6%	3.9%
Risk-based Capital Adequacy Ratio (CAR)	29.2%	29.1%
Non-Performing Loans (NPL) Ratio	4.3%	1.3%
Non-Performing Assets (NPA) Ratio	6.4%	3.6%
Earnings per Share (EPS)	0.28	1.74

RCBC CAPITAL CORPORATION and Subsidiaries	**Audited**	
In Php 000s (Except EPS)	**2023**	**2022**
Net Income	191,142	149,435
Return on Average Assets (ROA)	4.7%	3.6%
Return on Average Equity (ROE)	5.9%	4.8%
Risk-based Capital Adequacy Ratio (CAR)	52.1%	46.9%
Non-Performing Loans (NPL) Ratio	0.0%	-
Non-Performing Assets (NPA) Ratio	0.1%	0.0%
Earnings per Share (EPS)	1.62	1.26

RCBC FOREX BROKERS CORPORATION	**Audited**	
In Php 000s (Except Loss per Share)	**2023**	**2022**
Net Income	6,994	5,761
Return on Average Assets (ROA)	4.2%	3.5%
Return on Average Equity (ROE)	4.4%	3.7%
Capital to Total Assets	96.9%	95.9%
Non-Performing Loans (NPL) Ratio	0.0%	0
Non-Performing Assets (NPA) Ratio	0.0%	0
Loss per Common Share*	(34.01)	(36.48)

*Net of 12% dividend on preferred shares equivalent to P12 per share

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In Php 000s (Except Loss per Share)	**2023**	**2022**
Net Loss	(7,574)	(5,820)
Return on Average Assets (ROA)	-7.0%	-5.1%
Return on Average Equity (ROE)	-7.3%	-5.4%
Capital to Total Assets	96.5%	94.5%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share	(3.03)	(2.33)

RCBC TELEMONEY EUROPE S.P.A *	Audited	
In Php 000s (Except EPS)	**2023**	**2022**
Net Income	0.0	0.0
Return on Average Assets (ROA)	0.0%	0.0%
Return on Average Equity (ROE)	0.0%	0.0%
Capital to Total Assets	-158.5%	-158.5%
Non-Performing Loans (NPL) Ratio	0	0
Non-Performing Assets (NPA) Ratio	0	0
Earnings per Share (EPS)	0.00	0.00

**In the process of liquidation.*

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	**2023**	**2022**
Net Income (Loss)	(104)	8,028
Return on Average Assets (ROA)	-0.1%	5.7%
Return on Average Equity (ROE)	0.1%	-7.5%
Capital to Total Assets	-108.2%	-70.8%
Non-Performing Loans (NPL) Ratio	0.0%	0
Non-Performing Assets (NPA) Ratio	0.0%	0
Earnings (Loss) per Share (EPS)	(0.00)	0.04

NIYOG PROPERTY HOLDINGS, INC.	Audited	
In Php 000s (Except EPS)	**2023**	**2022**
Net Income	Not Applicable	53,003
Return on Average Assets (ROA)		9.4%
Return on Average Equity (ROE)		10.1%
Capital to Total Assets		93.7%
Non-Performing Loans (NPL) Ratio		0
Non-Performing Assets (NPA) Ratio		0
Earnings per Share (EPS)		38.11

**On July 2023, the Bank sold and transferred its ownership interest with NPHI and Cajel.*

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except Loss per Share)	**2023**	**2022**
Net Income (Loss)	(445,311)	(107,834)
Return on Average Assets (ROA)	-4.1%	-0.9%
Return on Average Equity (ROE)	-22.9%	-4.7%
Capital to Total Assets	13.5%	19.1%
Non-Performing Loans (NPL) Ratio	10.3%	13.0%
Non-Performing Assets (NPA) Ratio	10.3%	11.2%
Loss per Share	(0.15)	(0.04)

CAJEL REALTY CORPORATION	Audited	
In Php 000s (Except Loss per Share)	2023	2022
Net Loss	Not Applicable	(430)
Return on Average Assets (ROA)		-0.8%
Return on Average Equity (ROE)		-0.8%
Capital to Total Assets		99.9%
Non-Performing Loans (NPL) Ratio		0
Non-Performing Assets (NPA) Ratio		0
Loss per Share		(0.72)

**On July 2023, the Bank sold and transferred its ownership interest with NPHI and Cajel.*

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 Risk-based 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 of NPLs) / (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.*

2024

In 2024, the Philippine economy grew by 5.6%, slightly better than the 5.5% recorded in 2023 but missed the government's target of 6.0% - 6.5%.

Household consumption is still the biggest driver of Philippine growth as it accounted for 72.5% of total GDP. However, it slowed to 4.8% from 5.6% the previous year due to the aftereffects of several typhoons that hit the country and the lingering elevated interest rates despite the 75 basis points cut in BSP policy rates to a 2-year low of 5.75%.

Even as BSP largely moved in lockstep with US Federal Reserve cuts, year-end USD/PHP exchange rate depreciated by 4.5% to P57.85 year-on-year due to a stronger US dollar largely because of the Trump factor which could lead to more protectionist policies.

Consumption was still strong supported by the tapering of inflation to 3.2% last year down from 6.0% and within BSP's inflation target and higher employment rate of 96.2% in 2024 compared to 2023.

On the other hand, government expenditure was faster at 7.2% coming from just 0.6% the previous year due to larger personnel services expenditures and increased public infrastructure spending, according to a Department of Finance (DOF) report. Investments increased to 7.5% from 5.9%, while both exports and imports improved to 3.4% and 4.3%, respectively despite the subdued global demand.

On the supply side, Industry was the only sector that recorded faster growth year-on-year to 5.6% driven by higher growth rates in manufacturing; electricity, steam, water, and waste; as well as construction compared to 2023. Services which was 62.9% of GDP slowed to 6.7%. Agriculture also suffered as it contracted by 1.6% from a growth of 1.2% in 2023 due to weather disturbances.

Despite missing the government's target and performing below market expectations, the Philippines remained one of the fastest growing economies in ASEAN, second only to Vietnam.

Financial and Operating Highlights

Balance Sheet

BALANCE SHEET			
In Million Pesos	**2024**	**2023**	**2022**
Total Assets	1,360,153	1,238,332	1,154,108
Investment Securities	429,086	330,742	374,365
Loans and Receivables (Net)	742,497	649,929	558,869
Total Deposits	1,022,794	956,712	857,244
Capital Funds	158,491	152,275	116,361

RCBC's Total Assets stood at P1.4 trillion as of December 31, 2024. This represents a growth of 9.8% or P121.8 billion, year-on-year. The significant movements are discussed below:

Cash and Other Cash Items increased by 15.7% or P3.1 billion due to higher cash in vault and additional cash requirements of the 22 new ATMs to service higher withdrawals during the holidays.

Due from BSP decreased by 24.1% or P36.5 billion due to lower BSP Term Deposits as short-term investment.

Due from Other Banks decreased by 2.2% or P323.0 million year-on-year.

Loans Arising from Reverse Repurchase Agreements decreased by 100.0% or P35.8 billion due to lower placements with the BSP.

Total Investment Securities, representing 31.5% of Total Resources, increased by 29.7% or P98.3 billion attributable to net acquisitions of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) and Investment Securities at Amortized Cost.

Loans and Receivables – net, increased by 14.2% or P92.6 billion as a result of the sustained growth in consumer, small medium enterprises and corporate loans. It represented 54.6% of Total Resources.

Investments in Associates – net, increased by 18.0% or P91.5 million on account of the share in income from associates.

Bank Premises, Furniture, Fixtures & Equipment – net, decreased by 12.0% or P1.1 billion due to the depreciation and amortization charges for the year.

Investment Properties – net, increased by 27.9% or P151.6 million due to additional foreclosed properties.

Deferred Tax Assets (DTA) increased by 4.8% or P276.9 million year-on-year.

Other Resources – net, increased by 5.2% or P1.0 billion largely due to the higher deferred charges, refundable deposits and creditable withholding taxes.

Total Liabilities stood at P1.2 trillion with an increase of P115.6 billion or 10.6%. The significant movements are discussed below:

Deposit Liabilities increased to P1.0 trillion, grew by 6.9% or P66.1 billion mainly coming from CASA deposits which grew by 7.2% or P36.3 billion. Time deposits reached P484.3 billion and grew by 6.5% or P29.7 billion.

Bills Payable increased by 70.3% or P35.8 billion primarily due to net availments of foreign borrowings during the year.

Bonds Payable decreased by 22.9% or P8.0 billion attributable to the maturities of the P14.8 billion Senior Notes and USD300 million Senior Notes during the year, net of the USD400M, 5-year Notes issued in January 2024.

Accrued Taxes, Interest and Other Expenses decreased by 3.4% or P414.8 million year-on-year.

Total Capital Funds stood at P158.5 billion with an increase of P6.2 billion or 4.1% on account of the P9.5 billion net income for the year, reduced by the P3.5 billion cash dividends paid during the year and P0.2 billion increase in other comprehensive income attributable to actuarial gains/(losses) on net defined benefit plan, fair value gains/(losses) on equity securities at FVOCI and translation adjustments on foreign operations.

Income Statement

INCOME STATEMENT			
In Million Pesos	**2023**	**2023**	**2022**
Interest Income	79,083	66,289	45,835
Interest Expense	36,582	32,660	14,619
Net Interest Income	42,501	33,629	31,216
Other Operating Income	10,907	16,368	13,238
Gross income	53,408	49,997	44,454
Impairment Losses	8,619	6,888	5,706
Operating Expenses	31,801	29,594	25,100
Tax Expense	3,468	1,298	1,568
Net income	9,520	12,217	12,080
Attributable to:			
Parent Company's Shareholders	9,520	12,218	12,080
Non-controlling Interests	0	(1)	0

RCBC recorded a Net Income of P9.5 billion in 2024 driven by the following:

Total Interest Income increased by 19.3% or P12.8 billion driven by the growth in volume and better yields. Interest income on loans and receivables was higher by 23.6% or P11.6 billion. Interest income on trading and investment securities increased by 20.6% or P2.7 billion. Other interest income, on the other hand, was lower by 43.3% or P1.6 billion.

Total Interest Expense increased by 12.0% or P3.9 billion due to higher interest expense on deposit liabilities of 11.0% or P3.1 billion as a result of growth in average volume and cost.

As a result, Net Interest Income amounted to P42.5 billion from P33.6 billion and represented 79.6% of total operating income.

The Group booked Impairment Losses of P8.6 billion, higher by 25.1% or P1.7 billion mainly due to higher specific and general provisions during the year mainly driven by the significant growth in volume of consumer loan portfolio.

Other Operating Income of P10.9 billion decreased by 33.4% or P5.5 billion and this accounted for 20.4% of total operating income on account of the following:

- Service fees and commissions higher by 27.4% or P1.8 billion largely from the increase in fee-based income;
- Foreign exchange gains (losses) – net, lower by P2.0 billion on account of lower foreign exchange position profits and lower gains from commercial transactions;
- Trading and securities gains (losses) – net up by 236.7% or P1.1 billion on account of higher realized trading gains;
- Gain on assets sold – net lower by 79.9% or P5.4 billion due to sale of various real estate properties last year;
- Share in net earnings of subsidiaries and associates decreased by 7.6% or P7.0 million due to lower equity earnings from Investment in Associates;
- Trust fees – the 100% reduction was due to the spin-off of the Bank's Trust Operations to a Stand-Alone Trust Corporation effective January 2, 2024;
- Gain on disposal of subsidiaries – the 100% reduction was due to the sale of wholly-owned subsidiaries, NPHI and CRC last year; and
- Miscellaneous income lower by 19.0% or P343.0 million mainly due to lower gain on settlement of loan and lower rental income year-on-year.

Operating Expenses amounted to P31.8 billion, higher by 7.5% or P2.2 billion on account of the following:

- Employee benefits higher by 12.7% or P909.0 million largely due to increase in headcount;
- Taxes and licenses grew by P2.0 million year-on-year;
- Occupancy and equipment-related costs higher by 19.3% or P630.0 million largely due to higher information technology costs and increase in rental expenses;
- Depreciation and amortization higher by 0.4% or P14.0 year-on-year; and
- Miscellaneous expenses higher by 7.0% or P652.0 million largely due to higher credit card-related expenses and service fees, which are both volume-driven-related expenses and increase in regulatory fees, which are both volume-driven.

Tax Expense was higher by 167.2% or P2.2 billion mainly due to the lower deferred income tax benefit recognized during the year and higher final tax on investment securities.

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

Performance Indicators

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Audited			
	Consolidated		Parent	
	2024	2023	2023	2023
Return on Average Assets (ROA)	0.8%	1.1%	0.8%	1.1%
Return on Average Equity (ROE)*	6.0%	9.5%	6.0%	9.5%
Risk-based Capital Adequacy Ratio (CAR)	16.1%	17.4%	15.9%	17.2%
Common Equity Tier 1 Ratio	13.5%	14.7%	13.3%	14.5%
Non-Performing Loans (NPL) Ratio	2.4%	1.6%	2.2%	1.5%
Non-Performing Assets (NPA) Ratio	1.6%	1.3%	1.4%	1.2%
Net Interest Margin (NIM)	3.9%	3.4%	3.9%	3.4%
Cost-to-Income Ratio	59.5%	59.2%	59.2%	59.5%
Loans-to-Deposit Ratio**	69.5%	65.1%	68.9%	64.3%
Current Ratio	1.1	0.5	1.1	0.5

Liquid Assets-to-Total Assets Ratio	0.1	0.2	0.1	0.2
Debt-to-Equity Ratio	7.6	7.1	7.5	7.1
Asset-to- Equity Ratio	8.6	8.1	8.5	8.1
Asset -to- Liability Ratio	1.1	1.1	1.1	1.1
Interest Rate Coverage Ratio	1.4	1.4	1.4	1.4
Earnings per Share (EPS)**				
Basic	P 3.48	P 5.07	P 3.48	P 5.07
Diluted	P 3.48	P 5.07	P 3.48	P 5.07

*Net of dividends on Hybrid Tier 1 Securities
**Excluding Interbank loans and Loans under Reverse Repurchase Agreement

Wholly-Owned/Virtually Wholly Owned Subsidiaries

RIZAL MICROBANK, INC.	Audited	
In Php 000s (Except EPS)	2024	2023
Net Income	4,151	3,150
Return on Average Assets (ROA)	0.3%	0.2%
Return on Average Equity (ROE)	0.8%	0.6%
Risk-based Capital Adequacy Ratio (CAR)	30.9%	29.2%
Non-Performing Loans (NPL) Ratio	3.7%	4.3%
Non-Performing Assets (NPA) Ratio	7.0%	6.4%
Earnings per Share (EPS)	0.37	0.28

RCBC CAPITAL CORPORATION and Subsidiaries	Audited	
In Php 000s (Except EPS)	2024	2023
Net Income	348,592	191,142
Return on Average Assets (ROA)	8.4%	4.7%
Return on Average Equity (ROE)	10.0%	5.9%
Risk-based Capital Adequacy Ratio (CAR)	51.8%	52.1%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.1%
Earnings per Share (EPS)	2.95	1.62

RCBC FOREX BROKERS CORPORATION	Audited	
In Php 000s (Except Loss per Share)	2024	2023
Net Income	8,883	6,994
Return on Average Assets (ROA)	5.4%	4.2%
Return on Average Equity (ROE)	5.6%	4.4%
Capital to Total Assets	97.0%	96.9%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Common Share*	(30.37)	(34.01)

*Net of 12% dividend on preferred shares equivalent to P12 per share

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Audited	
In Php 000s (Except Loss per Share)	2024	2023
Net Loss	(11,626)	(7,574)
Return on Average Assets (ROA)	-11.4%	-7.0%
Return on Average Equity (ROE)	-12.0%	-7.3%
Capital to Total Assets	96.4%	96.5%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%

Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Loss per Share	(4.65)	(3.03)

RCBC TELEMONEY EUROPE S.P.A *	Audited	
In Php 000s (Except EPS)	**2024**	**2023**
Net Income	0.0	0.0
Return on Average Assets (ROA)	0.0%	0.0%
Return on Average Equity (ROE)	0.0%	0.0%
Capital to Total Assets	0.0%	-158.5%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings per Share (EPS)	0.00	0.00

**Liquidated in 2024*

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Audited	
In Php 000s (Except EPS)	**2024**	**2023**
Net Loss	(426)	(104)
Return on Average Assets (ROA)	-0.4%	-0.1%
Return on Average Equity (ROE)	0.4%	0.1%
Capital to Total Assets	-113.9%	-108.2%
Non-Performing Loans (NPL) Ratio	0.0%	0.0%
Non-Performing Assets (NPA) Ratio	0.0%	0.0%
Earnings (Loss) per Share (EPS)	(0.00)	(0.00)

RCBC LEASING AND FINANCE CORP. and Subsidiary	Audited	
In Php 000s (Except Loss per Share)	**2024**	**2023**
Net Income (Loss)	39,836	(445,311)
Return on Average Assets (ROA)	0.4%	-4.1%
Return on Average Equity (ROE)	2.3%	-22.9%
Capital to Total Assets	12.9%	13.5%
Non-Performing Loans (NPL) Ratio	36.9%	10.3%
Non-Performing Assets (NPA) Ratio	23.9%	10.3%
Loss per Share	0.01	(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 Risk-based 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 of NPLs) / (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 2025

The economy and markets in 2025 will continue to experience uncertainties and headwinds in the form of possible continued elevated inflation and interest rate, geopolitical risks, and weather disturbances.

Despite this, Philippines is still forecasted to record the second fastest economic growth in Southeast Asia this 2025 with consumption seen as one of the drivers of growth. This further supports RCBC's focus on growing its consumer loans.

Strategies to grow both business and consumer loans as well as increase number of customers include, using data science to identify cross sell opportunities, expanding partnerships and collaborations, and tapping ecosystems and supply chains. The Bank will also launch new products and features of our digital offerings.

To improve customer engagement and employee productivity, RCBC will continue to redesign processes and use new technologies such as robotic process automation (RPA) and artificial intelligence (AI).

CASA will remain a priority through cash management and cross sell campaigns to manage interest rate expense/cost.

Note to Financial Statements as of March 31, 2025

Information in this section will be updated and provided once the interim financial statements are ready for submission by May 15, 2025.

Statement of Compliance with Generally Accepted Accounting Principles. The interim financial statements of the Bank have been prepared in accordance with the Philippine Financial Reporting Standards.

See accompanying Notes to Interim Financial Statements for the detailed discussion of compliance with Generally Accepted Accounting Principles.

Accounting Policies and Methods of Computation. See accompanying Notes to Interim Financial Statements for the detailed discussion of the accounting policies and methods of computation (Note 2).

Seasonality or Cyclicality of Interim Operations. Seasonal or cyclical events and/or conditions do not materially affect the year-round operations of the Bank.

Changes in Estimates of Amounts Reported. There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in estimates of amounts reported in prior financial years.

Issuances, Repurchases and Repayments of Debt and Equity Securities. *Information will be provided once the 17Q is ready for submission by May 15, 2025.*

Dividends Paid for Ordinary or Other Shares.

The details of the cash dividend approvals and distributions updated to March 31, 2025 will be provided once the interim financial statements and the 17C are ready for submission by May 15, 2025.

Note: In 2015, the BSP, through the monetary board, approved the liberalized rules for banks and quasi-banks on dividend declaration. The policy requires that dividend declaration be immediately recognized as a liability upon the approval of the BOD and that it be disclosed in the statement of changes in equity. Further, prior BSP approval is no longer required except for certain cases.

Material Events Subsequent to the End of the Interim Period Not Reflected in the Financial Statements. See accompanying Notes to Interim Financial Statements for the detailed discussion on the material events subsequent to the end of the interim period not reflected in the financial statements.

Changes in Composition of the Issuer During the Interim Period and Material Contingencies and Any Other Events or Transactions. There were no material changes in composition of the issuer during the interim period and material contingencies and any other events or transactions.

Changes in Contingent Liabilities or Contingent Assets. There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information on the matters below will be provided in the Definitive Information Statement as the first quarter interim report (17Q) is still being prepared for filing by May 15, 2025.

Financial Performance

Statement of Condition 31 March 2025 vs. 31 December 2024

Income Statement

31 March 2025 vs. 31 March 2024

Commitments and Contingent Liabilities See accompanying Notes to FS for the detailed discussion of Commitments and Contingent Liabilities and the summary of contingencies and commitments arising from off-balance sheet items and their equivalent peso contractual amounts (Note 12).

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.

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.

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

(C) Financial Statements

The consolidated financial statements have been prepared in conformity with Philippine Financial Reporting Standards 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 2024)

If material;

(i) Commitments and Contingent Liabilities

In the normal course of operations of the Group, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, tax assessments, claims from customers and third parties, etc., with amounts not reflected in the financial statements. Management does not anticipate losses from these transactions that will adversely affect the Group's operations.

In the opinion of management, the suits and claims arising from the normal course of operations of the Group that remain unsettled, if decided adversely, will not involve sums that would have material effect on the Group'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.

(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

The following is a summary of contingencies and commitments arising from off-statement of financial position items at their equivalent peso contractual amounts as of March 31, 2025 and December 31, 2024

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Derivative assets	P 343,006	P 356,527
Outstanding guarantees issued	291,610	268,149
Derivative liabilities	142,749	103,404
Spot exchange sold	38,532	10,617
Spot exchange bought	38,548	10,613
Unused commercial letters of credit	18,205	23,098
Inward bills for collection	7,963	13,677
Late deposits/payments received	790	818
Outward bills for collection	78	28
Others	204	63

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

There were no material commitments for capital expenditures.

(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 Group 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 Group's annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amount billed/to be billed, excluding out-of-pocket expenses, by its independent accountant amounted to P11.7 million and P13.8 million for 2024 and 2023, respectively. Additionally, approximately P4.5 million was paid for other services rendered by the independent accountant in 2024.

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 to the quarterly financial statements review and due diligence engagements for 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, 2024 and 2023, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures..

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. The Bank's total resources reached P1.4 trillion with a total net worth of P158.5 billion. It has a consolidated network of 465 business centers and supplemented by 1,482 automated teller machines (ATMs) and 7,947 ATM Go terminals strategically located nationwide.

The Bank offers commercial, corporate and consumer lending products, cash management products, treasury products, remittance services as well as digital and mobile banking services. RCBC also enters into derivative 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, personal/salary loans, 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 BSP 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 33.92% 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. In 2023, Sumitomo Mitsui Banking Corporation (SMBC) has completed its acquisition of an additional 15.01% equity stake in RCBC resulting in an increase of SMBC's shareholding to 20.00%. SMBC is a global financial institution and a member of the Sumitomo Mitsui Financial Group, Inc. It is one of the largest banks in Japan with headquarters in Tokyo. Another significant investor is Cathay Life Insurance Co. Ltd., a wholly-owned subsidiary of Cathay Financial which is the largest publicly listed financial holding company in Taiwan, with 18.68% ownership.

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 effort 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 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. The Company is registered to operate as a money changer/ foreign exchange dealer with a Type "E" registration (as an authorized agent bank's subsidiary foreign exchange corporation) under the regulatory supervision of the BSP. The Company deals with money changers, foreign exchange dealers and remittance agents.

RCBC International Finance Limited (RCBC IFL), a wholly-owned subsidiary of the Bank, was established on 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.

Rizal Microbank, Inc. – A Thrift Bank of RCBC (RMB), a wholly-owned subsidiary of the Bank, was acquired on May 15, 2008 to engage in microfinancing and development of small businesses. Rizal Microbank has 16 branches and 2 branch lite offices with operations in Southern Luzon and Mindanao. RMB moved its Head Office (HO) and branch from Makati City to Davao City in April 2011.

RCBC Leasing and Finance Corporation (RLFC), a 99.67% 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. RLFC is a non-bank financial institution with a quasi-banking license granted by the BSP. 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 RLFC engaged in renting and leasing business machines, transport vehicles and heavy equipment under an operating lease arrangement.

Niyog Property Holdings, Inc. (NPHI) *and* ***Cajel Realty Corporation (CRC)*** were wholly-owned subsidiaries of the Bank, incorporated on September 13, 2005 and February 29, 2008, respectively, to purchase, subscribe for or otherwise dispose of real and personal property of every kind and description but not as an investment company. On July 14, 2023, the Bank and Filinvest Land Inc. (FLI) executed a Deed of Absolute Sale for the sale and transfer of the Bank's 100% ownership in NPHI and CRC to FLI.

RCBC-JPL Holding Company, Inc. (RCBC-JPL), 80.00% 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. On April 8, 2024, 19.41% ownership in RCBC JPL was donated and transferred to the Bank's retirement fund.

(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
Helen Y. Dee		Director	March 28, 2005 to present	Filipino
		Chairperson of the Board	June 27, 2005 to present	
		Interim President and Chief Executive Officer	March 23, 2016 to June 30, 2016	
Cesar E. A. Virata		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	
Eugene S. Acevedo		Director	July 1, 2019 to present	Filipino
		President and Chief Executive Officer	July 1, 2019 to present	
		Deputy Chief Executive Officer	January 2, 2019 to June 30, 2019	
Gil A. Buenaventura†		Director	July 1, 2016 to April 21, 2025	Filipino
		President and Chief Executive Officer	July 1, 2016 to June 30, 2019	
Armando M. Medina		Director	January 1, 2021 to present	Filipino
		Independent Director	Feb. 26, 2003 to December 31, 2020	
John Law		Director	April 27, 2015 to present	French & Taiwanese (dual citizen)
Shih-Chiao (Joe) Lin		Director	March 25, 2019 to present	Taiwanese/ R.O.C.
Gayatri P. Bery		Director	July 27, 2020 to present	American

Hiroki Nakatsuka		Director	July 31, 2023 to present	Japanese
		Advisory Board Member	July 26 2021 to July 31, 2023	
Katsufumi Uchida		Director	July 31, 2023 to present	Japanese
Juan B. Santos		Independent Director	November 2, 2016 to present	Filipino
		Lead Independent Director	March 29, 2021 to present	
Gabriel S. Claudio		Independent Director	July 25, 2016 to present	Filipino
Vaughn F. Montes, PhD		Independent Director	September 26, 2016 to present	Filipino
Laurito E. Serrano		Independent Director	March 20, 2019 to present	Filipino
Erika Fille T. Legara, PhD		Independent Director	July 25, 2023 to present	Filipino

†*Mr. Buenaventura was a Director until his demise on April 21, 2025.*

Regular Directors

Ms. Helen Y. Dee is the Bank's Chairperson. Ms. Dee is also the Chairperson of House of Investments, Inc, Petroenergy Resources Corporation all of which are PSE-listed companies. She is also the Chairperson of Pan Malayan Management and Investment Corporation, Malayan Insurance Co. Inc., Landev Corporation, Hi-Eisai Pharmaceutical Inc., Malayan Educational Systems, Inc. and Manila Memorial Park Cemetery. Among the top companies where she holds a directorship position are Philippine Long Distance Telephone Company and Sun Life Grepa Financial, Inc. She graduated from Assumption College with a Bachelor of Science degree in Commerce and completed her Master's in Business Administration at De La Salle University.

Mr. Cesar E. A. Virata has been a Director since 1995, Corporate Vice Chairman since June 2000 and Senior Adviser from 2007. Mr. Virata's roster of companies where he is also a Director and/or Chairman, Board of Adviser includes, RCBC Trust Corporation, RCBC Realty Corp., RCBC Land, Inc., Malayan Insurance Co., Inc, ALTO Pacific Co., Inc., Malayan Education System, Inc., RCBC Bankard Services Corporation, Yuchengco Center, Yuchengco Museum, AY Foundation, Business World Publishing Corporation, Lopez Holdings Corporation, Investment & Capital Corporation of the Philippines, City & Land Developers, Inc., Cavitex Holdings, Inc., and World Trade Center Management, Inc.

Mr. Virata has held important/key positions in the Philippine government, including Prime Minister, Secretary/Minister of Finance, Chairman of the Committee on Finance of the Batasang Pambansa (National Assembly) and member of the Monetary Board. He was Chairman of the Board of Investments, Undersecretary for Industry. He was also Chairman of the Land Bank of the Philippines and Philippine National Bank. He has served as Governor for the Philippines to the World Bank, the Asian Development Bank and the International Fund for Agriculture Development. He was Chairman of the Development Committee of the World Bank and International Monetary Fund from 1976 to 1980 and Chairman of the Board of Governors of the Asian Development Bank.

Prior to his Government positions, he was a Professor and Dean of the College of Business Administration of the University of the Philippines and Principal, SyCip Gorres Velayo and Company, Management Services Division. Mr. Virata has also held membership in various international committees/fora in the past, including: Bretton Woods Committee, Group of 30, Institute of International Finance, Rockefeller Tripartite Commission for Asia, Davos Forum, World Development Committee of the World Bank and IMF, ADB Forum.
Mr. Virata graduated from the University of the Philippines with degrees in Mechanical Engineering and Business Administration (Cum Laude). He completed his Master's Degree in Business Administration (Industrial Management) from the Wharton Graduate School University of Pennsylvania.

Mr. Eugene S. Acevedo is the Bank's President and Chief Executive Officer. He has over thirty years (35) years of banking experience gained from local and multinational banks including Union Bank of the Philippines, CitySavings Bank, Philippine National Bank, and Citibank Philippines, Singapore and Hong Kong.

He is a Magna Cum Laude graduate from the University of San Carlos where he earned a degree in Bachelor of Science in Physics in 1984. He has a Master's degree in Business Administration from the Asian Institute of Management where he now serves in the Board of Trustees. He completed the Advanced Management Program at the Harvard Business School. He holds Professional Certificates in Clean Power from Imperial College London, Digital Marketing from The Wharton School, and Customer Experience from The CX Academy (Ireland).

Mr. Gil A. Buenaventura† had been a Director of the Bank since July 2016 and had since been sitting as a member of the Bank's Executive Committee until his demise on April 21, 2025. He was also President and Chief and Executive Officer of the Bank until June 30, 2019. He held directorship and trusteeship positions in De La Salle Philippines School System, Malayan Insurance Company, Inc., House of Investments, Inc., and Manila Memorial Park Cemetery, Inc. He was also an Independent Director of Basic Energy Corporation. He graduated with a Bachelor of Arts degree, major in Economics, from the University of San Francisco, California, and with a Master's of Business Administration in Finance from the University of Wisconsin.

Mr. Armando M. Medina was an Independent Director of the Bank from 2003 to 2020. He became a regular director of the Bank starting January 1, 2021. He is a member of the Bank's Executive Committee. He was an Independent Director of Malayan Insurance, Co. Inc. until September 28, 2023. .He served as an Independent Director of RCBC Capital Corporation until December 31, 2021. He graduated from De La Salle University with a Bachelor of Arts degree in Economics and a Bachelor of Science degree in commerce with a major in Accounting.

Mr. John Law has been a Director of the Bank since April 2015. He is also currently a Director of Far East Horizon Ltd. in Hong Kong and Khan Bank in Mongolia. He served as Senior Advisor for Greater China for Oliver Wyman from Jan 2013 through December 31, 2020. He holds a Bachelor of Science degree, major in Psychology, from Chung Yuan University in Taiwan; a Master's of Business Administration degree from Indiana University; and a Master's of Arts degree, major in Poetry, from the University of Paris, France.

Mr. Shih-Chiao (Joe) Lin has been a Director of the Bank since March 25, 2019. He has been with Cathay Life Insurance for over 20 years and is currently an Executive Vice President there. He graduated with a Bachelor's degree in Business Administration from the National Chengchi University and holds an MBA from the National Taiwan University.

Ms. Gayatri P. Bery has been a Director of the Bank and Risk Oversight Committee member since July 2020. She most recently served as Chief Operating Officer, Asia Pacific Global Capital Markets at Morgan Stanley (Hong Kong) where she was also a member of the Steering Committee of Morgan Stanley's HK Women's Business Alliance Team. Her past work experiences include being an investment advisor in Hong Kong and roles at Morgan Stanley & Co. Incorporated (New York), Ranieri & Company (New York), and Drexel Burnham Lambert (New York). Ms. Bery graduated with a Bachelor of Science degree in Applied Mathematics/Computer Science from Carnegie Mellon University (Pennsylvania, USA), and obtained a Master of Business Administration (Beta Gamma Sigma) from Columbia Business School (New York, USA). In 2023, she was conferred as a Qualified Risk Director® after being awarded a Certificate in Risk Governance® from the DCRO Institute.

Mr. Hiroki Nakatsuka was an Advisory Board Member of the Bank from 2021 until July 2023 and, after that, became a Director and a Member of the Executive Committee of the Bank. He has been with Sumitomo Mitsui Banking Corporation (SMBC) for over 30 years and is currently the Managing Director of Asia Growing Markets Department of SMBC. He used to be the General Manager of the

Manila Branch and the Chief Representative of the Manila Representative Office of SMBC. During his stay in Manila at the time, he was also a director of the Bankers Association of the Philippines. He was a guest professor of Kindai University from 2010 until 2012. He graduated with a Bachelor of English degree from Kansai Gaidai University. He finished the BIPA Program (Indonesian Language Program) at Universitas Indonesia.

Mr. Katsufumi Uchida has been a Director of the Bank since the close of business on July 31, 2023. He currently holds positions in SMBC as Managing Executive Officer, and Head of Asia Pacific Division. He also serves as Managing Executive Officer of SMFG. He joined SMBC in 1990 and has spent over 20 of his more than 35 years with the company outside Japan, including Brussels, Hong Kong, Singapore and London, assuming various leadership roles. He graduated from the Waseda University of Japan, majoring in Political Science and Economics.

Independent Directors

Mr. Juan B. Santos has been an Independent Director of the Bank since November 2016. He serves as Lead Independent Director of the Bank. He holds director, trustee, and advisory positions in various companies including St. Luke's Medical Center, PHINMA Corporation, and Allamanda Management Corporation, Member of the Board of Advisors of East-West Seeds Co., Mitsubishi Motor Phil. Corporation; Consultant of Marsman-Drysdale Group of Companies, among others. Prior to joining the Bank, he was the Chairman of the Social Security Commission. He served briefly as Secretary of Trade and Industry and was CEO and Chairman of Nestle Philippines, Singapore, and Thailand. He also served as Director of various publicly listed companies, including the Philippine Long Distance Telephone Company, Philex Mining Corporation, San Miguel Corporation, Equitable Savings Bank, Inc., and PCI Leasing and Finance, Inc. He holds a Bachelor of Science in Business Administration degree from the Ateneo de Manila University and a degree in Foreign Trade from the Thunderbird School of Management in Arizona, USA. He completed his Advanced Management Course at the International Institute for Management Development in Lausanne, Switzerland.

Mr. Gabriel S. Claudio has been an Independent Director of the Bank since July 2016. He has directorships in Ginebra San Miguel, Incorporated, Risk & Opportunities Assessment Management, Conflict Resolution Group Foundation (CORE), and Toby's Youth Sports Foundation. He served as political adviser to former presidents Fidel V. Ramos and Gloria Macapagal-Arroyo and held various positions in the Cabinet and government including: Presidential Political and Legislative Adviser, Chief of the Presidential Legislative Liaison Office, Cabinet Officer for Regional Development for Eastern Visayas, and Acting Executive Secretary. He also previously served as Director of the Philippine Amusement and Gaming Corporation (PAGCOR), Chairman of the Board of Trustees of the Metropolitan Water and Sewerage System, Director of the Development Bank of the Philippines, and Director of the Philippine Charity Sweepstakes Office. He holds an AB Communication Arts degree from the Ateneo de Manila University.

Mr. Vaughn F. Montes, Ph.D has been an Independent Director of the Bank since September 2016. He is a former Trustee at the Institute of Corporate Directors (ICD) as well as a current Teaching Fellow on Corporate Governance courses of the ICD. He is a Director of the Center for Excellence in Governance. He was a national consultant for Risk Management to the NEDA PPP Center under an ADB technical assistance grant from December 2011 to October 2022. He is a Trustee and Founding Fellow of the Foundation for Economic Freedom. He is an Adjunct Faculty member at the Asian Institute of Management. He was formerly a Trustee at Parents for Education Foundation ("PAREF"), and Chairman and President at PAREF Southridge School for Boys. He continues to be in the board of the Southridge Afternoon School Foundation. He worked in Citibank over a period of 25 years in various capacities including: Senior Economist in Philippine Debt Restructuring Committee; Head of the International Corporate Finance Unit; and Director and Head of Public Sector. He worked as an Associate Economist at the Wharton Econometric Forecasting Associates in Philadelphia USA. He holds an AB (Bachelor of Arts)

Economics degree from the Ateneo de Manila University, an MS (Master of Science) Industrial Economics degree from the Center for Research and Communications (now University of Asia and the Pacific), and a PhD in Business Economics from the Wharton Doctoral Programs, University of Pennsylvania, USA.

Mr. Laurito E. Serrano has been an independent director of the Bank since March 2019 and likewise an independent director of RCBC Trust Corporation since January 2024. Mr. Serrano was part of the Audit & Business Advisory Group and was a partner of SGV & Co - Corporate Finance Consulting Group. He is currently in the financial advisory practice working with clients mostly in the private sector.

Mr. Serrano also concurrently serves as an independent director of public entities such as Axelum Resources Corp., Belle Corporation, Anglo Philippine Holdings Inc, Century Peak Holdings Corporation, and Premium Leisure Corporation, and a director in Malayan Insurance Company and MRT Development Corporation.

Mr. Serrano's past experience includes, among others, directorships in 2Go Group, Inc., Pacific Online Systems Corporation, Atlas Mining & Development Corporation, Metro Global Holdings Group, Fil-Estate Group, Metro Rail Transit Group, Travellers Hotels Philippines, Inc. (Resorts World), MJCI Investments, Inc., United Paragon Mining Corp., Sagittarius Mining Corporation, and Philippine Veterans Bank.

Mr. Serrano holds a Bachelor of Science degree in Commerce (Major in Accounting) from the Polytechnic University of the Philippines and has a Master's in Business Administration degree from the Harvard Graduate School of Business.

Ms. Erika Fille T. Legara, Ph.D. has been an independent director of the Bank since July 2022. She is a scientist, educator, and advisor specializing in data science and artificial intelligence (AI), as well as data and AI strategy, governance, infrastructure, and education. She is a Certified AI Governance Professional through the International Association of Privacy Professionals (IAPP). She currently serves as the Managing Director and Chief AI and Data Officer for the Department of Education (DepEd) Center for AI Research (E-CAIR, previously CAIR under the DTI), fulfilling her responsibilities as a Highly Technical Consultant (HTC) through non-profit organization SEAMEO Innotech, a DepEd partner. At the Asian Institute of Management, Dr. Legara holds two key positions: Associate Professor of Data Science (*on professional development leave*) and Aboitiz Chair in Data Science. Previously, she was a scientist at A*STAR in Singapore, where she collaborated with government institutions and industry leaders on various Research and Development initiatives.

Dr. Legara has received numerous accolades, including the TOYM and TOWNS awards, as well as the National Academy of Science and Technology Outstanding Young Scientist Award in 2020. She was named an Asia 21 Young Leader (Class of 2022) and, in 2024, received the Tatler Impact Award for Science and Innovation while also being listed in Tatler Asia's Most Influential. Dr. Legara was recognized as one of the Asian Scientist 100 in 2023 and is the first Filipino to receive the DCRO Institute Certificate in Cyber Risk Governance.

Dr. Legara graduated cum laude with a Bachelor of Science in Physics from the University of the Philippines, Diliman, where she also earned her Master's and PhD in Physics (G.W.A. 1.0/1.0). She furthered her education by completing the Leading Smart Policy Design program at the J.F. Kennedy School of Government, Harvard University, Executive Education in 2021, and the Ethics for AI program at the London School of Economics and Political Science in March 2023. In 2024, she completed the AI Governance Professional training under the International Association of Privacy Professionals

The names, ages and positions of all **incumbent executive officers** (including those who retired/resigned after the 2024 Annual Stockholders' Meeting) are as follows:

Reginaldo Anthony B. Cariaso, , Filipino, Executive Vice President is currently the Deputy Chief Executive Officer. Prior to assuming this role, he was Head of the Operations Group from February 4, 2024, to December 31, 2024. He has more than twenty eight (28) years of experience gained from local and overseas firms focused on Transaction Banking, Remittance & Funds Transfer, Special Accounts Management (NPLs), Strategy Management & Marketing, and Systems & Project Development as well as Investment Banking particularly in equity capital market transactions, debt capital raising and M&A transactions. Prior to joining our Bank, he was the Head of Institutional Banking Strategy, Products and Support Group/Senior Vice President at the Bank of the Philippine Islands. Positions held in other financial firms are as follows: President of BPI Capital Corporation (2013-2019), Executive Director of Nomura International, Hong Kong (2009-2012), Executive Director of J.P. Morgan, Hong Kong; Junior Research Management Staffer (1996-2008). He served the United States Navy under the Submarine Force as Lieutenant from 1990-1996. He is a graduate of the University of Pennsylvania, Philadelphia where he obtained a degree in Bachelor of Arts in Chemistry in 1990.

Elizabeth E. Coronel, , Filipino, Executive Vice-President, is currently the Head of Institutional Banking Group with the Corporate Banking Group and the SME Banking Group under her management. Prior to assuming this role, she was the Head of Corporate Banking Group, a role which she continued to handle up to present on a concurrent appointment. She has more than thirty-five (35) years of banking experience. She joined RCBC in June 2013 as Senior Banker and Head of Conglomerate Banking Division. She was assigned as Segment Head of Conglomerates and Global Corporate Banking, a role which she performed in August 2014 until she was appointed as Group Head in June 2018. 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 (1996-2007) and Citibank as Relationship Manager of Global Consumer Bank (1993-1996). 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.

Richard C. Lim, Filipino, Executive Vice President, is the Head of Retail Banking Group effective September 14, 2018. He has thirty-two (32) years of banking experience. Prior to his current role, he was seconded to RCBC Savings Bank as Chief Operating Officer. Mr. Lim previously worked with Maybank Inc. The last position he held in the said bank was Head of Retail Banking. He also handled the following roles in the said bank: Head of Retail Marketing Management, Assistant Vice President for Cash Management Services, Head of Consumer Sales Department, and Cluster Head for Binondo Manila area. He also had stints with other banks namely, Philam Bank-AIG where he worked as Manager for Binondo Branch, International Exchange where he functioned as Assistant Manager/Sales Officer, Banco De Oro where he was a Marketing Officer, Urban Bank where he performed the role of a Marketing Associate, and Chinabank where he was designated as Officer's Assistant at Cash Department. He graduated from the University of Santo Tomas in 1991 with a degree in Bachelor of Science, major in Biology.

Alberto Magno N. Pedrosa, Filipino, Executive Vice President, is currently the Treasurer and Head of Treasury Group. He has thirty-one (31) years of professional experience gained from financial and banking firms. Prior to his appointment for this role on 04 March 2022, he was Head of Asset and Liability Management in the Treasury Group. He handled other roles in the bank as the Head of Balance Sheet Management and Investment & Markets Trading Group from July 2017 to April 2019; Head of Investment and Markets Trading Segment from July 2013 to June 2017 and

Investment Portfolio Management Division Head from August 2009 to June 2013. He has previous employment with other financial institutions where he handled significant roles as Vice-President and Head of Global Liquid Products Trading for JG Summit Capital Markets (2000-2008), Assistant Vice-President of Asset and Liquidity Management & Investment and Trading for PCIBank (1995-2000) and Senior Assistant Manager and Junior FX Trader for the Bank of the Philippine Islands (1993-1995). Mr. Pedrosa started his career when he joined BPI's Officer Training Program in 1993. He completed his Bachelor of Science degree in Commerce major in Philosophy at the London School of Economics.

Bennett Clarence D. Santiago, Filipino, Executive Vice President, is currently the Chief Risk Officer / Head of Risk Management Group. Prior to assuming this role on January 1, 2025, he was the Head of the Credit Management Group. He has over twenty-one (21) years of professional experience in risk management with significant years focused on commercial credit risk management and evaluation as well as enterprise risk management. 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 also include serving as Head, Commercial Banking Credit Evaluation Unit, Risk Management Group of BDO; Risk Head of Citibank N.A.; Chief Compliance Officer, Union Bank of the Philippines; and various officer positions in International Exchange Bank, Globe Telecom Inc., and Hongkong and Shanghai Banking Corporation. He graduated from the University of the Philippines in 1991 with a Bachelor of Science degree in Business Administration. He finished his Master of Business Administration in 2001 at Ateneo Business School.

Angelito M. Villanueva, Filipino, Executive Vice President, is the Bank's Chief Innovation and Inclusion Officer/Head of Digital Enterprise and Innovations Group. He has thirty-one (31) years of professional experience. Prior to joining RCBC, he pioneered the financial technology business in firms such as PLDT Group and was among the founding executives of PayMaya wallet. He was the Managing Director of FINTQnologies Corp, the financial technology (FinTech) arm of Voyager Innovations from June 2013 to March 31, 2019. He was also a Member of the Board of Directors in FINTQnologies (June 2017 to March 2019) and FINTQSurelite Insurance Agency (June 2017 to March 2019). His previous stints include the following roles in various institutions and organizations: Founder and Lead Convenor of KasamaKa Financial Inclusion Movement (September 2017 to March 31, 2019); Head, Customer Strategy and Market Activation, Visa, Nov 2011-Jan 2013; Short-term Consultant on Mobile Money Transfer in Mongolia at IFC World Bank Group, Aug 2011-Dec 2011; Monitoring and Evaluation (M&E) Consultant at Department of Social Welfare and Development-World Bank, March 2011-February 2012; VP and Head, Mobile Financial Services-Smart Communications, Inc., Feb 2007-Jan 2009; Regional Manager for Marketing and Special Projects for APAC and EMEA at BCD Travel 2003 -2006; Executive Director and VP at Luntiang Pilipinas (Green PH) Foundation, Inc. 2000-2003; Chief of Division, Overseas Correspondent Banking Department, Global Banking Group at Land Bank of the Philippines, 1995-2000; Senior Research Associate and Associate Editor at Economist Intelligence Unit (EIU) Phils., 1993-1995. Mr. Villanueva graduated from the University of Santo Tomas in 1992 with a degree in Bachelor of Arts in Political Science. He completed a Master of National Security Administration at the National Defense College of the Philippines in 2000. He also finished his Master of Public Administration as Magna Cum Laude at the University of Santo Tomas in 2000

Ma. Christina P. Alvarez, Filipino, First Senior Vice-President, is the Head of Corporate Planning Group. She has thirty-three (33) years of professional experience gained from the financial and banking industry. Prior to assuming her current 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 Master of Business Management degree from the Asian Institute of Management in 1998.

George Gilbert G. dela Cuesta, Filipino, First Senior Vice President, is the Head of the Legal Affairs and Corporate Secretariat Group, and the Bank's Corporate Secretary. He has 32 years of legal experience. He joined RCBC in November 2016. Previously, he was Head of Legal for Mirant (Phils) Corporation and Asian Terminals Inc. He also worked as counsel for Hanjin Heavy Industries & Construction Co. Ltd. He had previous consultancy engagements and employment with Follosco Morallos & Herce Law Office, PNOC-EDC and at the Department of Environmental and Natural Resources. He started his career at Quisumbing Torres. Atty. dela Cuesta graduated from the University of the Philippines in 1988 with a degree in Bachelor of Arts major in Political Science (Cum Laude). He earned his Law degree from the same university in 1992.

Brent C. Estrella, Filipino, is currently handling a First Senior Vice President role for Control & Governance Transformation. Prior to assuming this role on January 1, 2025, he was the Chief Compliance Officer and Head of Regulatory Affairs Group effective December 2, 2020. He has sixteen (16) years of compliance and risk management experience which he gained from the Hong Kong and Shanghai Banking Corporation (HSBC) across various jurisdictions in Southeast Asia (the Philippines), the Middle East (UAE) and Sub-Saharan Africa (Mauritius). He is a Certified Anti-Money Laundering Specialist, with broad experience in supporting multiple lines of business specifically Wealth and Personal Banking, Commercial Banking, and Global Banking and Markets. Prior to joining RCBC, he was the Senior Vice President and Country Head for Financial Crime Compliance and an Executive Committee member at Hong Kong and Shanghai Banking Corporation (HSBC) – Philippines. He has handled this role since October 2018. He handled other positions prior his current post as follows: HSBC Mauritius (April 2016 to October 2018) as Chief Compliance Officer/Executive Committee Member; HSBC United Arab Emirates (December 2012 to April 2016) as Country Head of AML and UAE Money Laundering Reporting Officer, Regional Manager, Global Banking and Markets Compliance Advisory; HSBC Philippines (September 2004 to December 2012) as Vice President, Compliance & Money Laundering Control Officer, Assistant Vice President, Fraud Risk Management, Security and Fraud Risk, Supervisor, Legal and Compliance, and Compliance Staff for Legal and Compliance. He graduated with a degree in Bachelor of Science in Legal Management (Academic Scholar) from the Ateneo De Manila University in 2004.

Florentino M. Madonza, Filipino, First Senior Vice-President, is the Head of Controllership Group effective October 14, 2014. He has thirty-one (31) years of professional experience. Prior to assuming his current role, he was the Deputy Group Head of Controllership 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.

Robert Rol Richard Raymond B. Ramos, Filipino, First Senior Vice President, is currently seconded to RCBC Trust Corporation as President effective January 1, 2024. He was previously the Trust Officer and Head of Trust and Investments Group in the Bank prior to the spin-off of the group to a subsidiary. He has twenty-nine (29) years of professional experience gained from the banking industry. Prior to joining RCBC, he was connected with East West Banking Corporation as Chief Trust Officer and Chief Investment Officer /Senior Vice President for Trust and Asset Management Group. His employment background includes previous employment with the following local banks: at Union Bank where he handled various roles such as Trust Officer and Chief Investment Officer, Business Development Head and Portfolio Manager; at BDO Private Bank, Inc. (formerly Banco Santander Philippines, Inc.) where he worked as Senior

Manager/Relationship Manager; at Bank of the Philippine Islands where he handled roles such as Branch Manager/Branch Service Officer/Treasury Staff/Trust Staff. He rendered services with the United States Agency for International Development Project as Project Development Officer from January 1996 to May 1997 and with the World Health Organization Strategy Development Project as Technical Writer from March 1995 to December 1995. Mr. Ramos completed his undergraduate degree of Bachelor of Science in Management Engineering from the Ateneo de Manila in 1995. He finished his masteral degrees at the Asian Institute of Management (Business Management) in 1999 and the University of Asia and the Pacific (Business Economics) in 2012. He is a Chartered Financial Analyst (CFA), a Chartered Alternative Investment Analyst (CAIA), a Certificant for the Certificate in Investment Performance Measurement (CIPM), Certified Securities Representative, a Registered Financial Consultant, and a Certified Treasury Professional and he completed a one-year Balance Sheet Management course on Trust Operations with distinction.

Joseph Colin B. Rodriguez, Filipino, First Senior Vice President, is the President and CEO of RCBC Forex Brokers Corporation. He has thirty-five (35) years of banking experience. Upon the merger of RCBC with RCBC Savings Bank (RSB) in 2019, he was also assigned at Treasury Group as Head of Subsidiaries Treasury Risk Positions Segment. Prior to this appointment, he served as Treasurer of RSB effective September 2016. Before assuming this post, 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 RCBC 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 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, Filipino, First Senior Vice-President, is the Head of Human Resources Group. She has more than thirty-six (36) years of HR management experience in both local and multinational institutions. She was initially appointed as Deputy Group Head of Human Resources prior to assuming her current role. Prior to joining the Bank, she worked with Citibank, N.A. as Senior Vice President/Country Lead Human Resources Generalist, prior to which she was Senior Vice President and 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 its Vice President and 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 earned units in Master in Psychology major in Organizational /Industrial Psychology at De La Salle University.

Martin Roberto G. Tirol, Filipino, First Senior Vice President, is the Head of Transaction Banking Group. He was initially hired by the Bank in October 2022 as Deputy Group Head for Global Transaction Banking. He has thirty (30) years of experience focused on transaction banking and corporate coverage work experience gained from the banking sector. He was able to gain vast customer relationships with multinational and large local corporate customer segments, significant experience in leadership roles, received local and regional citations in recognition of outstanding contributions to strengthening customer relationships and completed relevant training and certifications. Before joining RCBC, he was connected with Deutsche Bank AG, Manila Branch as Head of Transaction Banking/Director. Prior to assuming this role in January 2021, he was Head of Global Subsidiary Coverage/Director from June 2018 to December 2020. His employment stints include the following: Head of Transaction Banking Group/Head of Transformation Group in

Maybank Philippines, Inc; Head of Cash Management Department at Philippine National Bank; Head of Trade Finance Department in Australia and New Zealand Banking; Vice President for Global Transaction Services in Citibank, N.A. and Assistant Vice President; Assistant Vice President for Cash Management, Trade and Supply Chain Sales at Standard Chartered Bank; Management Associate for Global Consumer Banking at Citibank, N.A. and Marketing Assistant of Institutional Banking Group at Rizal Commercial Banking Corporation. He graduated in 1994 from Ateneo de Manila University with a degree in Economics. In 1997, he was able to complete a Master of Science in Management from Arthur D. Little School of Management in Boston.

Ramil M. De Villa, Filipino, Senior Vice President 2, is the Head of Consumer Lending Group. He has twenty-five (25) years of professional experience. Prior to this appointment, he was Head of the Consumer Collection Segment in Credit Management Group. Before he joined RCBC, he was connected with Maybank Phils, Inc as Head/Senior Vice President of Asset Quality Management in Consumer Finance. Prior to assuming this in July 2019, he was Head of Asset Quality Management in Group Finance with the rank of Vice President from 2017 to June 2019. He started his employment with the said bank in 2014 as Head of Asset Quality Management with the rank of Senior Assistant Vice President. He previously worked with Premier Development Bank where he was initially hired in February 1999 as Legal Assistant/Officer. He left the said bank in December 1999 to work in a law office and joined the same bank again in 2001. During this second employment, he was assigned to handle the following roles: Head of the Documentation Unit of Legal Services Department from 2007 to 2012 and Litigation Lawyer of Legal Department from 2001 to 2007. He also gained legal experience from Demetria Escondo Maloloyon Law Offices where he was a Senior Associate from 1999 to 2001. He graduated with a degree in Bachelor of Laws (LLB) from the University of Santo Tomas, 1997. He finished his undergraduate studies, Bachelor of Arts major in Philosophy in 1993 from the same university. He passed the Philippine Bar Exams on September 1998.

Arniel Vincent B. Ong, Senior Vice President 2, is the President and CEO of RCBC Bankard Corporation. He has eighteen (18) years of professional experience. Upon joining RCBC on December 2, 2019, he was seconded to RCBC Bankard Services Corporation as Head of Cards Strategic Initiatives and functioned as such until July 15, 2020. Prior to joining RCBC, he was connected with HSBC Philippines where last position held was as Head of Contact Management Centre and Digital of Retail Banking and Wealth Management since January 2016. He started as Management Trainee of the said bank in 2006. He also served the said bank in various roles which included the following: as Vice President of Policy, Acquisition and Portfolio Management in Retail Banking and Wealth Management; as Head of Consumer Credit Risk for Short Term Attachment assigned at HSBC Vietnam (stint from February 2013 to May 2013); various roles within Retail Credit Risk Management; and as Manager for Payment Services. He also worked as an Assistant Instructor at Ateneo De Manila University after graduation from college. He graduated with a double degree in Bachelor of Science major in Management Engineering and AB Economics. He finished his undergraduate course with honors at Ateneo de Manila University, 2006.

Juan Gabriel R. Tomas IV, Filipino, Senior Vice President 2, is currently the Head of Operations Group. Prior to assuming this role, he was designated as the Chief Risk Officer/Head of Risk Management Group. He has thirty (30) years of professional experience. Prior to his assignment to Risk Management Group, he was under Operations Group as Head of the Customer Service Support Segment. His experiences include serving as Head of Capital Markets and Custody, Operations Group (2012-2016), Citibank N.A., Head of Treasury Services Unit, Citibank N.A (2008-2011)., Production Officer for Treasury Services Unit, Citibank (2001-2007), Consultant for Controllers' Department, Deutsche Bank AG Manila (2001), and Consultant, for Process Competency Group at Accenture (formerly Andersen Consulting), from 1994 to 1999. Mr. Tomas graduated from Ateneo de Manila University in 1993 with a Bachelor of Science degree in Management. He completed his Master of Business Management major in Finance in 2001 at the Asian Institute of Management.

Jacqueline Grace B. Wieneke, Filipino, Senior Vice President 2, is the Head for Wealth Management Group. She was initially hired in October 2023 as Group Head Designate. She has thirty-one (31) years of significant experience, with expertise in wealth management and retail banking. Her professional years were largely spent at Citibank N.A. where she acquired competencies in setting up a premier team, revenue generation, client acquisition and relationship management, cross-selling of credit, investment and insurance products, asset sales and project transformation. Prior to joining RCBC, she was connected with Maybank Philippines, Inc. as Head of Wealth Management and Bancassurance (2019-2023). During her stint with Citibank, N.A., she handled positions as follows: Branch Manager (2004-2018); Senior Citigold Relationship Manager (1999-2004); and Senior Personal Banker (1993-1999). She graduated Cum Laude with a degree in Bachelor of Science in Commerce major in Marketing from Assumption College in 1992.

Jose Maria P. Borromeo, , Filipino, Senior Vice President 1, is the Head of Reserves and Liquidity Management Segment in Treasury Group. He has thirty-six (36) years of professional experience. Prior to assuming this current role, he was Head of Balance Sheet Management Segment from July 2018 to April 2019. He joined the Bank in February 2016 and was initially assigned as Head of Central Funding. He was previously employed at Standard Chartered Bank as Head of Asset and Liability Management, Financial Markets Group. He had a stint with the Bank of the Philippine Islands where he had the following roles: Head of FX Swaps and Domestic Liquidity Department; Head of Product Development and Financial Markets Research Department; Head of Risk Management Department in Treasury Group, and Dealer for Financial Derivatives Division. He had previous experience with Citytrust Banking Corporation where he worked as Head of Balance Sheet Management Unit. He started as a Management Associate Trainee in the said bank. Early in his professional career, he was connected with the Private Development Corporation of the Philippines as an Account Officer for Project Loans and as an Associate Economist for Economic and Corporate Research. He earned his undergraduate degree, Bachelor of Science in Economics from the University of the Philippines in 1988. He took up Master of Business Administration in 1993 at the same university.

Enrique C. Buenaflor, Filipino, Senior Vice President 1, is the Head of Corporate Cash Management Segment. He has thirty-two (32) years of professional experience. He joined RCBC in 2010 as Business Development Manager of Global Transaction Banking Group and was later appointed as Head of the 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 (2001-2004) and Product Manager (1999-2001) 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 at 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 Master of Business Management at Asian Institute of Management.

Ma. Pamela Katrina M. Cabudoy, Filipino, Senior Vice President 1, is the Head of Data Science and Analytics Group. She has twenty-six (26) years of professional experience. Prior to joining the Bank, she was connected with Globe Telecom as Director for Advanced Analytics, Enterprise Data Office from September 2017 up to her separation from the said company in 2022. She also served as a Director for Customer Data Analytics for the Marketing Services Hub of the same company from April 2021 to December 2021. She previously worked at SAS Institute Philippines, Inc. where she was assigned with the following roles: Head of Solutions and Practices, Presales Manager from April 2014 to September 2017; Customer Intelligence Practice Lead from April 2007 to April 2014; Principal Consultant from June 2005 to April 2007; Senior Consultant/Project Manager from June 2001 to June 2005; and Associate Consultant from June 1998 to June 2001. She graduated with a degree in Bachelor of Science in Statistics in 1998 from the University of the Philippines in Diliman.

Jose Manuel E. Caniza, , Filipino, Senior Vice President 1, is currently the Head of Trading Division in Treasury Group. He has thirty-two (32) years of Treasury experience in the banking industry. Prior to being designated as such, he was the Head of Interest Rate Risk Division from July 2009 up to the time he assumed the position of Head of Domestic Interest Division in January 2013. Before joining RCBC, he was connected with Citibank, N.A. where he handled the following roles: Vice President for Debt & Interest Rate Derivatives from 2007 to 2009, Assistant Vice President from 2004 to 2007; Manager for FX Desk from 1997 to 2003; Assistant Manager for Treasury Marketing from 1996 to 1997; and as Staff from 1992 to 1996. He graduated from De La Salle University in 1991 with a degree in Bachelor of Science in Mechanical Engineering. He earned his Master of Business Administration from the University of San Francisco in 1996.

Karen K. Canlas, Filipino, Senior Vice-President 1, is the Division 2 Head of Wealth Management Segment 2. She has thirty (30) years of professional experience. 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.

Antonio Manuel E. Cruz, Jr., Filipino, Senior Vice President 1, is the Head of Chinese Corporate Banking Segment. He has thirty-four (34) years of banking experience. Prior to being designated to his current 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.

Crispina D. Del Rosario, Filipino, Senior Vice President 1, is a Sales Director for Northeast Luzon Region in Retail Banking Group. She has twenty-nine (29) years of professional experience. She was formerly with RCBC Savings Bank where she held various roles as follows: Regional Sales Director, North Metro Manila & Rizal (2015-2019); District Sales Director, Central Luzon District (2014-2015); Marketing Sales Director, Central Luzon District (2013-2014); Regional Sales Manager (2012-2013); District Sales Manager (2010-2012); Team Leader, Central Luzon (2003-2010); Manager, Meycauayan (1998-2003); Branch Manager, Central Luzon (1996-1998). Prior to joining RSB, she worked as a Cashier at Ralen Pawnshop from 1995 to 1996. She graduated from Polytechnic University of the Philippines in 1987 with a degree in Bachelor of Science in Accountancy. She finished her Master of Business Administration from De La Salle University in 2003.

Simplicio B. Dela Cruz, Jr., Filipino, Senior Vice President 1 is currently seconded to Rizal Microbank as President and CEO effective January 1, 2025. Prior to his secondment, he was the Division Head for Central East Visayas Area (CEVA) in SME Banking Group. He has twenty-nine (29) years of banking experience. Prior to assuming his current role, he was a Lending Center Head for Central Visayas from 2011 to 2019. Previous work experience include stints with other local banks as follows: at Planters Development Bank as Department Head–Visayas (2007-2011); as Business Development Officer (2004-2007); and as Account Relationship Officer (2002-2004); at Equitable PCIBank as Account Officer (2002); as Credit Reviewer (1997-2001); at Philippine Commercial International Bank as Documentation Specialist (1995-1996). He earned a degree in Bachelor of Arts in Economics from the University of Santo Tomas in 1994.

Sheila Ricca G. Dioso, Filipino, Senior Vice President 1, is currently the Chief Compliance Officer/ Head of Regulatory Affairs Group, Prior to this appointment, she was the Chief Audit Executive/Head of Internal Audit Group. She has nineteen (19) years of controllership and auditing experience. Prior to joining the Bank, she was connected with R. G. Manabat and Co. (KPMG in the Philippines) as Partner for Audit Services, a position she held since October 2019 up to her separation from the firm in 2022. Prior to assuming this role, she was a Director for Advisory Services from June 2017 to September 2019. She had previous employment with the following firms: Suyen Corporation where she worked as Finance Controller from February 2014 to May 2017; Ernst & Young Singapore where she served as a Manager for Audit Services from November 2008 to February 2014; and SGV & Co. where she was employed as Senior for Audit Services from November 2005 to October 2008. Ms. Dioso graduated with a degree in Bachelor of Science in Business Administration and Accountancy at the University of the Philippines in 2005. She passed CPA Licensure Examination in November 2005.

Evangeline M. Dy, Filipino, Senior Vice President 1 is currently a Regional Sales Director of Retail Banking Group, supervising the Makati North Regional Office Group. She has twenty-seven (27) years of experience in banking. Before assuming her current role in November 2020, she was the Regional Sales Director for Pasig Region from August 2019 to November 16, 2020. Prior to her promotion to the Regional Sales Director role, she was designated as District Sales Director June 2016 to August 2019 supervising Bel-Air/Southeast initially and Pasig Region subsequently. She rose from the ranks from a secretarial post in 1997 to branch positions starting with a PB New Accounts role in 2002 and then as Senior Personal Banker from 2005 to 2011 for Wack and Unimart branches. She became a Business Center Manager in 2011 for the business center at the The Fort Sapphire Residences until 2013. Thereafter, she was assigned as Business Manager for other business centers in Ayala and Buendia from 2013 to 2016. She earned a Bachelor of Science degree in Secondary Education from the University of Santo Tomas in 1997.

Benjamin E. Estacio, Filipino, Senior Vice-President 1, is the Regional Service Head of Mindanao. He has thirty-two (32) years of banking experience. Prior to assuming his current 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.

Angeluz T. Guerzon, , Filipino, Senior Vice President 1, is the Head of Asset Management and Remedial Group. She has nineteen (19) years of professional experience. Prior to assuming this role in February 2023, she was the Division Head of Asset Management Support from April 2021 to February 2023. Before joining RCBC, she was Head of Legal and Compliance Group at RCBC Bankard Services Corporation from 2014 to 2021. She previously worked as a Remedial Legal Officer at Union Bank of the Philippines from 2011 to 2014. She started her career in Legal at the Philippine National Bank where she was first employed as a Lawyer from 2005 to 2011. She graduated from the University of the Philippines in 1999 with a degree in Bachelor of Arts in Public Administration. She finished her Bachelor of Laws at San Beda College of Law in 2003. She took the Bar Examination in September 2003 and was admitted in May 2004.

Armi M. Lamberte, , Filipino, Senior Vice President 1, is the Chief Sustainability Officer / Head of Sustainable Finance Division. She has thirty-one (31) years of professional experience. Prior to assuming this role in August 2023, she was then the Division Head for Portfolio Quality from 2018 to 2023. Prior to joining RCBC , she worked with other banks and firms where she handled significant roles as follows : as Head of Credit Risk Management at the Development Bank of the Philippines from 2015 to 2018 ; as Associate Director at Standard Chartered Bank from 2009 to 2015 ; as Assistant Vice President at Hong Kong Shanghai Banking Corporation from 2008 to 2009 ; as Senior Manager at First Gen Corporation from 2005 to 2008 ; as Manager at the Manila North Toll ways Corporation from 2003 to 2005 ; as Consultant to the Finance Department Head at the Power Sector Assets and Liabilities Management Corporation from 2002 to 2003 ; Lending Risk Officer from 1999 to 2001 and Marketing Assistant from 1999 to 2000 at ING Barrings N.V ,. as Senior Credit Analyst from 1996 to 1998 at Kredietbank N.V.; as Credit Risk Manager at Citytrust Banking Corporation in 1996 and as Senior Financial Analyst at the Philippine Commercial International Bank from 1993 to 1995. She graduated from Ateneo De Manila University in 1993 with a degree in Bachelor of Science in Business Management.

Ma. Teresa R. Manotok Filipino, Senior Vice President 1, is the Head of Consumer Loans Internal Sales Division in Consumer Lending Group . She has eighteen (18) years of professional experience. Prior to assuming this role, she was the Division Head for Personal and Salary Loans in RCBC Savings Bank from 2017 to 2019. She had previous banking stints before joining RCBC as follows : Maybank Philippines Inc. where she was Head of the National Sales Team from 2015 to 2017, Head of Cards & Unsecured Lending Sales from 2013 to 2016 and Account Officer/ Manager for Personal and Salary Loans from 2010 to 2013; Premiere Bank where she was employed as an Account Officer for Salary Loans from 2008 to 2010 . She started her banking career at the Planters Development Bank where she was hired as a Sales and Marketing Assistant from 2006 to 2008. She graduated from the Philippine School of Business Administration in 2000 with a degree in Bachelor of Science in Commerce major in Marketing.

Mercelu S. Mariano, Filipino, Senior Vice President 1, is currently the Head of Division 3 in Wealth Management Group. She has twenty-nine (29) years of significant experience gained from both multinational and local banks where she acquired competencies in client acquisition and relationship management, cross-selling of credit, investment and insurance products, asset sales and underwriting for personal and business loans, cash operations and client servicing, and talent management and development. Prior to joining RCBC, she worked with Citibank, N.A. from 2014 to 2022 where she held positions such as Branch Head, Sales Head/Deputy Branch Head and Sales Head for Citigold Priority Channel. She also had stints with other banks as follows: Branch Manager, VP of Citibank Savings, Inc. (2011-2014); Region Head, VP for Philippine National Bank (2010-2011); Area Head/Branch Manager, AVP at Citibank Savings, Inc. (2005-2010). During her first employment with Citibank, N.A from 1996 to 2005, she handled the following positions: Relationship Manager (2004-2005); Personal Banker (1997- 2004); Citigold Sales Acquisition Officer (1996-1997). She also worked at Citytrust Banking Corporation where she was a Relationship Manager (1995-1996). She was first employed by Duncan Pharmaceutical Philippines as a Medical Representative (1990-1993). She graduated with a degree in Bachelor of Arts in Communication from Miriam College in 1990.

Jose Jayson L. Mendoza, Filipino, Senior Vice President 1, is currently seconded to RCBC Leasing and Finance Corporation as President effective February 1, 2024. He has thirty-one (31) years of professional experience. Prior to his current assignment, he was the Head of North Metro Manila Division in SME Banking. Prior to this, he held positions as Head of Metro Manila Division and VisMin Lending Region. 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 in AB Management.

Cesaria Aileen R. Mercado, Filipino, Senior Vice President 1, is the Sales Director for Laguna & South Luzon Ecozone Region in Retail Banking Group. She has thirty-three (33) years of banking experience. Prior to assuming this role, she was a Regional Sales Director based in Lucena for Laguna & South Luzon Ecozone Region from 2021 to 2022. She started to work with RCBC in 1991 as an Accounting Clerk for Caloocan Branch and was assigned shortly as a bookkeeper until 1992. She underwent the Management Development Program in 1993 and was assigned in branches from October 1993 to October 2010 to handle various roles as follows: Branch Cashier, Branch Marketing Officer, Customer Service Head, and Senior Personal Banker. She became a Business Relationship Manager by mid-October 2010 and functioned as such until January 2020 for branches in Sta Rosa Laguna, Laguna Technopark and Science Park. From this role, she then transferred to Corporate Banking by mid-January 2020 to handle a Relationship Manager role under the Division 2 of the Japanese & Economic Zone Banking Segment. She opted to move back to Retail Banking by October 2020 where she was assigned as an Assistant Regional Sales Director – Roving for Batangas-Bicol-MIMAROPA until June 2021. She graduated from the University of Santo Tomas in 1990 with a degree in Bachelor of Science major in Accounting.

Gerardo G. Miral Filipino, Senior Vice-President 1, is the Head of Japanese & Economic Zone Banking Segment – Division 2. He has thirty seven (37) years of banking experience. He was previously 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 Santo Tomas in 1986.

Richard M. Peralta, Filipino, Senior Vice President 1, is currently the Head of Branch Services Support Segment in Operations Group. He has thirty (30) years of banking experience. Prior to assuming his current role in May 2022, he was Head of Branch Operations and Control Segment from October 2020 to April 2022. Upon the merger of RCBC and RCBC Savings Bank (RSB), he was designated as Regional Service Head for Central Metro Manila and Rizal Region, a role which he performed from August 2019 to October 2020. At RSB, he was assigned to roles as follows: National Service Head from 2016 to 2019; Regional Service Head from 2012 to 2016; District Service Head from 2010 to 2012; Operations Specialist from 2002 to 2009; and Business Center Control Officer from 1998 to 2002. He was formerly connected with Capitol Bank where he started as a General Bookkeeper in 1994 and later assumed a Branch Accountant function in 1996. His career in the banking industry started in 1994 when he joined Insular Savings Bank as a Corplan Analyst. He graduated in 1994 at the University of the Philippines in Los Banos with a degree in Bachelor of Science in Economics. He finished the program for Doctor of Jurisprudence in 2009 at the University of Batangas.

Nancy J. Quiogue, Filipino, Senior Vice-President 1, is the Regional Service Head of North Metro Manila. She has thirty-three (33) years of banking experience. 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 has 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 major in accounting.

Alma D. Reyes , Filipino, Senior Vice President 1, is a Sales Director for Central Luzon Region in Retail Banking Group . She has 35 years of banking experience. Before assuming her current role, she was Regional Sales Director for North Luzon Regional Office from 2021-2022. Her assignments in Retail Banking include the following : Assistant Regional Sales Director–Roving assigned at the Office of the District–Pampanga (2019-2021); District Sales Director for Pampanga (2014-2019); Marketing Sales Director for PampBatZam Directorship in 2013; District Sales Manager for Northern Luzon Regional Office (2012-2013) ; Manager for Clark 1 (2011-

2012), Business Manager for Clark 2 (2009-2011) ; and Business Manager for Clark 1 in 2008. Prior to joining RCBC , she was connected with the Philippine National Bank where she was Business Manager for Clark (2007 -2008) ; Business Manager – Dolores (2003-2007); Assistant Cashier – Clark (2002-2002) ; Import Doc/SEC – Clark (1997-2002); Loans & Credit Officer– Apalit (1995-1997); Teller –San Fernando(1988-1995); General Clerk –Macabebe (1988). She obtained her Bachelor of Science in Commerce major in Management from the University of Assumption in 1986. (*Retired effective December 20, 2024)*.

Ismael S. Reyes, Filipino, is currently handling the role of Senior Vice-President for Retail & Microbank Transformation effective January 1, 2025. He has thirty-seven (37) years of banking experience. He was previously seconded to Rizal Microbank as President effective August 2024. Prior to assuming this role, he was the Head of the Marketing and Strategy Segment in Retail Banking Group. Prior to assuming his Segment Head role in March 2022, he was assigned as Regional Sales Director for Metro Central Region and Quezon City after serving as Head of the 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 Head of the Loans Operations Group, Branch Banking Group Head, Deputy Branch Banking Group Head and Business Development Unit Head. He worked for iRemit Inc. where he handled roles such as Division Head for Market Management and Deputy Head for the Global Sales and Marketing Division. He also worked with Bank of the Philippine Islands where he was assigned as Operations Manager/Section Head for Funds Transfer Department. 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 later held the position of Department Head in International Operations and became a Project Officer also for the Remittance Center. Mr. Reyes earned his Bachelor of Science degree in Commerce major in Economics at the University of Santo Tomas.

Maria Evangeline T. Reyes, Filipino, Senior Vice President 1, is currently the Segment Head of Head Office Operations in Operations Group. She has twenty-seven (27) years of professional experience. Prior to assuming her current role, she was Division Head for Transaction Banking Services (formerly named Remittance and Payments) from February 2011 to January 2021 and Operations Head of the Contact Center Department from April 2012 to 2011. She was hired by the Bank in February 2011 as a Business Process Management Officer for Retail and Channels Division. Before joining RCBC, she was connected with Banco De Oro Unibank as Backroom Support Head from 2009 to 2011. She had a stint at GE Money Bank where she worked as a Customer Service Leader from 2007 to 2009 and at Citytrust Banking Corporation from 1989 to 1997 as Phonebanking Officer. She had employment stints at non-banking firms such as Globe Telecom where she worked as Call Center head from 2005 to 2007 and Customer Interaction Center Head from 1999 to 2004. She also worked previously with MBF Mastercard as a Customer Service Management Officer from 1997 to 1999. She obtained a degree in Bachelor of Science in Home Economics in 1989 at the University of the Philippines.

Yvonne A. Roque, Filipino, Senior Vice President 1, is currently the Segment Head for Branch Operations and Control in Operations Group. She has thirty-seven (37) years of professional experience. Before being appointed to her current role, she was Head of Capital Markets Services Division (2014-2022); Operations Head for Treasury Operations (2011-2014); and Department Head of Treasury Operations (2010-2011). Prior to working with the Bank, she was connected with Deutsche Knowledge Service, Pte. Ltd., as Senior Associate under Service Excellence Division from 2008 to 2011. She had also a longer stint with Citibank, N.A. where she handled positions as follows: Treasury Head-Citifinancial Corporation, Citibank, N.A. (2007-2008); Treasury Analyst-Citibank GCG Treasury Risk Analytics (2005-2007); Foreign Currency Portfolio Manager-GCG Treasury Funds Management Division (1998-2004); Balance Sheet Analyst – Balance Sheet Management Division (1992-1998); Trading Assistant-Treasury Sales Unit (1991-1992); Administrative Assistant, Consumer Treasury Director's Office (1989-1991); at Jardine Davies, as Inventory Assistant under the Agchem Division (1987-1989). She graduated from the University of the Philippines in 1987 where she earned a Bachelor of Arts in Economics degree.

Carren T. Saria, Filipino, Senior Vice President 1, is currently a Regional Sales Director of Manila Regional Office in Retail Banking Group. She has thirty-six (36) years of banking experience. She started her banking career when she joined our bank in 1988 as a Marketing Assistant. She was later designated as an Authorized Signer in Binondo branch in 1991. She rose from the ranks until she assumed an Account Manager role from 1996 to 2000. She became a Branch Manager in 2000 and was then assigned at Arranque branch until she was promoted to a District Sales Manager role for Chinatown (Manila) District in 2007. She was reassigned in the same role for Chinese Uptown District from 2009 to 2013 and Chinatown from 2013 to 2015. Her position was then retitled to the District Sales Director which she handled from 2016 to 2018 for Midtown and Chinatown Metro. She was promoted to a Regional Sales Director role in 2018 handling West Metro Manila Regional Office. She finished a Bachelor of Arts degree major in Psychology and Bachelor of Science in Commerce major in Marketing Management at De La Salle University in 1988.

Raoul V. Santos, Filipino, Senior Vice-President 1, is currently seconded to RCBC Securities, Inc. as President. He has thirty-four (34) years of professional experience. Prior to this current assignment, he was the Head of Trust Investment Segment in Trust and Investments Group and handled the role of the Head for Institutional Relationship Management Division. 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 (2000-2001), Solidbank Corporation (1999-2000). Phinma, Inc. (1991-1999) and SGV & Co. (1990-1991). 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.

Jose Rene Y. Sarmiento, Filipino, Senior Vice President 1, is the Head of Conglomerates & Global Corporate Banking Segment which was formerly named as Conglomerates & Strategic Corporate Segment in Corporate Banking Group. He has fifteen (15) years of banking experience. Prior to assuming his present role, he was Division Head at the Global Ecozone Segment from 2016 to 2019. He joined RCBC as Head of Credit Business Management in March 2014 and functioned as such up until 2016. He previously worked with Security Bank Corporation as an Enterprise Risk Manager from 2010 to 2012 and at Citibank NA where his banking career started as a Credit Risk Associate from 2009 to 2010. He also previously worked as a Manager at Greenfield Tech Innovations Company from 2007 to 2009. He is a graduate of Ateneo De Manila University in 2007 where he obtained a degree in Bachelor of Science in Business Management. He obtained his Master of Business Administration degree at the Asian Institute of Management in 2013 and completed an Executive Program in Management at the Columbia Business School (New York USA) in 2019.

Libertine R. Selirio, Filipino, Senior Vice-President 1, was the Head of Business Development Division in Corporate Banking Group. She has 36 years of experience in banking. Before assuming her current role in November 2021, she was designated as Division I Head of Global and Ecozone Segment in Corporate Banking. 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. (*Retired effective November 1, 2024)*.

Johan C. So, , Filipino, Senior Vice-President 1, is currently the Head of Division 4 in Conglomerates and Global Corporate Banking. Prior to assuming this role, he was Head of Division 1 in the National Corporate Banking Segment. He has thirty-one (31) years of professional experience. Prior to the Group's reorganization, he was designated as Head of Division 1 in Local Corporate Banking Segment. Before assuming the Division 1 Head role, 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 Master of Business Administration degree from the Ateneo Graduate School of Business in 1999.

Elvira D. Soriano, Filipino, Senior Vice President 1, is currently the Officer -in-charge/ Head of the Internal Audit Group effective January 1, 2025. Prior to being designated to this role, she was the Division 4, Team 1 Head of Internal Audit Group. She has thirty-six (36) years of experience. Prior to assuming this role in view of the reorganization, she was designated as Segment Head of BLC Audit of Internal Audit Group. She also had a prior assignment to handle the Head Office Audit Segment. Before assuming this role in September 2017, she was an Audit Cluster Head since January 2008. She previously worked with other banks, namely: United Coconut Planters Bank where she performed roles in Audit and Credit Review; PDCP Bank where she was assigned with roles such as Account Officer, Project Analyst, Accountant and Audit Assistant. She earned a Bachelor of Science degree in Commerce at the University of Bohol in 1986.

Lea B. Torres, Filipino, Senior Vice President 1, was the Head of Remedial Management Division in Asset Management and Remedial Group. She has 38 years of professional experience. Prior to assuming her current position, she was Department Head of Account Management for nearly fifteen years. She rose from the ranks from an initial assignment as a Loan Review Assistant in the Credit and Supervision Division upon hiring by the Bank in May 1988. Four and a half years later, she was promoted as Credit Review Section Head /Authorized Signer in 1992. By August 1994, she transferred to a Junior Account Officer role in Corporate Banking Group which she handled for more than 3 years and was then transferred thereafter to the Special Accounts Department as an Account Officer up until 2004. She got her promotion to a Senior Remedial Account Officer role in March 2004 and then to a Department Head role by 2006. Her first banking experience was gained from a short employment stint as an Export Clerk in Security Bank and Trust Corporation in 1985. Aside from banking, she had a 9-month teaching engagement as an instructor for the College of Commerce at the Divine Word College in Legazpi. She graduated from the University of Santo Tomas in 1985 with a degree in Bachelor of Science in Commerce. She has earned units for a Master in Management degree from Bicol University in 1986 to 1987. *(Retired effective November 5, 2024)*.

Randy B. Torres, Filipino, Senior Vice President 1, is the Housing Loans Business Head in Consumer Lending Group. He has thirty-three (33) years of banking experience. He was hired by RCBC Savings in 1991 as a Loan Officer (MLD) and by 2001 he became the Department Head for Direct Marketing. He handled other roles in RCBC as follows : Division Head for Housing Loans from 2021 to 2022 ; National Product Head for Housing Loans from 2019 to 2021; National Product Head for Consumer Lending Group from 2017 to 2021; Division Head for Housing Loans from 2008 to 2017; Department Head for Direct Mortgage from 2005 to 2017; Department Head for Area Sales 2004 to 2005; Department Head for Retail 1 from 2002 to 2003 . He graduated from the University of Santo Tomas in 1991 where he earned a degree in Bachelor of Science, major in Accounting.

Emmanuel Mari K. Valdes, , Filipino, Senior Vice President 1, is currently the Division Head of Emerging Affluent & Affluent Market Segment. He has more than twenty eight (28) years of banking experience. Prior to assuming his current role, he was designated as Head of the Cross- Sell Division in Retail Banking Group. Earlier before handling the role in the said division, he was assigned as Regional Sales Director for Metro East effective March 21, 2022. He held other roles in Retail Banking Group as follows: Head of Customer Acquisition and Retention Division (formerly named as Products and Promotions Division) from July 2017 to March 2022 and Head of Retail Financial Products Division 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.

Anna Christina M. Vicente, Filipino, Senior Vice President 1 was the Group Head of SME Banking. She has thirty-eight (38) years of professional experience gained from banking and financial institutions. Prior to her current assignment, she was seconded as President and Chief Executive Officer of RCBC Leasing and Finance Corporation. Prior to her secondment to this subsidiary in June 2021, she was a Segment Head in Small and Medium Enterprises Banking Group and a Division Head for North Metro Manila, a position which she has held since hired in June 2016. She gained her banking experience and acquired competencies in the various roles she handled in her employment with other banks. Her banking stints include the following: Head for Business Banking in Retail Banking Group at Maybank Philippines; Team Head of Metro Manila, Corporate & Commercial Banking Division, Head, Credit Control Division, Department Head, Supervised Credit Division, Account Officer, Institutional Recovery Management Division, Account Officer, Corporate Banking Division at United Coconut Planters Bank; Manager of Branch Banking Group I at Bank of Commerce; Manager for Commercial Loans at UCPB Savings Bank and Staff Assistant, Retail Banking Group-Marketing Division, Loans Assistant, Greenhills Branch, Credit Analyst Trainee, Credit Division and Money Market Trader, Greenhills Branch at Far East Bank and Trust Company. Ms. Vicente graduated from Ateneo de Manila University in 1986 with a degree in Bachelor of Arts major in Interdisciplinary Studies. (*Resigned effective January 1, 2025)*.

Jean Valen W. Yu , Filipino, Senior Vice President 1, is the Head of Marketing Group. She has twenty-four (24) years of experience in consumer insighting, brand building, integrated brand communication and business analysis and strategy development gained from local, regional and global markets. Prior to joining the Bank on December 1, 2024, she was a Marketing Director for Total Nutrition at Abbott Nutrition Philippines from 2021 to June 2024. She held other Marketing Director roles in the said company for Adult Business in the Philippines and Pediatric Business in Vietnam from July 2017 to 2021 and as Senior Lead for Abbot Nutrition International from September 2015 to July 2017. Ms. Yu also gained her marketing expertise from other firms such as Kimberly Clark in the United States where she handled roles as follows Senior Trade Marketing Lead, Babycare for US Walmart (July-September 2015), Global Senior Lead, Adultcare Business/ Domain and Geographic Expansion (January 2012- June 2015), International (KCI) Senior Marketing Manager for Adult/ Feminine Business (September 2010- December 2011), and Regional/ Southeast Asia Marketing Manager (December 2007- August 2010); at Mead Johnson Nutritional Phils., Inc where she had roles such as Country Senior Product Manager for Sustagen Child & Adult Franchise Unit (June – December 2007) ; Country Senior Product Manager for Enfa Children/ Vitamins Business (September 2005 - May 2007); Country Product Manager for Enfa Infant Franchise (November 2022 - August 2005) and at Procter and Gamble where she worked as Assistant Brand Manager, BabyCare Malaysia & Singapore (2000 – 2002). She had her first professional experience at SyCIP, Gorres, Velayo & Co. where she worked as a Junior External Auditor (1999 – 2000). She graduated with a Bachelor of Science major in Accountancy from De La Salle University in 1998. She passed the CPA licensure examination in the same year.

Paula Fritzie C. Zamora, Filipino, Senior Vice President 1, is the Head of Financial Institutions and Support Segment (formerly named as Financial Institutions Management Segment) in Treasury Group, a role which she has been handling since June 2012. She has thirty-two (32) years of banking experience. Prior to assuming her current role, she was the Head of the Derivatives Department and Head of the Financial Engineering Department. She had previous work experience which she gained from other firms like Tokio Marine Malayan Insurance Co. where she was a Finance Officer for the Cash Department and Far East Bank & Trust Company where she was employed as Treasury Trader. She graduated from the Ateneo De Manila University in 1992 with a degree in Bachelor of Science in Management.

Nilo C. Zantua, Filipino, Senior Vice President 1, was the Head of Information Technology and Shared Services Group, Prior to assuming this role in February 2024 , he was designated as the Chief Technology Officer .He has 36 years of Information Technology experience. He was initially hired by the Bank as Deputy Chief Technology Officer. Prior to joining RCBC, he was connected with Nexus Technologies, Inc as Vice President) and was a Director-Group Advisory for Jupiter Systems, Inc. (under the Nexus Group of Companies). He also had a stint with Trends & Technologies, Inc. as Group Head – Managed ICT Services. He previously worked also with Philam Life where he handled significant roles as Chief Technology Officer and Deputy Head of IT and Head of IT Infrastructure. He was also previously employed at Sunlife Financial Asia where he performed roles as follows: Head of Shared IT Infrastructure and Operations-Asia, Asia Shared IT Services; IT Director of Manila Shared Services Center; and Head of Regional IT Infrastructure and Operations in Sun Life of Canada Philippines, Inc.; Manager for Operations and Network Computing; Network Services Supervisor for Sun Life Assurance Company of Canada. He also worked in KSA with Binzagr Co. as Technical Services Supervisor and in other institutions and firms as Senior Computer Operator/Programmer at the Department of Health, Central Office Manila, and at Capitol Wireless Inc. as Telecoms Engineer. He graduated with a degree in Bachelor of Science major in Electronics and Communications Engineering in University of Santo Tomas, 1987. He passed the licensure examination in 1987. He completed a Management Diploma - BMP, a four-month short course in Asian Institute of Management, 1999. *(Resigned effective October 1, 2024)*.

Xavier Y. Zialcita, Filipino, is a Senior Vice President 1, for Strategic Initiatives. He has over twenty six (26) years of professional experience with particular focus on investment banking. Prior to joining the Bank, he was Senior Account Officer/Senior Vice President (effective July 2022) for Investment Banking at RCBC Capital Corporation. He was involved in various deals helping clients meet their financial and strategic goals. Other roles he handled include the following in RCBC Capital Corporation and other firms: as Senior Account Officer/First Vice President for Investment Banking from January 2018 to June 2022; Account Officer (Manager to Vice President) from June 2008 to December 2017; Liaison Officer/Assistant Vice President at YGC Corporate Services, Inc. from 2001 to 2007; Staff Associate at SGV & Co from 1999 to 2001; and as Systems Analyst at Joaquin Cunanan & Co. from 1998 to 1999. He is involved in other pursuits being a non-executive director of DBP Daiwa Corporation, a stock brokerage, as well as RCBC Realty Corporation, a property development and management corporation. He graduated from Ateneo De Manila University in 1998 with a degree in Bachelor of Science major in Management Information Systems. He earned a Post Graduate Diploma in Strategy and Innovation at the University of Oxford – Said Business School in 2012.

Ten of the Directors and most of the 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 and Related Stockholder Matters

The common shares of the Bank are listed in the Philippine Stock Exchange. As of April 30, 2025, the market price of RCBC's common shares closed at P26.20 per share. The trading prices of said shares for the different quarters of the years 2024, 2023 and 2022 are as follows:

		Q1		Q2		Q3		Q4	
			Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date		Last Practicable Trading Date
2025	High	27.35	4.03.25						
	Low	23.40	2.03.25						
2024	High	24.20	2.29.24	23.95	4.08.24	27.85	9.24.24	27.85	10.14.24
	Low	21.00	3.04.24	21.10	6.21.24	21.15	7.02.24	23.00	11.27.24
2023	High	25.00	2.22.23	24.45	4.03.23	25.50	7.31.23	24.00	10.17.23
	Low	21.50	1.11.23	22.80	6.23.23	22.00	9.01.23	20.60	12.13.23
2022	High	22.70	3.03.22	20.80	4.5.22	21.45	9.30.22	28.30	11.03.22
	Low	19.94	1.17.22	19.02	6.2.22	18.84	7.18.22	20.75	10.03.22

Source: Philippine Stock Exchange

(2) ***Number of Stockholders as of April 30, 2025*** — 742 stockholders (common)
(*this will be updated as of May when DIS is filed)* — 70 stockholders (preferred)

There were 70 preferred shareholders and 742 common shareholders of record as of April 30, 2025. Likewise, preferred shares and common shares outstanding as of April 30, 2025 were 266,194 and 2,419,536,359, respectively.

As of April 30, 2025, total equity ownership of foreigners on the Bank's common shares was at 43.95% or 1,063,380,326 shares.

(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 April 30, 2025

Common stockholders

Name	No. of Shares	% to Total
PCD NOMINEE CORP - NON-FILIPINO Includes Sumitomo Mitsui Banking Corporation Includes Cathay Life Insurance Co. Ltd *No other PCD Nominee shareholder holds more than 5%	894,611,815	36.974514
PCD NOMINEE CORP - FILIPINO Includes Pan Malayan Management and Investment	628,146,915	25.961458
PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION	594,248,085	24.560411
SUMITOMO MITSUI BANKING CORPORATION	168,619,976	6.969103
SM INVESTMENTS CORPORATION	53,862,336	2.226143

SYBASE EQUITY INVESTMENTS CORP.	47,570,205	1.966088
SYBASE EQUITY INVESTMENTS CORPORATION	23,528,800	0.972451
SYSMART CORP.	3,000,000	0.123991
HYDEE MANAGEMENT & RESOURCE CORPORATION	2,173,349	0.089825
MARTIN HARLEY PE SY	520,000	0.021492
MATTHEW HARLEY PE SY	520,000	0.021492
SAMANTHA MORI PE SY	519,985	0.021491
A. T. YUCHENGCO, INC.	255,190	0.010547
ALAS, CARLOS DE LAS	114,298	0.004724
ALAS, CORNELIO DE LAS	114,195	0.004720
CHAN, FREDERICK	111,677	0.004616
YANG JIN LIANG	100,000	0.004133
RUFINO, JOSIE PADILLA	92,865	0.003838
LOMBOS, MANUEL C. &/OR MEYRICK J.	68,574	0.002834
MANUEL A. SANTIAGO OR ELLA C. SANTIAGO	65,900	0.002724

Preferred stockholders

Name	No. of Shares	% to Total
ROSARIO, RODOLFO P. DEL	81,521	30.624657
GO, HOMER	46,355	17.413991
CONCEPCION, CARMENCITA	31,842	11.961953
OPTIMUM SECURITIES CORP.	16,666	6.260847
BDO SECURITIES CORP.	9,304	3.495195
NGO, LORETA	8,600	3.230726
MANDARIN SECURITIES CORPORATION	7,583	2.848674
TAN, LUCIANO H.	7,309	2.745742
ABACUS SECURITIES CORP.	6,021	2.261884
HWANG, HANS YAP	5,558	2.087951
ANG, TONY ANG &/OR ROSEMARIE	5,372	2.018077
SIA, JOHNSON CHUA	5,000	1.878329
CAMPOS LANUZA & CO. INC.	3,535	1.327979
ACERO, NICASIO MARIN JR., &/OR ARNOLFO O.	3,371	1.266370
CO, JUSTINA DY	3,258	1.223919
CHENG, SUSAN	2,665	1.001150
GLOBALINKS SEC. & STOCKS	2,454	0.921884
BEDAN CORPORATION	2,100	0.788898
LUYS SECURITIES CO. INC.	1,852	0.695733
GO, ROBERTO CHAN	1,367	0.513535

** The list of material information on the Bank's stockholders as of record date will be posted on the PSE edge and the Bank's website after May 29, 2025 (the record date).*

Security Ownership of Foreigners (as of April 30, 2025)

Title of Class	Shares	% of Total
Common	1,063,390,386	43.95%
Preferred	0	0.00

(4) Cash Dividends **(2022, 2023, and 2024)**

Nature of Securities	Dividend		Record Date	Date Approved by BOD	Date Paid /Payable
	Per Share	Total Amount (in Million Php)			
Hybrid Tier 1 Securities	-	P500.57	28-Feb-22	31-Jan-22	28-Feb-22
Preferred	P0.0553	P0.01	21-Mar-22	28-Feb-22	23-Mar-22
Common	P0.6180	P1,259.16	11-Apr-22	28-Mar-22	27-Apr-22
Preferred	P0.6180	P0.17	11-Apr-22	28-Mar-22	27-Apr-22
Preferred	P0.0748	P0.02	21-Jun-22	30-May-22	23-Jun-22
Hybrid Tier 1 Securities	-	P547.59	26-Aug-22	25-Jul-22	26-Aug-22
Preferred	P0.1047	P0.03	21-Sep-22	30-Aug-22	22-Sep-22
Preferred	P0.1407	P0.04	21-Dec-22	28-Nov-22	27-Dec-22
Hybrid Tier 1 Securities	-	P534.98	27-Feb-23	30-Jan-23	27-Feb-23
Preferred	P0.1685	P0.05	21-Mar-23	27-Feb-23	23-Mar-23
Common	P1.0800	P2,200.48	13-Apr-23	27-Mar-23	27-Apr-23
Preferred	P1.0800	P0.29	13-Apr-23	27-Mar-23	27-Apr-23
Preferred	P0.1789	P0.05	21-Jun-23	29-May-23	26-Jun-23
Hybrid Tier 1 Securities	-	P553.41	27-Aug-23	31-Jul-23	27-Aug-23
Preferred	P0.1920	P0.05	21-Sep-23	29-Aug-23	25-Sep-23
Preferred	P0.1870	P0.05	21-Dec-23	29-Nov-23	29-Dec-23
Hybrid Tier 1 Securities	-	P546.53	27-Feb-24	29-Jan-24	27-Feb-24
Preferred	P0.1864	P0.05	21-Mar-24	26-Feb-24	21-Mar-24
Common	P1.0140	P2,453.11	13-Apr-24	25-Mar-24	26-Apr-24
Preferred	P1.0140	P0.27	13-Apr-24	25-Mar-24	26-Apr-24
Preferred	P0.1854	P0.05	21-Jun-24	27-May-24	26-Jun-24
Hybrid Tier 1 Securities	-	P548.24	26-Aug-24	29-Jul-24	26-Aug-24
Preferred	P0.1857	P0.05	21-Sep-24	29-Aug-24	25-Sep-24
Preferred	P0.1707	P0.05	21-Dec-24	25-Nov-24	26-Dec-24

In 2015, the BSP, through the Monetary Board, approved the liberalized rules for banks and quasi-banks on dividend declaration. The policy no longer requires prior regulatory approval, except for certain cases, and requires that dividend declaration be immediately recognized as a liability upon the approval of the BOD and that it be disclosed in the statement of changes in equity.

Dividends are declared and paid out of the surplus profits of the Bank as often and at such times as the BOD may determine after making provisions for the necessary reserves in accordance with law and the regulations of the BSP.

(I) Compliance with leading practices on Corporate Governance

Core Principles

RCBC affirms its commitment to good corporate governance. With an empowered Board of Directors 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, as well as 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. This Framework is embodied in the Bank's Corporate Governance Manual, the latest version of which was approved by the Board in June 24, 2024.

Board Governance

The Board of Directors

Key Roles and Responsibilities

RCBC is headed by a competent and working Board that oversees the implementation of its strategic objectives, governance framework, and corporate values.

The Board is primarily responsible for establishing a sound corporate governance framework, not only for the Bank, but for the entire RCBC Group. It has the fiduciary responsibility to the Bank and all its shareholders, including minority shareholders. Among its many functions are 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 normally comprised of fifteen (15) members, all of whom are known for their integrity, experience, education, training and competence. The Corporate Governance and Nominations 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 board members, 14 are non-executive directors including the 5 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 is 20% with 3 female directors out of the 15-member board prior to the demise of Mr. Buenaventura on April 21, 2025. The women in the Board are Mrs. Helen Y. Dee, the Chairperson, Ms. Gayatri P. Bery, and Ms. Erika Fille T. Legara, PhD.

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 nominations 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 and Nominations 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 to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.

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. Juan B. Santos	Mr. Eugene S. Acevedo
Mr. Cesar E.A. Virata	Mr. Gabriel S. Claudio	
Mr. Gil A. Buenaventura†	Mr. Vaughn F. Montes, Ph.D.	
Mr. Armando M. Medina	Mr. Laurito E. Serrano	
Mr. John Law	Ms. Erika Fille T. Legara, Ph.D.	
Mr. Shih-Chiao Lin		
Ms. Gayatri P. Bery		
Mr. Hiroki Nakatsuka		
Mr. Katsufumi Uchida		

† *Mr. Buenaventura was a Director until his demise on April 21, 2025.*

Independent Directors

The Bank adopts the definition of independent directors under SEC's Code of Corporate Governance for Publicly Listed Companies and BSP's Enhanced Guidelines on Corporate Governance for BSP Supervised Financial Institutions. 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 and Nominations Committee, Related Party Transactions Committee, and the Anti-Money Laundering Committee.

In 2024, RCBC had 5 independent directors, including one female independent director, Ms. Erika Fille T. Legara, Ph.D. The 4 other independent directors were Mr. Juan B. Santos, Mr. Gabriel S. Claudio, Mr. Vaughn F. Montes, Ph.D., and Mr. Laurito E. Serrano. Mr. Santos was the Lead Independent Director.

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 for those whose terms began ahead of that year.

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 Chairperson

The By-laws of the Bank provides that the Corporate Vice Chairperson 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 Chairperson.

Lead Independent Director

The Bank's Corporate Governance Manual provides that the Board should designate a lead independent director among the independent directors if the Chairman of the Board is not an independent director, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person. Mr. Juan B. Santos has been the Bank's Lead Independent Director since March 24, 2021.

The Lead Independent Director shall perform a more enhanced function over the other Independent Directors and shall: a) lead the independent directors at BOD meetings in raising queries and pursuing matters; b) convene and chair meetings of the non-executive directors without the presence of the executive directors; c) serve as an intermediary between the Chairperson and the other directors when necessary; and d) contribute to the performance evaluation of the Chairperson, as required.

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 physically attend 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. Board Meetings in 2024 were held face-to-face for directors and presenters, with simultaneous provisions for video conferencing for directors unable to attend in person, as allowed by the BSP and SEC.

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 meetings is considered by the Corporate Governance and Nominations 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. Meetings of the Board Committees in 2024 were also held via face-to-face and/or remote communication and/or video conferencing as allowed by the BSP and SEC.

For the period January to December 2024, the members' attendance at Board and Committee meetings is as follows:

Directors	BOARD*		EXCOM		TECH		ACC		ROC		CGN		RPT		AML		Total		% Attendance
	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	
Helen Y. Dee	13	12	47	47	11	9											71	71	96
Cesar E.A. Virata	13	13	47	47	11	10											71	70	99
Eugene S. Acevedo	13	13	47	46	11	10											71	69	97
Gil A. Buenaventura	13	13	47	47													60	60	100
Armando M. Medina	13	13	47	47													60	60	100
John Law	13	13													11	10	24	23	96
Shih-Chiao (Joe) Lin[1]	13	12									6	6	11	8			30	26	87
Gayatri P. Bery	13	13							13	8							26	21	81
Hiroki Nakatsuka	13	13	47	47													60	60	100
Katsufumi Uchida	13	13							13	8							26	21	81
Juan B. Santos	13	13									11	11					24	24	100
Gabriel S. Claudio	13	13									11	11	11	11	11	11	46	46	100
Vaughn F. Montes	13	13					16	16	13	13					11	11	53	53	100
Laurito E. Serrano	13	13					16	16	13	12							42	41	98
Erika Fille T. Legara[2]	13	13					16	14	13	10	6	5	6	5			54	47	87

M = Number of Meetings
A = Meetings Attended
* Board meetings include Regular, Special and Organizational meetings
[1] Member of CGN until June 24, 2024
[2] Member of CGN starting June 24, 2024

Separate meeting of the Non-Executive Directors

Non-executive directors (NEDs) are required to have separate periodic meetings with the heads of the internal audit, compliance and risk functions and external auditor without any executive directors present to ensure that proper checks and balances are in place within the Bank. For Y2024, the NEDs held a separate meeting with the heads of internal audit, compliance and risk functions and external auditor on December 9, 2024 to discuss the control units' assessment of the business units and the Bank as a whole. The meeting was chaired by the Lead Independent Director, Mr. Santos.

Board Performance

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

The Corporate Governance and Nominations Committee decides the manner by which the Board's performance may be evaluated and proposes objective performance criteria approved by the Board. The performance indicators determine how the Board enhances long-term shareholder value.

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Board of Directors Training Program

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

Under the 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 their 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 the BSP.

Board members also undergo the Annual Continuing Training Program which covers courses on corporate governance, matters relevant to the Bank, including audit, internal controls, risk management, sustainability, and strategy. The Board, through the Corporate Governance and Nominations 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 Php35,000.00 for attendance in Board meetings. The Chairpersons of Audit and Compliance, and Risk Oversight Committees receive Php20,000.00 while members of the said committees receive Php15,000.00 per diem for attendance in meetings. The per diem in other Board committees is Php15,000.00 for the Chairperson and Php10,000.00 for Board members. Advisors/Observers who are members of the Board or the Advisory Board also receive per diems.

The members of the Board, 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 RCBC.

For the protection of its directors from threats against the security of their persons, property, and private data, the Bank presents below the aggregate compensation of the members of the Board of Directors and Advisory Board for 2023, inclusive of bonuses received in accordance with the By-Laws. A report on the total compensation per director shall be presented to the stockholders during the Annual Stockholders' Meeting of the Bank on June 24, 2024, and a similar report will be submitted to the SEC.

Remuneration Item	**2024** (in Php '000)
(a) Per diem Allowance	**15,015** (aggregate amount for the 2024 meetings
(b) Directors' Bonuses Directors' bonuses are given to non-executive and independent directors based on the formula provided for in the Bank's By-Laws**.**	**110,609**
TOTAL	**125,624**

Board Committees

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

1. Executive Committee

Composition:
Chairperson and at least four (4) members of the Board of Directors

Members:
Helen Y. Dee - *Chairperson*
Eugene S. Acevedo - *Vice Chairperson*
Cesar E.A. Virata
Gil A. Buenaventura† (*until April 21, 2025*)
Armando M. Medina
Hiroki Nakatsuka

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 2024, the Executive Committee:

- Discussed various issuances by regulatory agencies.
- Approved non-DOSRI loans that reach the Single Borrower's Limit.
- 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) members of the board of directors, majority of whom shall be independent including the Chairperson. Members of the committee should have the knowledge of the industry in which the bank operates, the ability to read and understand fundamental financial statements, and the ability to understand key business and financial risks and related controls and control processes.

Members:
Laurito E. Serrano (ID) - *Chairperson*
Vaughn F. Montes (ID)
Erika Fille T. Legara (ID)

Advisors:
Shih-Chiao (Joe) Lin
Hiroki Nakatsuka

The Audit and Compliance Committee, a board-level committee, shall be responsible for overseeing senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It is constituted to perform the following core functions:

- Oversight of the institution's financial reporting policies, practices and controls, as well as of the internal and external audit functions. This includes responsibility for the setting up of an internal audit unit and for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to the Audit and Compliance Committee. Based on its mandated assurance activities, in accordance with its authority coming from the Board of Directors through the Audit and Compliance Committee, Internal Audit provides reasonable assurance to Senior Management, the Audit and Compliance Committee and the Board of Directors that the Bank's internal control, corporate governance, and risk management systems and processes are adequate and generally effective. It collaborates with and complements the activities of the Risk Management Group, Regulatory Affairs Group, and other assurance and oversight units, as well as the Bank's external auditors.
- Provides authority to investigate any matter within its terms of reference, with full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings and adequate resources to enable it to effectively discharge its functions.
- Ensuring that a review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, information technology security and risk management, is conducted at least annually. Through this comprehensive system of monitoring and review of risks, controls and compliance in the institution, the Board ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting their respective businesses.

The Audit and Compliance Committee's evaluation of the effectiveness of the internal controls in the areas of financial reporting processes, information technology security and controls, risk management systems and governance process of the Bank is mainly based on the annual financial statements audit report showing an unqualified opinion from the External Auditor, the overall assurance provided by the Chief Audit Executive from the audits and related activities performed during the period and additional reports and information requested from Senior Management, and found that these systems and processes are generally adequate across RCBC.

In 2024, the highlights of the Audit and Compliance Committee's actions pertaining to Internal Audit, External Audit and Compliance functions are as follows:

a. For External Audit Function

- Review of Results and Endorsement for Board Approval of Punongbayan & Araullo's (P&A) Quarterly Review of the Financial Information of RCBC and selected Subsidiaries
- Review of Results and Endorsement for Board Approval of P&A's Audit of the Financial Statements of RCBC Trust and Investment Group (RTIG), RCBC and Subsidiaries for the year ended December 31, 2023
- Reappointment and approval of fees of P&A as External Financial Auditor and corresponding Review and Approval of P&A's Plan for the Audit of the Financial Statements of RCBC and Subsidiaries for the year ending December 31, 2024

- Reappointment and approval of the External Auditors' (P&A) Fees for the Quarterly Review of the Financial Statements (FS) of RCBC and selected Subsidiaries
- Review of P&A's Interim Report for the audit of 2024 RCBC Group year-end financial statements.

b. For Internal Audit Function

- Engaging in discussions on the results of internal audits managed and executed by the Internal Audit Group (IAG) during the monthly Audit and Compliance Committee meetings to evaluate the adequacy and effectiveness of the Bank's internal control and risk management systems including financial reporting and information technology security.
- Assessing and resolving to refer to the immediate attention of the responsible business units, Board-level Committees and Bank personnel matters arising from the internal audits.
- Monthly/quarterly reviews and notation of the status of audit plans, IAG manpower including movements, outstanding/unresolved audit issues, and analysis of common audit issues.
- Approval of revisions in the 2024 Annual Audit Plan.
- Approval to conduct Special Audits in accordance with the IAG's Special Audit and Consulting Policy.
- Approval of the Internal Audit Group's 2025 Risk Assessment Results and Audit Plan.
- Approval of the Internal Audit Group's 2023 Periodic Self Assessment Report.
- Notation of the ECL Model Validation and Refresh by KPMG.
- Notation of the Updates of Strategies and Actions on Outstanding Accounts Payable and Accounts Receivable by Consumer Lending Group.
- Notation of the Changes in the Global Internal Audit Standards
- Notation of the Observer and Advisor Roles of Attendees in the Committee Meetings
- Notation of 2024 Internal Audit Group's Annual Report for the 2023 Internal Audit Activities
- Notation of the Results of the Chief Audit Executive's 2023 Performance Appraisal and Evaluation.
- Notation of the Service Provider Performance Evaluation for R.G. Mabanat & Co. (KPMG in the Philippines) for the CyberSecurity Maturity Assessment Project.
- Notation of the Service Level Agreement to Cover Internal Audit Activities of RCBC Securities.
- Notation of the 2024 BSP Examination Audit Results and Action Plans.
- Approval of the criteria for the Guidelines in the inclusion or exclusion of application systems in the Audit Universe.
- Updates and notation in the updates of IAG Transformation Project by DIT.
- Notation on the secondment of IAG Division Head Milagros G. Tinio to RCBC Bankard Services Corporation as Chief Audit Executive.

c. For Compliance Function

- Reviewed and approved the Appointment of Data Protection Officer – Atty. Belteshazzar Cabacang.
- Reviewed and approved the Memo on ACC Charter Change on the Designation from Observers to Advisors.
- Reviewed and approved the Proposed Audit and Compliance Committee Charter Amendment - Advisor Representation for Quorum Purposes.
- Reviewed and approved the PDex Authorized Users for the eMSC.
- Discussed and noted the BSP Circular 1185 - Grants of Additional Single Borrower's Limit for Financing Eligible Projects and Zero Percent Reserve Requirement Rate Against Sustainable Bonds.
- Discussed and noted the Updates to RAG Transformation Roadmap.
- Discussed and noted the Status of Compliance Assurance Plan.

- Discussed and noted the Continuous Monitoring Plan Results (Parent Bank/Subsidiaries).
- Discussed and noted the Updates on the Results of Ongoing Specialized Assurance Reviews.
- Discussed and noted the Update Memo to Audit & Consolidated ROPA.
- Discussed and noted the Updates on the RLFC Letter of Commitment.
- Discussed and noted the Updates on the BSP Circular No. 1187 - Sustainable Finance Taxonomy Guidelines.
- Discussed and noted the Final reports on the Specialized Assurance Reviews of Standard Business Loan Application Form and Large Exposure Framework.
- Discussed and noted the MyWallet migration to DiskarTech.
- Discussed and noted the SSS My ATM Paycard.
- Discussed and noted the Trust - SATC Transition.
- Discussed and noted the Universal CSAF.
- Discussed and noted the MyWallet Wind Down Activity (Retail).
- Discussed and noted the ATM Cash-Out partnership with GCash, GRAB and CashMallow.
- Discussed and noted the winding down activities of RCBC Telemoney Europe.
- Discussed and noted the Results of SAR-Agriculture, Fisheries and Rural Development Financing.
- Discussed and noted the WBC Memo on PDEx SRO Audit Examination – Treasury.
- Discussed and noted the BSP evaluation of the RLFC Letter of Commitment.
- Discussed and noted the RAG Transformation: Sustainability Phase Completion.
- Discussed and noted the Compliance Manual Update.
- Discussed and noted the Memo on COCREE 2.0.
- Discussed and noted the Final Results of the IMA Review.
- Discussed and noted the WBC Updates on RLFC LOC.
- Discussed and noted the Initial PDEx Audit Findings and RCBC's Responses.
- Discussed and noted the Status of the Compliance Assurance Plan.
- Discussed and noted the offering of the Time Deposit Forward Structured Product to Retail.
- Discussed and noted the COCREE 2.0 Updates.
- Discussed and noted the Compliance with SEC Rules Gap Assessment.
- Discussed and noted the Final Results of the following Specialized Assurance Reviews: Validation of Actions made on the BSP's Report of Examination directives; COVID Relief Measures; Client Suitability Assessment; and Financial Products and Services Consumer Protection.
- Discussed and noted the 2024 BSP Onsite Examination Trends.
- Discussed and noted the Proposed Compliance Assurance Plan for 2025 to 2026.
- Discussed and noted the Memo on the Proposed Updated Data Privacy Policy.

3. Risk Oversight Committee

Composition:
The Risk Oversight Committee (ROC) shall be composed of at least three (3) non-executive members of the Board of Directors, none of whom is also a member of a management committee. Majority of the members 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*
Laurito E. Serrano (ID) – *Vice Chairperson*
Gayatri P. Bery
Erika Fille T. Legara
Katsufumi Uchida

Advisors:
Eugene S. Acevedo
John Law

The ROC supports the Board with respect to oversight and management of risk exposures of the RCBC parent bank and subsidiaries (the Group). In this regard, the ROC exercises authority over all other risk committees of the Group, with the principal purpose of assisting the Board in fulfilling its risk oversight responsibilities. The ROC oversees the following: 1) The Risk Governance Framework; 2) The Risk Management Function; 3) Adherence to Risk Appetite; 4). Capital Planning and Management; and 5) Recovery Plans.

The highlights of the Risk Oversight Committee's actions in 2024 are as follows:

<u>ROC Self-Assessment</u>
- Noted the 2024 ROC Self-Assessment Results

<u>Enterprise Risk and ICAAP</u>
- Approved:
  - 2024 ICAAP Risk Materiality Assessment
  - 2024 ICAAP Macroeconomic Assumptions
  - 2024 ICAAP Pillar 1 Risk Assessment, Financial Projections – Baseline and Stress
  - 2024 Internal Capital Adequacy Assessment Process (ICAAP)
  - 2024 Risk Governance Framework Review
  - 2024 Recovery Plan: Stress Testing Scenarios and Results, Recovery Plan Triggers
  - RCBC 2024 Recovery Plan (RP) Document, with Recovery Options and Updates on the 2024 RP Stress Scenarios, IAG and BSP Observations on the 2023 RP

- Noted:
  - ICAAP Management Committee (IMC) Minutes of the Meetings for 2023
  - ICAAP Work plan, ICAAP Audit Findings Update
  - RCBC Recovery Plan – Work Plan, Internal Audit Findings, BSP Comments

<u>Credit Management</u>
- Approved:
  - ECL Framework for CTS and Treasury including ECL project closure

- Noted:
  - Credit Management reports including Updates on Asset Quality, Key Accounts, Flagged Accounts, Problem Loan Committee, NPL and ECL Forecast, Updates on CARE Program, Ratings Migration, Industry Exposure Limits, Consumer Loan Portfolio, Treasury Bond Portfolio, and Portfolio Quality of Subsidiaries
  - Independent Credit Review – Credit Portfolio Quality Report

<u>Market and Liquidity Risk</u>
- Approved:
  - Risk Limits for Equities
  - PSR Factors Review
  - Review of Off-Market Tolerance Factors

- Noted:
    - Market and Liquidity Risk Reports including Regulatory Ratios, Liquidity and Repricing Gaps, IRRBB Metrics, and other measures
    - Deposit Level Update
    - Results of BSP Uniform Stress Testing on Market Risk
    - FVOCI Update

<u>Treasury</u>

- Approved:
    - 2024 Treasury Limits
    - MCO Limit Reallocation
    - 2024 Funding Plan
    - 2024 Funding Plan Update
    - 2024 Treasury Limits Increase Proposal
    - Hedge Accounting Policy and Limits

- Noted:
    - Treasury Updates
    - Product Presentation : TD Forward
    - APMS ROC Updates Post US Elections

<u>Sustainable Finance</u>

- Approved:
    - RCBC Sustainable Finance Framework
    - 2023 Sustainability Report
    - RCBC Risk Governance Framework
    - 2024 Recovery Plan: Stress Testing Scenarios and Results, Recovery Plan Triggers
    - RCBC 2024 Recovery Plan (RP) Document, with Recovery Options and Updates on the 2024 RP Stress Scenarios, IAG and BSP Observations on the 2023 RP
    - Model Risk Management Framework
    - Implementation of the Sustainable Finance Taxonomy Guidelines

- Noted:
    - 2023 Recovery Plan Document - Dialogue with the BSP
    - 2023 Allocation Report
    - 2023 Sustainability and Impact Report
    - Updates on the IFC Management Action Plan (MAP)
    - RCBC Collaboration with Haribon Foundation
    - BSP Uniform Stress Test for Credit Risk

<u>Operational Risk</u>

- Noted:
    - Update on Document Deficiency Monitoring (Quarterly), Update on Bankwide Document Deficiency Monitoring
    - Physical Security Updates
    - 2024 RCSA Reassessment

<u>Enterprise Fraud Risk</u>

- Noted:
    - Removal of OTP Requirement for Low-Risk Transactions

<u>Information Security Governance</u>

- Approved:
    - Data Governance Framework

- Noted:
  - Information Security Risk Assessment (ISRA) report for Unibank
  - External Vulnerability Assessment and Penetration Testing (E-VAPT) 2024
  - 2023 Information Security Risk Assessment (ISRA) Report for Subsidiaries
  - Information Security Annual Certification (ISAC) Report 2023

<u>Others</u>

- Approved:
  - Onboarding of Maya Phils Inc.

- Noted:
  - Subsidiary Reports
  - RCBC Leasing SBL Breach
  - Q2 2024 Consumer Loans Portfolio
  - Cybersecurity Maturity Assessment (CMA) Results
  - 2Q2024 Reputational Risk Update
  - 2024 RCSA Reassessment
  - 3Q2024 Reputational Risk Update

4. The Corporate Governance and Nominations Committee

Composition:
The Corporate Governance and Nominations Committee shall be composed of at least three (3) members of the board of directors, all of whom are independent directors, including the chairperson.

Members:
Juan B. Santos (ID) - *Chairperson*
Gabriel S. Claudio (ID)
Shih-Chiao (Joe) Lin *(until June 24, 2024)*
Erika Fille T. Legara (ID) *(starting June 24, 2024)*

Advisors:
Masayuki Kawakami
Shih-Chia (Joe) Lin *(starting June 24, 2024)*

The Corporate Governance and Nominations Committee assists the Board of Directors in fulfilling its corporate governance responsibilities. The highlights of the actions of the Corporate Governance and Nominations Committee in 2024 are as follows:

- Exercised oversight on the nomination process for members of the Board and for positions requiring Board approval.
- Reviewed and recommended to the Board the assignment of its members to Board Committees.
- Reviewed and endorsed for Board approval the interlocking positions of directors and officers.
- Reviewed and endorsed for Board approval the appointments of senior officers.
- Reviewed and endorsed for Board approval the secondment of senior officers to subsidiary companies.
- Exercised oversight on the continuing education program for the Board.
- Reviewed and endorsed for Board approval the revisions to the Corporate Governance Manual and Charter.
- Reviewed, approved and endorsed for Board approval the 2023 Integrated Annual Corporate Governance Report.

- Reviewed and endorsed for Board approval the 2025 Annual Board Plan.
- Discussed and noted the following:
  (a) Quarterly Report on New Hires and Separated Employees, and Attrition Report
  (b) Quarterly Whistleblowing Report
  (c) Lifestyle Check Report for 2023
  (d) Result of the 2023 Annual Board Evaluation.

5. The Related Party Transactions Committee

Composition:
The Related Party Transactions (RPT) Committee shall be composed of at least three members of the Board, two 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:
Gabriel S. Claudio (ID) - *Chairperson*
Shih-Chiao (Joe) Lin
Erika Fille T. Legara (ID)

Advisor:
Masayuki Kawakami

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 to protect the interest of depositors, creditors and other stakeholders. In 2024, 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 2024 includes the following:

- Reviewed and evaluated all material RPTs, those within the threshold amount of Php10,000.00 and above, and those that require Board approval regardless of amount (e.g., DOSRI loans, outsourcing, cross-selling) to ensure that such transactions are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged;
- All vetted material RPTs were endorsed to the Board for approval;
- Reviewed and reported to the Board on a quarterly basis the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- Reviewed and endorsed for Board approval the revisions to the Related Party Transactions Policy and Charter;
- Exercised oversight on the filing of the required reports to BSP under BSP Circular No. 895, as amended: (a) Report on Conglomerate Structure, and (b) Report on Material Related Party Transactions.

6. The Anti-Money Laundering Committee

Composition:
The Anti-Money Laundering Committee shall be composed of at least three (3) directors, majority of whom are independent directors, including the chairperson.

Members:
Gabriel S. Claudio (ID) – *Chairperson*
Vaughn F. Montes (ID)
John Law

Advisors
Eugene S. Acevedo
Masayuki Kawakami

The AML Committee assists the Board 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; and to ensure that oversight on the Bank's compliance management is adequate.

In 2024, some of the crucial actions of the Committee include:

- Approved:
    - TMD Dept. Head with Manager Rank to approved EDD of High Risk and PEP Client.
    - Updates to the MTPP: Guidelines on the ML/TF/PF Risk Event Report under BSP Circular No. 1193.
    - Memo on AML Charter Change on the Designation from Observers to Advisors.
    - Memo on the Inclusion of Foreign Government Issued ID in the MTPP's List of Acceptable Identification Documents.
    - Independent Review & Testing of Sanctions Screening System.
    - MTPP Amendment: Acceptance of Valid IDs.

- Discussed and noted:
    - Update on Trade-Based Money Laundering Screening.
    - PH's failure to meet target to exit the Grey List.
    - TBG's Reply on the Legal Recourse Clarification on Remittance Tie-up Contracts
    - MLRO and Deputy MLRO Designation.
    - TBML AML Presentation.
    - CBC RS Updates: SEC Suspended Corporations; Onboarding KYC Deficiency Reports (Feb/Mar 2024); Results of BSP Thematic Review on Casino Junket Operators.
    - Memo on Philippine Identification System Authentication Service: eVerify.
    - Memo on the Finalized MTPP Update on the ML/TF/PF Risk Event Report
    - 2024 AML IRA Kick-off Memo.
    - Proactive Compliance Analytics Investigation on Golden Passport.
    - Remaining Open ML/TF/PF items - BSP ROE (September 2022 cutoff).
    - RCBC and the Philippines' inclusion in the FATF Grey List.
    - Update on Trade-Based Money Laundering Screening.
    - CMP - Freeze Order (Referral from ACC).
    - PCAI - Golden Passport - Results of Investigation.
    - Anti-Money Laundering Compliance Office Reporting - SEC advisories.
    - INTERPOL - Global Rapid Intervention of Payments.
    - Exposure to Gambling.
    - Project Malasakit.
    - SEC Advisories vis-à-vis Bank exposure
    - Update on the FATF Status Grey List of the Philippines

7. The Technology Committee

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

Members:
Helen Y. Dee – *Chairperson*
Cesar E.A. Virata
Eugene S. Acevedo (Executive Director)

The Technology Committee exercises authority over all IT Project Steering Committees of the various RCBC Business Groups and subsidiaries (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 the status of major projects.
- Prioritizes IT initiatives, when warranted.
- Evaluates emerging IT solutions for use of the Group.
- Reviews, evaluates and resolves Cyber Security Issues, Disruptions and Disaster Recovery activities raised in the TechCom.
- Reviews and resolves IT risks and other IT-related issues raised in the TechCom.
- Ensures compliance with BSP rules and regulations relating to Information Technology.

In 2024, highlights of the actions of the Technology Committee are as follows:

Month	Item
January	Subscribe to Productivity and Collaboration Platform
	Subscribe to Enterprise Source Code Repository
February	Acquire Web and Cloud Access Security Tools
	Subscribe to Multi-Factor Authentication Security Tool
March	Embark on Upgrading the Security Infrastructure for Branch and ATM Networks
April	Embark on Migrating and Modernizing the Financial Data Warehouse
May	Embark on Upgrading the Enterprise Document Management System
	Enhance and Extend the Enterprise Automated TBML Screening Solution (Trade-Based Money Laundering)
	Sign-up with Security Services Provider for Mobile and Web VAPT Service (Vulnerability Assessment and Penetration Testing)
June	Renew Maintenance Support for Core Banking Infrastructure
July	Upgrade QR Cardless Withdrawal Infrastructure
	Acquire Enterprise Backup Solution, with Immutability Features and Ransomware Resiliency
August	Acquire Privileged Access Management for Information Security
	Subscribe to Mobile Application Security Services
	Subscribe to Anti-Cybercrime Protection and Security Services
September	Acquire Decision Engine Platform for Consumer Loans and Bankard
	Acquire Social Media Management Tool for Customer Care
	Acquire Application Performance Management Tool
October	Enhance Bankard Chatbot with Expanded Self-Service Menu and Live Chat Capabilities
	Acquire Disk Encryption Solution for Windows Workstations
November	Subscribe to a Central Data Platform for Data Science and Analytics
	Renew Subscription to Environment Virtualization Tool to Support the IT Infrastructure Roadmap
December	Renew Outsourcing Engagement for RCBC's Debit POS-Acquiring Business
Others	Various Digital Enhancements
	Various DiskarTech Enhancements
	Various Infrastructure Refresh and Upgrades

Advisory Board

The Bank has an Advisory Board that provides informed guidance to the Board. Members of the Advisory Board are appointed by the Board and do not have any voting rights but contribute by way of providing non-binding but relevant advice during Board meetings. While the Bank's By-Laws allow for up to 10 members in the Advisory Board, the Bank has appointed four Advisory Board members. They are considered as business leaders and are of known probity and integrity. The members of the Advisory Board are Mr. Francis C. Laurel, Ms. Yvonne S. Yuchengco, Atty. Lilia B. de Lima, and Mr. Masayuki Kawakami.

Shareholdings in the Company

As of March 31, 2025, 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 *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.*	Filipino	820,634,773*	33.92% *This includes certificated shares (24.56%) and shares under PCD Nominee (9.36%)*
Common	**Sumitomo Mitsui Banking Corporation** (SMBC) Address: 1-1-2 Marunouchi, Chiyoda-Ku,Tokyo,Japan 100-0005 Relationship with Issuer: Stockholder	Sumitomo Mitsui Banking Corporation *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.*	Non-Filipino	483,907,222	20.00% This includes certificated shares (6.97%) and shares under PCD Nominee (13.03%)
Common	**Cathay Life Insurance Corporation** Address: 296 Ren Al Road Sec4 Taipei 10633 Taiwan R.O.C. Relationship with Issuer: Stockholder	Cathay Life Insurance Co.Ltd. *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.*	Non-Filipino	452,018,582	18.68% (S*hares are under PCD Nominee)*

**Combined Direct and Indirect Shares of PMMIC;*

As of March 31, 2025, the following **directors and officers** directly/ 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	14,923,060	R / B	Filipino	0.06
Common	Cesar E.A. Virata	1,384,340	R / B	Filipino	0.01
Common	Eugene S. Acevedo	3,441,000	R / B	Filipino	0.01
Common	Gil A. Buenaventura†	50	R	Filipino	0.00
Common	Armando M. Medina	1,950	R	Filipino	0.00
Common	John Law	10	R	French-Taiwan	0.00
Common	Shih-Chiao Lin	10	R	R.O.C. Taiwan	0.00
Common	Gayatri P. Bery	10	R	American	0.00
Common	Hiroki Nakatsuka	10	B	Japanese	0.00
Common	Katsufumi Uchida	10	B	Japanese	0.00
Common	Juan B. Santos	50	R	Filipino	0.00
Common	Gabriel S. Claudio	10	R	Filipino	0.00
Common	Vaughn F. Montes	50	R	Filipino	0.00
Common	Laurito E. Serrano	10	R	Filipino	0.00
Common	Erika Fille T. Legara	50,010	R / B	Filipino	0.00
	Subtotal	***19,800,580***			
Executive Officers					
Common	Xavier Y. Zialcita	244,880	R / B	Filipino	0.00
	TOTAL	***20,045,460***			0.08

†*Mr. Buenaventura was a director until his demise on April 21, 2025.*

Shareholders' Rights and Protection of Minority Stockholders' Interest

The Bank respects the rights of the stockholders as provided for in the Revised 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 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. As allowed by the Revised Corporation Code and the Securities and Exchange Commission (SEC)'s rules, the Board of Directors, on April 28, 2025, issued a resolution allowing voting through remote communication or in absentia.

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. In this regard and to provide ease of access, the Board of Directors issued a resolution on April 28, 2025, allowing the conduct of this year's stockholders meeting virtually. 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 Revised Corporation Code. A director shall not be removed without cause if it shall deny minority stockholders representation in the Board.

The voting rights and procedures are also detailed in the Procedure for the Annual Stockholders' Meeting, the Proxy Form, and the Vote Ballot with Instructions and Procedures, all of which are attached to the Information Statement on the pages that follow the Notice of Meeting (before this Annex).

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. As allowed by the Revised Corporation Code and the Commission's rules, the Board of Directors, on April 28, 2025, issued a resolution allowing voting through remote communication or in absentia.

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 before and during the meeting in accordance with the procedures set forth in the Notice, and these are addressed by the Chairperson, members of the Board and/or management accordingly.

The 2024 Annual Stockholders' Meeting which was held on June 24, 2024 was conducted virtually as allowed by the SEC. 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/minutes of the meeting are available on 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 Revised Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

Right to Information

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. They 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 BSP.

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 the pre-requisites set by the BSP for the declaration of dividends. Likewise, the Bank shall not declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts.

In accordance with Section 124 of the Manual of Regulations for Banks, the net amount available for dividends shall be the amount of unrestricted or free retained earnings and undivided profits reported in the Financial Reporting Package as of the calendar/fiscal year-end immediately preceding the date of dividend declaration.

The derivation of the dividend amount from the unrestricted/free retained earnings shall be based on sound accounting system and loss provisioning processes under existing regulations which takes into account relevant capital adjustments including losses, bad debts and unearned profits or income.

Unearned profits or income refers to unrealized items which are considered not available for dividend declaration such as accumulated share/equity in net income of its subsidiaries, associates or joint venture accounted for under the equity method, recognized deferred tax asset, foreign exchange profit arising from revaluation of foreign exchange denominated accounts and others.
Record date of the disclosure of dividend declaration shall be set in accordance with the Rules of the SEC and when appropriate, the Rules of BSP. The disclosure of the record date must not be less than ten (10) trading days from the said date.

Details of the **2024 cash dividend** distribution are as follows:

Nature of Securities	Date Declared	Dividend		Record Date	Date Approved By BOD	Date Paid
		Php Per Share	Total Amount*			
Hybrid Tier 1 Securities	29-Jan-24	-	546.53	27-Feb-24	29-Jan-24	27-Feb-24
Convertible Preferred	26-Feb-24	0.1864	P0.05	21-Mar-24	26-Feb-24	21-Mar-24
Common	25-Mar-24	1.0140	2,453.11	13-Apr-24	25-Mar-24	26-Apr-24
Convertible Preferred	25-Mar-24	1.0140	P0.27	13-Apr-24	25-Mar-24	26-Apr-24
Convertible Preferred	27-May-24	0.1854	P0.05	21-Jun-24	27-May-24	26-Jun-24
Hybrid Tier 1 Securities	29-Jul-24	-	548.24	26-Aug-24	29-Jul-24	26-Aug-24
Convertible Preferred	29-Aug-24	0.1857	P0.05	21-Sep-24	29-Aug-24	25-Sep-24
Convertible Preferred	25-Nov-24	0.1707	P0.05	21-Dec-24	25-Nov-24	26-Dec-24

* *in millions Php*

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 Revised Corporation Code of the Philippines.

Investor Relations Program

RCBC is committed to high standards of transparency, accountability, and fairness through its Investor Relations (IR) program. The IR program adopts a comprehensive communication and engagement framework to ensure the timely and accurate disclosure of material and relevant information, including its operating and financial results, and significant business developments, to provide the basis for the sound investment decisions of shareholders and investors. Company disclosures, investor and briefing presentations, and press releases are prepared and submitted in accordance to the requirements of the applicable regulatory institution. These are posted on RCBC's website at www.rcbc.com.

The IR program is developed, implemented, and managed by the Corporate Planning Group, in coordination with the Senior Management and related groups. The Corporate Planning Group works with the Marketing Communication Division to conduct regular briefings with the media, institutional investors, and analysts. Further, the Bank actively participates in investor conferences, roadshows and one-on-one meetings with analysts and credit rating agencies. Some members of the Senior Management team also join the briefings and conference calls to impart more insights on RCBC's performance and strategic direction. The Bank continues to engage investors, shareholders, analysts and other parties through the email address investor_relations@rcbc.com posted on the website.

Material Information/Transactions

The Bank is committed to disclose material information to its stakeholders as part of its adherence to transparency, accountability, and fairness. The Bank commits 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 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 under the responsibility of the Corporate Information Officer (CIO). The CIO shall be responsible for efficiency in providing information and addressing concerns of its shareholders and other stakeholders through the Bank's 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.

The following are the material information/transactions approved by the Board of Directors for 2024 and material information on legal proceedings:

01-29-2024 Other Events
01-29-2024 Change in Directors/Officers

During the January 29, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Appointment of LTC Joel M. Ajero as Chief Security Officer, with rank of Vice President, effective February 1, 2024 (subject to BSP/regulatory approvals as may be required).
2. Appointment of SVP1 Jose Jayson L. Mendoza as President of RCBC Leasing and Finance Corporation and RCBC Rental Corporation effective February 1, 2024 (subject to BSP/regulatory approvals as may be required).
3. Appointment of Mr. Reginaldo Anthony B. Cariaso, EVP/ Group Head Designate to Group Head for Operations, replacing SEVP Redentor C. Bancod as Group Head for Operations, who is retiring, effective February 4, 2024 (subject to BSP/regulatory approvals as may be required).
4. Appointment of Mr. Nilo C. Zantua, SVP1/ Chief Technology Officer to Group Head for Information Technology Shared Services, replacing SEVP Redentor C. Bancod as Group Head for Information Technology Shared Services, effective February 4, 2024 (subject to BSP/regulatory approvals as may be required).
5. Interlocking Officership of the following RCBC Officers between the Bank and other YGC Companies (subject to BSP/regulatory approvals as may be required):

NAME	RANK & CURRENT POSITION IN RCBC	POSITION	INSTITUTION	EFFECTIVITY DATE
Xavier Y. Zialcita	SVP 1, Strategic Initiatives	Director	Manila Memorial Park Cemetery, Inc.	January 1, 2024
Reginaldo Anthony B. Cariaso	EVP/ Group Head for Operations (effective February 4, 2024)	Director	Rizal Microbank, Inc. – A Thrift Bank of RCBC	February 4, 2024
Joel M. Ajero	VP, Chief Security Officer/ Head of Security Division (effective February 1, 2024)	Chief Security Officer	Rizal Microbank, Inc. – A Thrift Bank of RCBC	February 1, 2024

02-26-2024 Other Events

During the February 26, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. The Audited Financial Statements of Rizal Commercial Banking Corporation as of year ended December 31, 2023, as audited by Punongbayan & Araullo, for final approval of the stockholders.
2. Declaration of cash dividends on convertible preferred shares amounting to P0.18641 (US$0.00331 per share or a total of P49,848.97 (US$884.87 @ P56.335). The cash dividend is payable to holders of convertible preferred shares as of March 21, 2024 (record date) and payable within 5 trading days from record date. The cash dividend is for unlisted preferred shares.

03-01-2024 Legal Proceedings (Amendment)

The disclosure on the legal case filed by Bangladesh Bank against RCBC and other persons before the Supreme Court of the State of New York, County of New York was amended to update the information regarding the Decision and Order dated February 29, 2024 of the Appellate Division, First Judicial Department of the Supreme Court of the State of New York.

03-25-2024 Other Events
03-25-2024 Declaration of Cash Dividends (PSE Disclosure Form 6-1)

During the March 25, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. The Audited Financial Statements of RCBC—Trust and Investments Group as of year ended December 31, 2023, as audited by Punongbayan & Araullo, for final approval of the stockholders.
2. Annual Cash Dividend Declaration on Common and Convertible Preferred Shares amounting to P1.014 per share, or a total of approximately P2.45 Billion to holders of Preferred and Common Class shares as of the close of the 10th trading day from Board approval ("record date") and payable within ten (10) trading days from record date.
3. Initiation of process to surrender the Trust License as part of the spin-off of the Trust and Investments Group into a stand-alone trust corporation – RCBC Trust Corporation.
4. Change in the Bank's stock transfer agent from RCBC Trust and Investments Group to RCBC Trust Corporation.

04-13-2024 Legal Proceedings (Amendment)

The disclosure on the legal case filed by Bangladesh Bank against RCBC and other persons before the Supreme Court of the State of New York, County of New York was amended to update the information regarding the Bank's request for leave to appeal to the New York Court of Appeals.

04-29-2024 Other Events
04-29-2024 Notice of Annual or Special Stockholders' Meeting (PSE Disclosure Form 7-1)

During the April 29, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. The 2024 Annual Stockholders' Meeting be conducted virtually, and that the stockholders be allowed to participate and to vote through remote communication or *in absentia*. The meeting is scheduled to be held on June 24, 2024 at 4:00 p.m.
2. Interlocking position of Rafael N. Crucillo, FVP/Legal & Compliance Department Head of the Global Transaction Banking Group as Director of RCBC International Finance Limited (subject to BSP/regulatory approvals as may be required).
3. Appointment of Jacqueline Grace B. Wieneke, SVP 2/Group Head Designate to Group Head of Wealth Management Group, replacing FSVP Jane N. Manago as Group Head of Wealth Management Group, who is retiring, effective May 21, 2024 (subject to BSP/regulatory approvals as may be required).

05-03-2024 Notice of Annual Special Stockholders' Meeting (PSE Disclosure Form 7-1) (Amendment)

The disclosure on the Notice of Annual Stockholders' Meeting was amended to provide the Record Date and other details pertaining to the Annual Stockholders' Meeting and to provide the Notice, Procedure, Proxy Form, Ballot Form, Agenda and Rationale/Explanation for the Agenda Items.

05-27-2024 Other Events

During the May 27, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the declaration of cash dividends on convertible preferred shares amounting to P0.18536 (US$0.00321) per share or a total of P49,377.09 (US$855.80 @ P57.697). The cash dividend is payable to holders of convertible preferred shares as of June 21, 2024 (record date) and payable within 5 trading days from record date was approved. The cash dividend is for unlisted preferred shares.

06-14-2024 Legal Proceedings (Amendment)

The disclosure on the legal case filed by Bangladesh Bank against RCBC and other persons before the Supreme Court of the State of New York, County of New York was amended to update the information regarding the Order issued by the New York Appellate Division on June 13, 2024.

06-24-2024 Other Events
06-24-2024 Change in Directors/Officers
06-24-2024 Results of Annual Stockholders' Meeting
06-24-2024 Results of Organizational Meeting

Items approved by Stockholders at their Annual meeting and Board of Directors at their regular and organizational meetings respectively held on June 24, 2024.

<u>Regular Meeting of the Board of Directors</u>

1. Promotion/appointment of Officers effective July 1, 2024 (subject to BSP/other regulatory approvals, as may be required):

   <u>From Senior Vice President 1 to Senior Vice President 2</u>
   Ramil M. De Villa
   Anna Christina M. Vicente

   <u>From First Vice President to Senior Vice President 1</u>
   Angeluz T. Guerzon
   Armi M. Lamberte
   Ma. Teresa R. Manotok
   Cesaria Aileen R. Mercado
   Randy B. Torres

<u>Annual Stockholders' Meeting</u>

1. Election of the following Directors to hold office for a term of one year:

   <u>As Regular Directors</u>
   Ms. Helen Y. Dee
   Mr. Cesar E. A. Virata
   Mr. Eugene S. Acevedo
   Mr. Gil A. Buenaventura
   Mr. Armando M. Medina
   Mr. John Law
   Mr. Shih-Chiao (Joe) Lin
   Ms. Gayatri P. Bery
   Mr. Hiroki Nakatsuka
   Mr. Katsufumi Uchida

   <u>As Independent Directors</u>
   Mr. Juan B. Santos
   Mr. Gabriel S. Claudio
   Mr. Vaughn F. Montes
   Mr. Laurito E. Serrano
   Ms. Erika Fille T. Legara

2. Approval of the 2023 Annual Report and 2023 Audited Financial Statements

3. Appointment of Punongbayan & Araullo as the Bank's external auditor for the fiscal year 2024

Organizational Board of Directors Meeting:

1. Appointment of Corporate Officers:
   Mr. Eugene S. Acevedo - President and Chief Executive Officer
   Mr. Alberto Magno N. Pedrosa – Treasurer
   Atty. George Gilbert G. dela Cuesta – Corporate Secretary
   Atty. Joyce Corine O. Lacson – Assistant Corporate Secretary
   Atty. Maria Cecilia V. Chaneco-Lonzon - Assistant Corporate Secretary
   Various Officers - SVPs and up

2. Appointment the following as Members of the Advisory Board:
   Ms. Yvonne S. Yuchengco
   Mr. Francis C. Laurel
   Atty. Lilia B. de Lima
   Mr. Masayuki Kawakami

3. Appointment of Ms. Helen Y. Dee as Chairperson, and Mr. Cesar E. A. Virata as Corporate Vice-Chairperson.

4. Appointment of Mr. Juan B. Santos as Lead Independent Director

5. Appointment of the following as Chairpersons and Members of the Various Committees:

Committee	*Names*	*Position*
Executive Committee	Helen Y. Dee Eugene S. Acevedo Cesar E.A. Virata Armando M. Medina Gil A. Buenaventura Hiroki Nakatsuka	Chairperson Vice Chairperson Member Member Member Member
Audit and Compliance Committee	Laurito E. Serrano Vaughn F. Montes, Ph.D. Erika Fille T. Legara, Ph.D. Shih-Chiao (Joe) Lin Masayuki Kawakami	Chairperson Member Member Observer Observer
Risk Oversight Committee	Vaughn F. Montes, Ph.D. Laurito E. Serrano Gayatri P. Bery Erika Fille T. Legara, Ph.D. Katsufumi Uchida Eugene S. Acevedo John Law	Chairperson Vice Chairperson Member Member Member Observer Observer
Corporate Governance and Nominations Committee	Juan B. Santos Gabriel S. Claudio Erika Fille T. Legara, Ph.D. Shih-Chiao (Joe) Lin Masayuki Kawakami	Chairperson Member Member Advisor Advisor

AML Committee	Gabriel S. Claudio Vaughn F. Montes, Ph.D. John Law Eugene S. Acevedo Masayuki Kawakami	Chairperson Member Member Observer Observer
Related Party Transactions Committee	Gabriel S. Claudio Shih-Chiao (Joe) Lin Erika Fille T. Legara, Ph.D. Masayuki Kawakami	Chairperson Member Member Observer
Technology Committee	Helen Y. Dee Cesar E.A. Virata Eugene S. Acevedo Hiroki Nakatsuka	Chairperson Member Member Observer

07-29-2024 Other Events
07-29-2024 Change in Directors/Officers

During the July 29, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the secondment of SVP1 Ismael S. Reyes to Rizal Microbank, Inc. (A Thrift Bank of RCBC) and appointment as President, effective August 16, 2024 (subject to BSP/other regulatory approvals, as may be required) was approved.

08-27-2024 Other Events

During the August 27, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the declaration of cash dividends on convertible preferred shares amounting to P0.18573 (US$0.00318) per share or a total of P49,474.12 (US$847.67 @ P58.365). The cash dividend is payable to holders of convertible preferred shares as of September 21, 2024 (record date) and payable within 5 trading days from record date was approved. The cash dividend is for unlisted preferred shares.

09-30-2024 Other Events
09-30-2024 Change in Directors/Officers

During the September 30, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Appointment of Mr. John Edward F. Alabastro, FVP / Chief Technology Officer & Group Head Designate to Group Head of Information Technology Shared Services, replacing SVP1 Nilo C. Zantua as Group Head of Information Technology Shared Services, effective October 1, 2024 (subject to BSP/regulatory approvals as may be required).
2. Interlocking officerships of Maria Fatima R. Barlaan, AVP/Consumer Banking Compliance Officer as Chief Compliance Officer of Rizal Microban, Inc. – A Thrift Bank of RCBC (subject to BSP/regulatory approvals as may be required).
3. Interlocking officerships of Geril Mark V. Gabriel, AVP/Wholesale Banking Compliance Officer as Chief Compliance Officer of RCBC Leasing and Finance Corporation (subject to BSP/regulatory approvals as may be required).

10-28-2024 Other Events
10-28-2024 Change in Directors/Officers

During the October 28, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Increase in the programme size of the Bank's Medium Term Note Programme ("MTN Programme") from USD 3 Billion to USD 4 Billion, appointment of SMBC Nikko as programme arranger, and issuance of foreign currency denominated Senior Notes out of the MTN Programme (subject to market and other conditions).
2. Interlocking Positions of RCBC Officers in RCBC International Finance Limited (IFL) (subject to BSP/other regulatory approvals, as may be required).

Name	Rank & Current Position in RCBC	Position in RCBC IFL
Mr. Rafael G. Triguero	AVP / Special Assistant to the President & CEO	Director
Jahzeel M. Sartillo	VP / Division Head, Consumer Lending Group	Director

11-25-2024 Other Events
11-25-2024 Change in Directors/Officers

During the November 25, 2024 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Appointment of Ms. Jean Valen W. Yu as Group Head of the Marketing Group with rank of Senior Vice President 1, effective December 2, 2024 (subject to BSP and other regulatory approvals as may be required).
2. Declaration of cash dividends on convertible preferred shares amounting to P0.17071 (US$0.00294) per share or a total of P45,441.35 (US$782.12 @ P58.100). The cash dividend is payable to holders of convertible preferred shares as of December 21, 2024 (record date) and payable within 5 trading days from record date. The cash dividend is for unlisted preferred shares.

12-09-2024 Other Events
12-09-2024 Change in Directors/Officers

During the December 9, 2024 Special Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:

1. Approval of the proposed 2025 budget
2. Appointment of EVP Reginaldo Anthony B. Cariaso as Deputy Chief Executive Officer, effective January 1, 2025 (subject to BSP/other regulatory approvals, as may be required)
3. Appointment of SVP2 Juan Gabriel R. Tomas IV as Group Head of Operations, effective January 1, 2025 (subject to BSP/other regulatory approvals, as may be required)
4. Appointment of EVP Bennett D. Santiago as Chief Risk Officer and Head of Risk Management Group, effective January 1, 2025 (subject to BSP/other regulatory approvals, as may be required)
5. Appointment of EVP Elizabeth E. Coronel as Group Head of Institutional Banking (which will be comprised of Small and Medium Enterprise Banking Group and Corporate Banking Group), effective January 1, 2025 (subject to BSP/other regulatory approvals, as may be required)

6. Secondment of SVP1 Simplicio B. Dela Cruz, Jr. to Rizal Microbank, Inc. (A Thrift Bank of RCBC) and appointment as President and CEO effective January 1, 2025, (subject to BSP/other regulatory approvals, as may be required)
7. Appointment of SVP1 Sheila Ricca G. Dioso as Chief Compliance Officer and Head of Regulatory Affairs Group, effective January 1, 2025 (subject to BSP/other regulatory approvals, as may be required)

Other Stakeholders

Creditors' Rights

It is the policy of the Bank to conduct its business in an efficient and fair manner 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. Vendor Accreditation
d. Waiver Management
e. Policies in Choosing a Supplier
f. Procurement Process
g. Contract Management
h. Manual Structure, Use, Revisions/Amendments
i. Early Involvement in Procurement (Amended)
j. Vendor Performance Evaluation

Suppliers are evaluated based on compliance with user requirements, quality, performance record in the industry, technical competence, customer service, design, delivery, and 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.

Generally, the Bank shall initially reach out to HOI for its need for a prospective supplier/service provider to carry out some banking functions, services or activities (BFSA). For the outsourcing of BFSA that may not be addressed by the accredited vendors/service providers from HOI, the Bank may also solicit Request for Proposals from prospective service providers. Either way, the Bank (outsourcing unit) shall determine if the use of the third party supplier/ service provider will fall within the purview of the BSP's Revised Outsourcing Framework for Banks per Section 112 of the Manual of Regulations for Banks..

In this regard, the Board-approved policy on Outsourcing of Banking Functions, Services or Activities, which provides for guidelines, processes and controls in managing outsourcing risks, shall direct the outsourcing units in the conduct of outsourcing activities to ensure that at all times, it is aligned with the outsourcing provisions in the MORB and the applicable BSP issuances.

In the selection of prospective suppliers/service providers, the outsourcing units should work within the framework of the outsourcing policy of the Bank in its due diligence to establish the latter's integrity, technical expertise, operational capability, financial capacity, and suitability to perform the outsourced activity. In addition to the due diligence to be conducted, a further evaluation on the compliance of the prospective suppliers/service providers with pertinent rules and regulations shall be undertaken by the outsourcing unit which shall include, but not be limited to, the following:

a. Money Laundering and Terrorist Financing Prevention Program
b. Data Privacy
c. Department of Labor and Employment
d. Related Party Transaction
e. Banking Laws

Due diligence on the prospective supplier/service provider shall require, among others, the following:

a. Vendor Selection Form, which also contains the Competitive Selection Evaluation Sheet and the Competitive Selection Interview Questionnaire - shall document the most qualified prospective supplier/service provider among the prospective applicants; and
d. Vendor Security Assessment Form Questionnaire - shall document the ability of the prospective supplier/service provider to comply with the information security requirements of the Bank.

Once the winning supplier/service provider is selected by the outsourcing unit, the same shall undergo further screening once the proposed outsourcing contract is reviewed by Regulatory Affairs (Compliance), Legal Affairs, and the Operational Risk Management Division under Risk Management Group prior to the presentation to the concerned Board-level Committee for approval and confirmation of the Board of Directors.

Towards Sustainable Value Chains

RCBC recognizes the critical role of banks towards the development and funding of various economic activities. As early as 2011, the Bank has implemented the Environmental and Social Management System (ESMS), a policy which requires all credit relationships (whether portfolio or pipeline) to be vetted on an E&S perspective in a manner that promotes sustainable practices for the Bank and its clients, minimizing any negative environmental, social, and reputational impact of the financing activities. RCBC's ESMS subscribes to IFC's Performance Standards and Exclusion List. The ESMS policy also incorporates the Bank's declaration in 2020 to no longer fund the construction of new coal power plants.

RCBC is among the first banks in the Philippines which developed its Sustainable Finance Framework back in April 2019, and updated in February 2024. The Framework articulates the Bank's continued strategy towards deployment of Sustainable Financing Instruments (SFIs) to finance or refinance loans to projects with clear E&S benefits. These SFIs conform to global sustainable finance principles, primarily those of the International Capital Market Association and ASEAN Capital Markets Forum. The updated Framework has incorporated "blue financing" as a subset of eligible green projects. Sustainalytics issued a Second Party Opinion (SPO) in February 2024 affirming the Framework's credibility and impact.

RCBC's total sustainable portfolio consisted of over 19,000 projects as of 31 December 2024. These projects contribute to 12 of the 17 UN SDGs. RCBC has continually supported Renewable Energy (RE) projects, funding for which has dominated the Bank's eligible sustainable portfolio comprising an average of 36% of the eligible sustainable portfolio over the past three years. As approved by the Bank's ROC in March 2023, RCBC targeted to increase its RE portfolio by 10% to 15% per annum (p.a.) for the succeeding 12 to 24 months. The Bank has surpassed this growth target with the year-on-year RE portfolio growth of over 80% as of December 2024. In January 2025, RCBC raised USD 350 million from the issuance of a five-year Sustainability Bond (2.9x oversubscribed), reflecting global investors' continued confidence in RCBC and its credit.

Both the ESMS and the Sustainable Finance Framework (SFF) conform to the BSP's directives under BSP Circulars 1085 and 1128. Through identified interoperability with its ESMS and SFF, starting December 2024, RCBC has initiated support for BSP Circular 1187 (Philippine Sustainable Finance Taxonomy Guidelines) by expanding its assessment of sustainable value chains directed toward climate change mitigation and climate change adaptation.

RCBC also adopts and implements a holistic view on the different aspects of its products, operations, and business. Towards the second half of 2024, both the RCBC Plaza and the AT Yuchengco Center (ATYC) buildings have started sourcing their power requirements from RE providers. Several initiatives in reducing paper use have likewise remained in place, with the Bank maximizing digital channels while still ensuring excellent customer experience. In terms of quantitative environmental impact, RCBC continues to calculate and report the Financed Emissions from its lending portfolio (in accordance to the Bank's commitment to the Partnership for Carbon Accounting Financials or PCAF).

As of end-2024, the Bank's various products, services and programs are able to contribute to all of the 17 United Nations Sustainable Development Goals (UN SDGs.) More information on the Bank's sustainable efforts (including copies of the SFF and Sustainalytics SPO) is available at www.rcbc.com/sustainability.

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 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 addresses how the organization assesses risk and identifies threats in the organization. It involves analyzing risks' likelihood and impact, developing strategies to minimize harm, and monitoring measures' effectiveness.

This control helps the Board of Directors and Management to identify potential problems before they occur, or in the case of opportunities, to try to leverage them to occur..

- Control Activities

Control Activities are the actions established through policies and procedures to help ensure management's directives to mitigate risks to the achievement of objectives are carried out. This helps ensure that management's response to reduce risks identified during the risk assessment process is carried out.

- 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 for ensuring that the internal control measures being adopted by the organization are properly and strictly enforced and are effectively operational. The channels of communication ensure 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). RAG is a separate and independent unit with no business function. It reports to the Board through the Audit and Compliance Committee and the AML Committee.

RAG facilitates 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 risk stewardship, governance, and control ownership functions of RAG are discharged by six (6) divisions under the direct supervision of the CCO.

a. Under risk stewardship:
    - Centralized Support Compliance Division (CSC)
    - Wholesale Banking Compliance Division (WBC)
    - Consumer Banking Compliance Division (CBC)

   The risk steward function provides regulatory and compliance advice, guidance, opinions, direction, and training to the business. It also ensures that business complies with the letter and spirit of regulations, which will consequently deliver fair outcomes for customers and embed robust risk management culture in the Bank's processes.

   Each of the business units and subsidiaries of the Bank has a designated risk steward division assisting them to ensure compliance with applicable regulatory requirements.

   CSC
    - Digital Enterprise & Innovations Group
    - IT Shared Services Group
    - Operations Group (excluding Branch, Treasury, and Trust Operations)
    - Data Science and Analytics Group
    - Marketing Group
    - Controllership Group
    - Risk Management Group (excluding Market & Liquidity Risk Department)
    - Security

   WBC
    - Treasury
    - CBG
    - SME
    - GTB
    - CMG – Commercial

- Market & Liquidity Risk
- Asset and Remedial Mgt.
- Corporate Planning
- Trust & Investments
- Subsidiaries: RCAP,RSEC, RLFC, RCBC Forex, RCBC

CBC
- Retail Banking Group
- Wealth Management Group
- Branch Services Support Segment
- Branch Operations & Control Segment
- Consumer Lending Group
- CMG – Consumer
- Financial Crime Policy
- Subsidiaries: RCBC Bankard and Rizal Microbank

b. Under governance:
   - Compliance Oversight Division (COD)
   - Compliance Assurance Division (CAD)

   In collaboration with the other RAG divisions, Compliance Oversight Division creates an information system that provides a top-down view of the governance and status of compliance, regulatory, and AML/CTF risk monitoring. It also communicates and tracks the obligations from regulations, frameworks, policies, and controls identified by the risk stewardship function that require oversight, provides the first line of defense reporting templates to record compliance and areas of concern, and monitors the individual and overall compliance of business units and subsidiaries.

   The Compliance Assurance Division is responsible for the effective conduct of periodic, independent and objective assessment of compliance-related processes and/or controls. The aim of compliance assurance is to assess whether the elements, processes and controls of the compliance program are designed appropriately and are operating effectively.

c. Under control ownership:
   - Compliance Operations Division - The Compliance Operations Division is responsible for the monitoring, analysis, disposition and investigation of AML alerts; reporting of possible suspicious transactions; filing of reports on crimes and losses; monitoring and filing of covered transactions reports and suspicious transactions reports; recommending new or updating AML alert rules; and updating AML watchlists for name screening.

Internal Audit

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

The scope of work of Internal Audit encompasses, but is not limited to, the examination and evaluation of all business systems, processes, operations, functions 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 governance groups and control units occurs as needed;

- Programs, plans 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

Internal Audit adheres to the applicable professional standards and code of ethics, including the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (ISPPIA), Information Systems Audit and Control Association standards and guidelines and the relevant requirements of the BSP and other bank regulators. Internal Audit and the Bank received the highest rating of "strong" as a result of the 2024 examination of BSP in relation to the extent and effectiveness of the compliance and internal audit function.

An independent assessment of the internal audit function is conducted every five (5) years by an external auditor through a quality assurance review. In 2020, the internal audit function underwent a full external quality assessment review (EQAR) by an independent assessor and the latest Quality Assessment Report was released on May 11, 2021. The next EQAR is scheduled in 2025.

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 the external auditor considering independence and effectiveness and recommends the fees to be paid.

The following are audit and non-audit fees of the Bank's external auditor, Punongbayan and Araullo, in 2024 (in Million Pesos):

2024	Audit Fee	Non-Audit Fee	Total
Parent	5.93	3.24	9.17
Group	11.72	4.49	16.21

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 most recent years ended December 31, 2024 and 2023, 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 directors and employees are governed by the Bank's Code of Conduct, which revolves around the Core Values of RCBC. It is designed to serve as a guide to all directors and 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

In 2024, the Bank reinforced its zero-tolerance policy on bribery and corruption, ensuring that all business transactions adhere to ethical standards and regulatory requirements. The Anti-Bribery and Corruption (ABC) Policy applies to all directors, officers, employees, vendors, service providers, customers, and third-party agents. To prevent conflicts of interest, the Bank mandates that all transactions be conducted at arm's length, with employees prohibited from misusing company resources for personal gain. Policies on gift-giving, entertainment, and receiving commissions were strictly enforced, with mandatory disclosures and monitoring through the Gifts and Entertainment Register.

The Bank also enforced strict due diligence measures for third parties, ensuring that vendors, suppliers, and intermediaries adhere to anti-bribery regulations. Any business relationship found to be in violation of these principles faced potential termination to uphold the Bank's integrity and ethical business practices.

The Bank drafted its ABC policy to require embedding of anti-bribery clauses in all contracts with government entities, customers, suppliers, and intermediaries to prevent corruption and manage bribery risks. The Bank reaffirmed its commitment to transparency, ethical governance, and compliance assurance, with internal audits and risk assessments conducted regularly. By fostering a culture of integrity and accountability, the Bank continues to uphold the highest ethical standards, ensuring trust and fairness in all its business dealings.

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 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. Insider information can take many forms, but always includes information 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 and two days after. 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; and
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.

Anti-Money Laundering

RCBC is committed to embedding a culture of compliance in its overall structure as this is critical to the development and ongoing administration of an effective Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Program. The Board commitment to this objective is set forth in this Money Laundering and Terrorist Financing Prevention Program (MTPP). In combating money laundering, terrorist financing, and proliferation financing, the Bank shall apply the following principles:

1. Conduct business in conformity with high ethical standards to protect the safety and soundness of RCBC, as well as the integrity of the Philippine banking and financial system;
2. Know the customer sufficiently at all times and ensure that the financially or socially disadvantaged are not denied access to financial services while at the same time prevent suspicious individuals or entities from opening or maintaining an account or transacting with the covered person by himself or otherwise;
3. Adopt and effectively implement a sound money laundering, terrorist financing, and proliferation financing prevention risk management system that identifies, assesses, monitors and controls risks associated with money laundering and terrorist financing;
4. Comply fully with Part Nine of the Manual of Regulations for Banks, existing laws, and implementing rules and regulations aimed at combating money laundering and terrorist financing by making sure that officers and employees are aware of their respective responsibilities and carry them out in accordance with superior and principled culture of compliance; and
5. Fully cooperate with the Anti-Money Laundering Council for the effective implementation and enforcement of the AMLA, as amended, the Terrorist Financing Suppression and Prevention Act, and the Anti-Terrorism Act and their respective Implementing Rules and Regulations.

The MTPP is strategically aligned with the results of the National Risk Assessment on Money Laundering and Terrorist Financing of the Philippines, a government-wide assessment of the overall exposure of the country to money laundering and its related predicate offenses, terrorism and terrorist financing. It is a comprehensive process of identifying and analyzing the money laundering and terrorist financing risks within the realm of the supervised sectors, financial institutions, and covered persons and entities under the AMLA, as amended.

The MTPP shall be updated at least once every two years or as needed to properly adhere to the new rules and regulations of regulatory agencies, laws of the Republic of the Philippines and other countries, and policies and procedures of the Bank.

Related Party Transactions

On September 30, 2024, the Board approved the revised Policy on Related Party Transactions (RPT) following SEC Memorandum Circular No. 10, series of 2019 or the "Rules on Material Related Party Transactions for Publicly-listed Companies" issued on April 27, 2019. The policy defines related party transactions as 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 updated RPT Policy has been expanded in scope as it broadens the definition of “close family members” to include relatives of the Bank’s Directors, Officers and Stockholders within the fourth degree of consanguinity or affinity, legitimate or common-law. Related parties also include corresponding persons in affiliated companies, those with direct or indirect linkages with the Bank, members of the Bank’s Advisory Board and subsidiaries of related parties.

The Bank constituted the RPT Committee and RPT Management Committee to review and approve, as the case may be, RPTs.

The RPT Committee reviews material RPTs to ensure that they are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, and collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT Committee endorses material RPTs to the Board for approval.

All material RPTs shall be approved by at least two-thirds vote of the Board, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent directors’ vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Material RPTs approved by the Board shall be submitted to the Stockholders for confirmation during the Annual Stockholders Meeting.

The RPT Management Committee reviews and approves proposed RPTs below the materiality threshold or those that do not require Board approval to ensure that said RPTs are conducted in the regular course of business and not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT Management Committee approves the non-material RPT and submits the same to the BOD for confirmation.

Transactions with related parties involving amounts of at least Php10 million are considered as material RPTs. This threshold shall not apply to DOSRI loans and other credit accommodations and guarantees, and other transactions requiring Board approval under the regulations (e.g., cross-selling, outsourcing) which are always considered “material” regardless of amount. Where the amount involved in the transaction is at least 10% of the combined assets of the RCBC Group, the transaction shall be accompanied by a fairness opinion issued by an external independent party to be appointed by the Board.

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

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

* Not to exceed the aggregate limit for Other Contracts

The Bank submits a quarterly report to the BSP on material exposures to related parties, which include the material RPTs of non-bank financial subsidiaries and affiliates. A summary of material RPTs entered into during the reporting year is also disclosed in the Bank's Integrated Annual Corporate Governance Report.

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

- *Sale and Purchase of Securities* - The Parent Company and certain subsidiaries engage in the trading 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 (Note 27.4, Notes to Financial Statements).

- *Retirement Fund* - The Parent Company and certain subsidiaries' retirement funds covered under their post-employment plan maintained for qualified employees are administered and managed by the RCBC Trust Corporation in accordance with the respective trust agreements covering the plan (Note 27.5, Notes to Financial Statements).

- *Sale and leaseback of properties to Frame Properties, Inc*. - The Parent Company transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to post-employment defined benefit plan as contribution to the plan assets (Note 27.5, Notes to Financial Statements).

- *Sale of ATYC to ATYCI* - The Parent Company sold a portion of its ATYC bank premises and investment properties to ATYCI and immediately leased back from the latter. In October 2022, the Parent Company entered into a five-year lease agreement with ATYCI. The Parent Company's lease contract is effective until September 30, 2027 (Notes 27.7(a) and 27.7b), Notes to Financial Statements).

- *Lease contracts with RCBC Realty Corp. (RRC) and Sub-lease Agreements with Subsidiaries* - The Parent Company and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RRC. The occupancy of some of subsidiaries in RCBC Plaza is covered by sublease agreements with RCBC. RCBC's lease contract with RRC is effective until December 31, 2025. (Note 27.7(b), Notes to Financial Statements).

- *Increase in shareholding of SMBC* - On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share. The additional capital infusion was made on July 31, 2023. (Notes 27.7(d), Notes to Financial Statements).

- *Donation of Properties from NPHI to RCBC* - On July 7, 2023, NPHI executed a deed of donation transferring to the Parent Bank certain real estate properties with a carrying amount of P2. On November 6, 2023, these properties were subsequently sold by the Parent Bank to PMMIC for a total consideration amounting to P57. (Notes 27.7(e), Notes to Financial Statements)..

- *Sale of Tarlac Property to Tarlac Terra Ventures, Inc*. - On December 29, 2023, the Parent Company sold a property located in Tarlac with a selling price of P2,673 and a carrying amount of P385 resulting to a P2,288 gain, presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss. (Notes 27.7(f), Notes to Financial Statements).

The Group's significant transactions with its related parties as of end December 2024 include loans and receivables and deposit liabilities. The total amount of loans outstanding was at P26.7 billion (Note 27.2, Notes to Financial Statements) while total deposit liabilities was at P31.9 billion (Note 27.3, Note to Financial Statements) as of December 31, 2024.

Other RPTs include:

- Service Agreement with RCBC Bankard Services Corp. (RBSC). The Parent Company has Service Agreement with RBSC, wherein RBSC shall provide the Parent Company with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operations of the Parent Company's credit card, and personal and salary loans business. (Note 27.7(c), Notes to Financial Statements).
- The Bank has service agreements with RBSC for the in-sourced internal audit services. The Bank provides limited audit services to RBSC, 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., Rizal Microbank, Inc., and RCBC Leasing and Finance Corporation.
- The Bank has a service agreement with RCBC Forex Brokers Corporation (RCBC Forex) for in-sourced services, 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 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 has a service agreement with RCBC International Finance Limited (RIFL) to facilitate the remittance tie-up and account solicitation arrangement agreement with RIFL which is based in Hongkong.
- The Bank has an agreement with RCBC Rental Corporation for the financing of the lease of 1,600 new ATMs with a term of 60 months.
- The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries which is eliminated during consolidation, accreditation of RCBC Trust agent and of insurance companies, 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 regulations, 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.

(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

Annex "B"

RCBC
Partners Through Generations

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of Rizal Commercial Banking and Subsidiaries (the Group), is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of and for the year ended December 31, 2024 including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, have audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

RCBC
Partners Through Generations

HELEN Y. DEE Chairperson, Board of Directors	EUGENE S. ACEVEDO President & Chief Executive Officer
ALBERTO MAGNO N. PEDROSA EVP, Head – Treasury Group	FLORENTINO M. MADONZA EVP, Head – Controllership Group

SUBSCRIBED AND SWORN TO BEFORE ME, this ___ day of FEB 2 4 2025, 2025 at Makati City, Philippines, affiants exhibited to me their valid identifications, to wit:

Name	ID No.	Valid Until/Place of Issue
Helen Y. Dee	[redacted]	
Eugene S. Acevedo		
Alberto Magno N. Pedrosa		
Florentino M. Madonza		

ATTY. [illegible] VICENTE L. ABANTE
Notary Public for Makati City
[redacted]

Doc No. 292
Page No. [illegible]
Book No. 773
Series of 2025

P&A Grant Thornton

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

Rizal Commercial Banking Corporation

December 31, 2024, 2023 and 2022

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and the Stockholders
Rizal Commercial Banking Corporation
Yuchengco Tower, RCBC Plaza
6819 Ayala Avenue cor. Sen. Gil Puyat Avenue
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rizal Commercial Banking Corporation and subsidiaries (together hereinafter referred to as the Group) and of Rizal Commercial Banking Corporation (the Parent Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and of the Parent Company as at December 31, 2024 and 2023, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters identified in our audit of the financial statements of the Group and of the Parent Company:

(a) Valuation of Loans and Other Receivables (Expected Credit Losses)

Description of the Matter

As at December 31, 2024, the Group's and the Parent Company's expected credit losses (ECL) allowance for loans and receivables amounted to P20,130 million and P18,730 million, respectively, while the carrying amount of loans and receivables amounted to P742,497 million and P736,531 million, respectively (as disclosed in Note 11). We have identified the Group's and the Parent Company's ECL model significant to our audit as this:

- requires significant management judgment on the interpretation and implementation of the requirements of PFRS 9, *Financial Instruments*, in assessing impairment of loans and receivables based on an ECL model that involves segmenting credit risk exposures, defining when does default occur and what constitutes a significant increase in credit risk (SICR) of different exposures;

- involves high degree of estimation uncertainty related to management's use of various inputs and assumptions applied in the ECL model such as credit risk rating and probability of default for corporate loans, flow rates for consumer loans, expected amount and timing of cash flows, including recovery of collaterals for defaulted accounts, and forward-looking macroeconomic information which may be affected by management estimation bias; and,

- requires complex estimation process that entails implementation of internal controls and use of information system in ensuring the completeness and accuracy of data used in the ECL calculation and in the preparation of required disclosures in the financial statements.

In accordance with their policy, the Group and the Parent Company regularly conducts a review of its ECL models to validate the assumptions used for each parameter used, and to determine the accuracy and effectiveness of the ECL methodologies in place. In 2024, the Parent Company incorporated post model adjustments on its ECL models as a result of this review. These adjustments arise from the application of credit analytics and credit judgments, allowing for a more granular segmentation of credit exposures. These also take into account the respective collection behaviors and updates for specific accounts that meet a certain criteria, reflecting recent trends in their performance and key changes in the risk appetite that have not been considered or present yet during the model development in 2023.

The material accounting policy information, significant judgments, including estimation applied by the management, and those related to the credit risk assessment process of the Group and the Parent Company are disclosed in Notes 2, 3 and 4 to the financial statements, respectively.

How the Matter was Addressed in the Audit

We obtained an understanding of the Group’s and the Parent Company’s accounting policies and methodologies applied, and evaluated whether those: (a) are established and implemented consistent with the underlying principles of PFRS 9; (b) are appropriate in the context of the Group’s lending activities and asset portfolio that takes into consideration the different segments of credit exposures and the relevant regulatory framework; and, (c) are supported by pertinent processes and controls, including documentations of the accounting policies that capture in sufficient detail the judgment, including estimation applied in the development of the Group’s refreshed ECL model.

We also obtained an understanding of the post model adjustments and the corresponding results, and evaluated whether: (a) any historical and forward-looking information used as inputs are accurate and reliable; (b) the assumptions used are appropriate and properly reflect the current portfolio and credit practices; (c) the underlying theory and any statistical approaches used are appropriate and generally accepted; and (d) the resulting overlays to the ECL model are supported, documented and approved.

With respect to the use of significant judgments, including those involving estimation of inputs and assumptions used in the post model adjustments, we performed the following:

- engaged our Firm specialist to assist in evaluating the appropriateness of methodologies and assumptions used in the ECL calculation, including the changes arising from the Group’s post model adjustments;

- assessed the Group’s and the Parent Company’s segmentation of its credit risk exposures based on homogeneity of credit risk characteristics and past due determination based on portfolio flow rates, and evaluated the appropriateness of the specific model applied for each loan portfolio;

- evaluated both the quantitative and qualitative criteria applied in the definition of default against historical analysis for each segment of loan portfolio and in accordance with credit risk management practices, and tested the criteria in the determination of the SICR, including assignment of a loan or group of loans into different stages of impairment;

- tested the Group’s and the Parent Company’s application of internal credit risk rating system for selected items of loans, and verified the mapping of the ratings to the ECL calculation;

- for forward-looking information, evaluated management’s selection of macro-economic factors, scenarios and probability weightings, and assessed the reasonableness of the forecasted economic indicators by comparing with trusted publicly available information;

- tested loss given default information across various types of loan by inspecting records of historical recoveries and relevant costs, including valuation and cash flows from collateral, and write-offs;

- for post model adjustments, tested the completeness and accuracy of data inputs used as basis for judgments applied, assessed the suitability of the refined segmentation used, and recalculated the impact of recent recoveries to the loss given default for credit card receivables and specific corporate borrowers; and,

- reconciled and tested exposure at default for all outstanding loans against the relevant loan databases, including review of the potential exposures from undrawn commitments against historical drawdown and impact of loan modifications.

As part of our audit of the ECL methodology, we reviewed the completeness and accuracy of the historical and measurement data used in the ECL model through reconciliation of loan data subjected to the ECL calculations, which were prepared by management outside its general ledger system, against the relevant financial reporting applications and other accounting records. Moreover, we tested the stratification of loan data that were disaggregated into various portfolio segments for purposes of ECL calculations. Furthermore, we verified the mathematical formula and the computation logics applied in the calculation of the different inputs in the ECL model and the estimation of the credit losses for all loans and receivables subjected to impairment assessment.

We also evaluated the completeness and appropriateness of the disclosures in the financial statements against the requirements of the relevant financial reporting standards.

(b) Systems Migration for Loans and Other Receivables

Description of the Matter

In 2024, the Parent Company migrated its auto and housing loan products into a new loan management system. The goals of the systems migration are to streamline the consumer lending process, upgrade the existing systems to further support the demands of the consumer loans business, and enhance integration capabilities with other existing solutions and platforms. The implementation of the new system included the migration of existing data, transition of business-as-usual functionalities, and booking of new consumer loan accounts from the old system to the new system.

We have identified that the systems migration is significant to our audit due to the following:

- there is a high degree of inherent risk on loss of integrity of key financial data being migrated, and potential breakdowns in operation or monitoring of IT dependent controls within the consumer lending process, such as loan origination, credit evaluation, underwriting, loan management, booking, disbursement, collateral management and collection, which could lead to financial errors or misstatements and inaccurate financial reporting; and,

- the consumer lending processes, which represents a significant portion of the loans portfolio of the Parent Company, are heavily dependent on the new system, and there is a risk that automated and related manual IT dependent controls are not designed and operating effectively.

The Parent Company has auto and housing loans with outstanding balance, gross of allowance for ECL, amounting to P161,351 million as of December 31, 2024, which are presented as part of Loans and Receivables account in the 2024 statement of financial position (see Note 11).

How the Matter was Addressed in the Audit

In testing the systems migration, we performed the following with the assistance of our Firm's IT specialist:

- examined the governance framework over the Parent Company's IT organization and the general controls over program changes;

- assessed and tested the controls specifically established over the implementation process, and reviewed the processes implemented over the download of data from the old system and the upload of data to the new system;

- tested the completeness and accuracy of the data transfer from the old to the new loan management system, including reconciliation of data to identify any discrepancies between migrated data and source records, transaction history, and customer information;

- conducted tests of certain aspects of the security of the new loan management system including access management and segregation of duties;

- tested IT application controls within the relevant business processes on the new system, including the configurations on automated calculation of amortized cost measurement and interest income, and the automated recording to the general ledger; and,

- assessed and tested the design and operating effectiveness of controls over the continued integrity of both the old and new systems that were relevant to the financial reporting during the year.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's and the Parent Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. As discussed in Note 25 to the financial statements, the Parent Company presented the supplementary information required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 in a supplementary schedule filed separately from the basic financial statements. RR No. 15-2010 requires the supplementary information to be presented in the notes to financial statements. The supplementary information for the years ended December 31, 2024, 2023 and 2022 required by the Bangko Sentral ng Pilipinas (BSP) as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis. Such supplementary information required by the BIR and BSP are the responsibility of management and are not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards; it is neither a required disclosure under the Revised Securities Regulation Code Rule 68 of the SEC. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Maria Isabel E. Comedia.

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

[redacted]

February 24, 2025

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Millions of Philippine Pesos)

	Notes	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
RESOURCES					
CASH AND OTHER CASH ITEMS	9	**P 23,003**	P 19,875	**P 22,907**	P 19,812
DUE FROM BANGKO SENTRAL NG PILIPINAS	9	**115,230**	151,762	**112,763**	150,771
DUE FROM OTHER BANKS	9	**14,569**	14,892	**14,433**	14,630
LOANS ARISING FROM REVERSE REPURCHASE AGREEMENTS	9	**-**	35,799	**-**	34,948
TRADING AND INVESTMENT SECURITIES - Net	10	**429,086**	330,742	**426,866**	328,443
LOANS AND RECEIVABLES - Net	11	**742,497**	649,929	**736,531**	643,681
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES - Net	12	**600**	509	**6,720**	6,401
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	13	**8,033**	9,129	**7,060**	7,805
INVESTMENT PROPERTIES - Net	14	**695**	543	**695**	543
DEFERRED TAX ASSETS - Net	25	**6,052**	5,775	**5,578**	5,351
OTHER RESOURCES - Net	15	**20,388**	19,377	**19,599**	18,505
TOTAL RESOURCES		**P 1,360,153**	P 1,238,332	**P 1,353,152**	P 1,230,890

See Notes to Financial Statements.

	Notes	GROUP 2024	GROUP 2023	PARENT COMPANY 2024	PARENT COMPANY 2023
LIABILITIES AND EQUITY					
DEPOSIT LIABILITIES	17	**P 1,022,794**	P 956,712	**P 1,022,737**	P 957,369
BILLS PAYABLE	18	**86,616**	50,858	**80,928**	43,957
BONDS PAYABLE	19	**26,935**	34,939	**26,935**	34,939
ACCRUED INTEREST, TAXES AND OTHER EXPENSES	20	**11,667**	12,082	**11,319**	11,786
OTHER LIABILITIES	21	**53,650**	31,466	**52,751**	30,573
Total Liabilities		**1,201,662**	1,086,057	**1,194,670**	1,078,624
EQUITY	22				
Attributable to:					
Parent Company's Shareholders		**158,485**	152,269	**158,482**	152,266
Non-controlling Interests		**6**	6	**-**	-
		158,491	152,275	**158,482**	152,266
TOTAL LIABILITIES AND EQUITY		**P 1,360,153**	P 1,238,332	**P 1,353,152**	P 1,230,890

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Millions of Philippine Pesos, Except Per Share Data)

	Notes	GROUP 2024	GROUP 2023	GROUP 2022	PARENT COMPANY 2024	PARENT COMPANY 2023	PARENT COMPANY 2022
INTEREST INCOME							
Loans and receivables	11	**P 61,051**	P 49,407	P 34,970	**P 60,270**	P 48,569	P 34,367
Trading and investment securities	10	**15,965**	13,239	9,755	**15,904**	13,171	9,683
Due from BSP and other banks	9	**2,067**	3,643	1,110	**1,981**	3,544	1,077
		79,083	66,289	45,835	**78,155**	65,284	45,127
INTEREST EXPENSE							
Deposit liabilities	17	**31,108**	28,035	10,057	**31,104**	28,056	10,055
Bills payable and other borrowings	13, 18, 19, 21, 23	**5,474**	4,625	4,562	**5,093**	4,246	4,173
		36,582	32,660	14,619	**36,197**	32,302	14,228
NET INTEREST INCOME		**42,501**	33,629	31,216	**41,958**	32,982	30,899
IMPAIRMENT LOSSES - Net	16						
Financial assets	4, 10, 11	**8,337**	6,677	5,347	**8,287**	5,864	5,131
Non-financial assets	14, 15	**282**	211	359	**277**	210	358
		8,619	6,888	5,706	**8,564**	6,074	5,489
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		**33,882**	26,741	25,510	**33,394**	26,908	25,410
OTHER OPERATING INCOME							
Service fees and commissions		**8,485**	6,658	5,469	**7,962**	6,362	5,112
Foreign exchange gains (losses) - net		**(1,976)**	(15)	1,567	**(1,996)**	(22)	1,555
Trading and securities gains (losses) - net	10	**1,495**	444	(37)	**1,533**	429	22
Gain on assets sold - net	13, 14, 15	**1,352**	6,714	3,088	**1,342**	6,656	2,985
Share in net earnings (losses) of subsidiaries and associates	12	**85**	92	32	**491**	(157)	154
Trust fees	26	**-**	423	415	**-**	423	415
Gain on disposal of subsidiaries	12	**-**	243	-	**-**	243	-
Miscellaneous - net	24	**1,466**	1,809	2,704	**1,161**	1,373	2,012
		10,907	16,368	13,238	**10,493**	15,307	12,255
TOTAL OPERATING INCOME *(Forward)*		**P 44,789**	P 43,109	P 38,748	**P 43,887**	P 42,215	P 37,665

See Notes to Financial Statements.

	Notes	GROUP 2024	GROUP 2023	GROUP 2022	PARENT COMPANY 2024	PARENT COMPANY 2023	PARENT COMPANY 2022
TOTAL OPERATING INCOME		**P 44,789**	P 43,109	P 38,748	**P 43,887**	P 42,215	P 37,665
OTHER OPERATING EXPENSES							
Employee benefits	23	**8,059**	7,150	6,563	**7,061**	6,321	5,794
Taxes and licenses		**6,536**	6,534	4,645	**6,398**	6,416	4,508
Occupancy and equipment-related	27, 28	**3,892**	3,262	2,908	**3,790**	3,172	2,813
Depreciation and amortization	13, 14, 15	**3,379**	3,365	3,037	**3,113**	3,014	2,544
Miscellaneous	24	**9,935**	9,283	7,947	**10,661**	9,791	8,408
		31,801	29,594	25,100	**31,023**	28,714	24,067
PROFIT BEFORE TAX		**12,988**	13,515	13,648	**12,864**	13,501	13,598
TAX EXPENSE	25	**3,468**	1,298	1,568	**3,344**	1,283	1,518
NET PROFIT		**P 9,520**	P 12,217	P 12,080	**P 9,520**	P 12,218	P 12,080
ATTRIBUTABLE TO:							
PARENT COMPANY'S SHAREHOLDERS		**P 9,520**	P 12,218	P 12,080			
NON-CONTROLLING INTERESTS		**-**	(1)	-			
		P 9,520	P 12,217	P 12,080			
Earnings Per Share							
Basic and diluted	29	**P 3.48**	P 5.07	P 5.42			

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Millions of Philippine Pesos)

		GROUP			PARENT COMPANY		
	Notes	**2024**	2023	2022	**2024**	2023	2022
NET PROFIT		**P 9,520**	P 12,217	P 12,080	**P 9,520**	P 12,218	P 12,080
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that will not be reclassified subsequently to profit or loss							
Actuarial gains (losses) on defined benefit plan	23	**371**	(1,366)	782	**377**	(1,324)	782
Fair value gains on equity securities at fair value through other comprehensive income (FVOCI)	10, 22	**232**	263	191	**238**	276	272
Share in other comprehensive income (losses) of the subsidiaries and associates:							
Actuarial gains (losses) on defined benefit plan	12	**7**	16	4	**1**	(26)	4
Fair value losses on equity securities at FVOCI	12, 22	**-**	-	-	**(5)**	(13)	(81)
		610	(1,087)	977	**611**	(1,087)	977
Items that will be reclassified subsequently to profit or loss							
Fair value gains (losses) on debt securities at FVOCI	10, 22	**(372)**	1,432	(5,446)	**(373)**	1,432	(5,446)
Translation adjustments on foreign operations	22	**6**	-	-	**6**	-	-
		(366)	1,432	(5,446)	**(367)**	1,432	(5,446)
Total Other Comprehensive Income (Loss)	22	**244**	345	(4,469)	**244**	345	(4,469)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**P 9,764**	P 12,562	P 7,611	**P 9,764**	P 12,563	P 7,611
ATTRIBUTABLE TO:							
PARENT COMPANY'S SHAREHOLDERS		**P 9,764**	P 12,563	P 7,611			
NON-CONTROLLING INTERESTS		**-**	(1)	-			
		P 9,764	P 12,562	P 7,611			

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Millions of Philippine Pesos)

		GROUP												
		ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS												
	Notes	COMMON STOCK	PREFERRED STOCK	CAPITAL PAID IN EXCESS OF PAR	HYBRID PERPETUAL SECURITIES	REVALUATION RESERVES	TREASURY SHARES	RESERVE FOR TRUST BUSINESS	OTHER RESERVES	GENERAL LOAN LOSS RESERVE	SURPLUS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2024		P 24,195	P 3	P 58,228	P 14,463	(P 6,044)	P -	P 551	(P 86)	P 4,599	P 56,360	P 152,269	P 6	P 152,275
Transactions with owners:														
Cash dividends	22	-	-	-	-	-	-	-	-	-	(3,548)	(3,548)	-	(3,548)
Net profit for the year		-	-	-	-	-	-	-	-	-	9,520	9,520	-	9,520
Other comprehensive income		-	-	-	-	244	-	-	-	-	-	244	-	244
General loan loss appropriation	22	-	-	-	-	-	-	-	-	965	(965)	-	-	-
Transfer of fair value loss on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 22	-	-	-	-	2	-	-	-	-	(2)	-	-	-
Transfer from reserve for trust business to surplus	26	-	-	-	-	-	-	(551)	-	-	551	-	-	-
		-	-	-	-	246	-	(551)	-	965	9,104	9,764	-	9,764
Balance at December 31, 2024		**P 24,195**	**P 3**	**P 58,228**	**P 14,463**	**(P 5,798)**	**P -**	**P -**	**(P 86)**	**P 5,564**	**P 61,916**	**P 158,485**	**P 6**	**P 158,491**
Balance at January 1, 2023		P 22,509	P 3	P 42,493	P 14,463	(P 6,392)	(P 9,287)	P 532	(P 86)	P 3,824	P 48,294	P 116,353	P 8	P 116,361
Transactions with owners:														
Reissuance of treasury shares	22	-	-		-	-	9,287	-	-	-	-	9,287	-	9,287
Issuance of common stock	22	1,686	-	15,735	-	-	-	-	-	-	-	17,421	-	17,421
Cash dividends	22	-	-	-	-	-	-	-	-	-	(3,289)	(3,289)	-	(3,289)
		1,686	-	15,735	-	-	9,287	-	-	-	(3,289)	23,419	-	23,419
Net profit for the year		-	-	-	-	-	-	-	-	-	12,218	12,218	(1)	12,217
Other comprehensive income		-	-	-	-	345	-	-	-	-	-	345	-	345
General loan loss appropriation	22	-	-	-	-	-	-	-	-	775	(775)	-	-	-
Transfer to fair value loss on financial asset at FVOCI to surplus	10, 22	-	-	-	-	3	-	-	-	-	(3)	-	-	-
Changes in ownership interest of a subsidiary	22	-	-	-	-	-	-	-	-	-	(66)	(66)	(1)	(67)
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	19	-	-	(19)	-	-	-
		-	-	-	-	348	-	19	-	775	11,355	12,497	(2)	12,495
Balance at December 31, 2023		P 24,195	P 3	P 58,228	P 14,463	(P 6,044)	P -	P 551	(P 86)	P 4,599	P 56,360	P 152,269	P 6	P 152,275
Balance at January 1, 2022		P 22,509	P 3	P 42,505	P 14,463	(P 1,923)	(P 9,287)	P 508	(P 97)	P 3,617	P 38,764	P 111,062	P 18	P 111,080
Transactions with owners:														
Reissuance of treasury shares	22	-	-	(12)	-	-	-	-	-	-	-	(12)	-	(12)
Cash dividends	22	-	-	-	-	-	-	-	-	-	(2,308)	(2,308)	-	(2,308)
		-	-	(12)	-	-	-	-	-	-	(2,308)	(2,320)	-	(2,320)
Net profit for the year		-	-	-	-	-	-	-	-	-	12,080	12,080	-	12,080
Other comprehensive loss		-	-	-	-	(4,469)	-	-	-	-	-	(4,469)	-	(4,469)
General loan loss appropriation	22	-	-	-	-	-	-	-	-	207	(207)	-	-	-
Changes in ownership interest of a subsidiary	22	-	-	-	-	-	-	-	11	-	(11)	-	(10)	(10)
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	24	-	-	(24)	-	-	-
		-	-	-	-	(4,469)	-	24	11	207	11,838	7,611	(10)	7,601
Balance at December 31, 2022		P 22,509	P 3	P 42,493	P 14,463	(P 6,392)	(P 9,287)	P 532	(P 86)	P 3,824	P 48,294	P 116,353	P 8	P 116,361

See Notes to Financial Statements.

	Notes	COMMON STOCK	PREFERRED STOCK	CAPITAL PAID IN EXCESS OF PAR	HYBRID PERPETUAL SECURITIES	REVALUATION RESERVES	TREASURY SHARES	RESERVE FOR TRUST BUSINESS	GENERAL LOAN LOSS RESERVE	SURPLUS	TOTAL EQUITY
		PARENT COMPANY									
Balance at January 1, 2024		P 24,195	P 3	P 58,228	P 14,463	(P 6,044)	P -	P 551	P 4,589	P 56,281	P 152,266
Transactions with owners:											
Cash dividends	22	-	-	-	-	-	-	-	-	(3,548)	(3,548)
Net profit for the year		-	-	-	-	-	-	-	-	9,520	9,520
Other comprehensive income		-	-	-	-	244	-	-	-	-	244
General loan loss appropriation	22	-	-	-	-	-	-	-	948	(948)	-
Transfer of fair value loss on financial asset at fair value through other comprehensive income (FVOCI) to surplus	10, 23	-	-	-	-	2	-	-	-	(2)	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	(551)	-	551	-
		-	-	-	-	246	-	(551)	948	9,121	9,764
Balance at December 31, 2024		**P 24,195**	**P 3**	**P 58,228**	**P 14,463**	**(P 5,798)**	**P -**	**P -**	**P 5,537**	**P 61,854**	**P 158,482**
Balance at January 1, 2023		P 22,509	P 3	P 42,493	14,463	(P 6,392)	(P 9,287)	P 532	P 3,823	P 48,140	P 116,284
Transactions with owners:											
Reissuance of treasury shares	22	-	-		-	-	9,287	-	-	-	9,287
Issuance of common stock	22	1,686	-	15,735	-	-	-	-	-	-	17,421
Cash dividends	22	-	-	-	-	-	-	-	-	(3,289)	(3,289)
		1,686	-	15,735	-	-	9,287	-	-	(3,289)	23,419
Net profit for the year		-	-	-	-	-	-	-	-	12,218	12,218
Other comprehensive income		-	-	-	-	345	-	-	-	-	345
General loan loss appropriation	22	-	-	-	-	-	-	-	766	(766)	-
Transfer of fair value loss on financial asset at FVOCI to surplus	10, 23	-	-	-	-	3	-	-	-	(3)	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	19	-	(19)	-
		-	-	-	-	348	-	19	766	11,430	12,563
Balance at December 31, 2023		P 24,195	P 3	P 58,228	P 14,463	(P 6,044)	P -	P 551	P 4,589	P 56,281	P 152,266
Balance at January 1, 2022		P 22,509	P 3	P 42,505	P 14,463	(P 1,923)	(P 9,287)	P 508	P 3,616	P 38,599	P 110,993
Transactions with owners:											
Reissuance of treasury shares	22	-	-	(12)	-	-	-	-	-	-	(12)
Cash dividends	22	-	-	-	-	-	-	-	-	(2,308)	(2,308)
		-	-	(12)	-	-	-	-	-	(2,308)	(2,320)
Net profit for the year		-	-	-	-	-	-	-	-	12,080	12,080
Other comprehensive loss		-	-	-	-	(4,469)	-	-	-	-	(4,469)
General loan loss appropriation	22	-	-	-	-	-	-	-	207	(207)	-
Transfer from surplus to reserve for trust business	26	-	-	-	-	-	-	24	-	(24)	-
		-	-	-	-	(4,469)	-	24	207	11,849	7,611
Balance at December 31, 2022		P 22,509	P 3	P 42,493	P 14,463	(P 6,392)	(P 9,287)	P 532	P 3,823	P 48,140	P 116,284

See Notes to Financial Statements.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Millions of Philippine Pesos)

		GROUP			PARENT COMPANY		
	Notes	**2024**	2023	2022	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax		**P 12,988**	P 13,515	P 13,648	**P 12,864**	P 13,501	P 13,598
Adjustments for:							
Interest income	9, 10, 11	**(79,083)**	(66,289)	(45,835)	**(78,155)**	(65,284)	(45,127)
Interest received		**64,448**	47,718	45,379	**59,532**	46,932	44,516
Interest paid		**(36,633)**	(30,830)	(12,577)	**(36,249)**	(30,476)	(12,145)
Interest expense	17, 18, 19, 21, 23	**36,582**	32,660	14,619	**36,197**	32,302	14,228
Impairment losses - net	16	**8,619**	6,888	5,706	**8,564**	6,074	5,489
Depreciation and amortization	13, 14, 15	**3,379**	3,365	3,037	**3,113**	3,014	2,544
Gain on assets sold - net	13, 14, 15	**(1,352)**	(6,714)	(3,088)	**(1,342)**	(6,656)	(2,985)
Dividend income	24	**(322)**	(318)	(311)	**(273)**	(252)	(227)
Share in net losses (earnings) of subsidiaries and associates	12	**(85)**	(92)	(32)	**(491)**	157	(154)
Gain on disposal of subsidiaries	12	**-**	(243)	-	**-**	(243)	-
Operating proft (loss) before working capital changes		**8,541**	(340)	20,546	**3,760**	(931)	19,737
Decrease (increase) in financial assets at fair value through profit and loss		**1,544**	(4,741)	(1,174)	**1,429**	(4,815)	(1,260)
Increase in loans and receivables		**(81,428)**	(70,302)	(36,129)	**(77,672)**	(71,114)	(35,938)
Decrease (increase) in investment properties		**(236)**	2,072	2,093	**(235)**	1,842	2,009
Decrease (increase) in other resources		**(1,302)**	(6,100)	180	**(1,222)**	(6,322)	725
Increase in deposit liabilities		**66,082**	99,468	184,785	**65,368**	99,730	183,225
Increase (decrease) in accrued interest, taxes and other expenses		**(400)**	2,590	256	**(475)**	2,552	189
Increase (decrease) in other liabilities		**27,297**	(694)	10,688	**27,214**	(442)	10,585
Cash generated from operations		**20,098**	21,953	181,245	**18,167**	20,500	179,272
Income taxes paid		**(3,709)**	(4,099)	(2,069)	**(3,511)**	(3,910)	(1,973)
Net Cash From Operating Activities		**16,389**	17,854	179,176	**14,656**	16,590	177,299
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of securities at fair value through other comprehensive income (FVOCI)	10	**(391,742)**	(442,380)	(131,018)	**(391,718)**	(442,360)	(130,903)
Disposal of securities at FVOCI	10	**315,409**	476,584	60,578	**315,386**	476,576	59,863
Acquisition of investments in securities at amortized cost	4	**(26,330)**	(16,099)	(149,832)	**(24,245)**	(14,092)	(148,342)
Proceeds from redemption and maturity of securities at amortized cost	4	**2,674**	31,956	61,045	**629**	29,688	59,894
Acquisitions of bank premises, furniture, fixtures, and equipment	13	**(1,387)**	(3,716)	(1,627)	**(1,291)**	(1,432)	(1,251)
Proceeds from disposals of bank premises, furniture, fixtures and equipment	13	**1,047**	9,836	2,487	**856**	7,401	2,032
Acquisitions of software	15	**(519)**	(381)	(334)	**(518)**	(362)	(333)
Cash dividends received	12, 24	**322**	318	293	**280**	344	798
Net Cash From (Used in) Investing Activities *(Forward)*		**(P 100,526)**	P 56,118	(P 158,408)	**(P 100,621)**	P 55,763	(P 158,242)

See Notes to Financial Statements.

	Notes	GROUP 2024	GROUP 2023	GROUP 2022	PARENT COMPANY 2024	PARENT COMPANY 2023	PARENT COMPANY 2022
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from availments of bills payable	30	**P 43,948**	P 15,333	P 62,142	**P 41,100**	P 15,333	P 55,380
Maturity of bonds payable	30	**(31,542)**	(39,041)	(31,170)	**(31,542)**	(39,041)	(31,170)
Payments of bills payable	30	**(10,232)**	(29,767)	(52,865)	**(6,171)**	(28,399)	(44,867)
Issuance of bonds payable	19, 30	**23,138**	-	14,756	**23,138**	-	14,756
Dividends paid	22	**(3,548)**	(3,289)	(2,308)	**(3,548)**	(3,289)	(2,308)
Payment of lease liabilities	21, 30	**(2,366)**	(2,131)	(2,265)	**(2,283)**	(2,044)	(2,189)
Net proceeds from issuance of shares of stock	22	**-**	17,421	-	**-**	17,421	-
Reissuance of treasury shares	22	**-**	9,287	(12)	**-**	9,287	(12)
Net Cash From (Used in) Financing Activities		**19,398**	(32,187)	(11,722)	**20,694**	(30,732)	(10,410)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(64,739)**	41,785	9,046	**(65,271)**	41,621	8,647
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9						
Cash and other cash items		**19,875**	18,078	14,691	**19,812**	18,024	14,663
Due from Bangko Sentral ng Pilipinas		**151,762**	156,664	130,170	**150,771**	155,340	128,931
Due from other banks		**14,892**	5,836	12,162	**14,630**	5,383	11,860
Loans arising from reverse repurchase agreements		**35,799**	8,724	11,691	**34,948**	8,552	11,656
Interbank loans receivable		**27,780**	19,021	30,563	**27,780**	19,021	30,563
		250,108	208,323	199,277	**247,941**	206,320	197,673
CASH AND CASH EQUIVALENTS AT END OF YEAR	9						
Cash and other cash items		**23,003**	19,875	18,078	**22,907**	19,812	18,024
Due from Bangko Sentral ng Pilipinas		**115,230**	151,762	156,664	**112,763**	150,771	155,340
Due from other banks		**14,569**	14,892	5,836	**14,433**	14,630	5,383
Loans arising from reverse repurchase agreements		**-**	35,799	8,724	**-**	34,948	8,552
Interbank loans receivable		**32,567**	27,780	19,021	**32,567**	27,780	19,021
		P 185,369	P 250,108	P 208,323	**P 182,670**	P 247,941	P 206,320

See Notes to Financial Statements

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Millions of Philippine Pesos, Except Share and Per Share Data or As Indicated)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

Rizal Commercial Banking Corporation (the Parent Company, the Bank or RCBC), a universal bank engaged in all aspects of banking, was originally incorporated on September 23, 1960. The Bank has been granted with perpetual existence by the Securities and Exchange Commission (SEC) on September 30, 2022. It provides products and services related to traditional loans and deposits, trade finance, domestic and foreign fund transfers or remittance, cash management, treasury, and trust and custodianship services. Under relevant authority granted by the Bangko Sentral ng Pilipinas (BSP), the Bank is also licensed to deal in different types of derivative products such as, but not limited, to foreign currency forwards, interest rate swaps and cross currency swaps. The Parent Company and its subsidiaries (together hereinafter referred to as the Group) are engaged in all aspects of traditional banking, investment banking, retail financing (credit cards, auto loans, mortgage/housing and microfinance loans), remittance, leasing and stock brokering.

As a banking institution, the Group's operations are regulated and supervised by the BSP. As such, the Group is required to comply with banking rules and regulations such as those relating to maintenance of reserve requirements on deposit liabilities and deposit substitutes and those relating to the adoption and use of safe and sound banking practices, among others, as promulgated by the BSP. The Group's activities are subject to the provisions of Republic Act (R.A.) No. 8791, the *General Banking Law of 2000*, and other related banking laws.

The Parent Company's common shares are listed in the Philippine Stock Exchange (PSE).

The Group and the Parent Company's banking network within and outside the Philippines as of December 31 follows:

	Group		**Parent Company**	
	2024	2023	**2024**	2023
Automated teller machines (ATMs)	**1,482**	1,460	**1,482**	1,460
ATM Go	**7,947**	3,861	**7,947**	3,861
Branches	**453**	454	**437**	438
Extension offices	**12**	4	**2**	2

RCBC is a 33.92%-owned subsidiary of Pan Malayan Management and Investment Corporation (PMMIC or Ultimate Parent), a company incorporated and domiciled in the Philippines. PMMIC is the holding company of the flagship institutions of the Yuchengco Group of Companies (YGC), with registered business address at 48th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen. Gil Puyat Avenue, Makati City. As of December 31, 2024 and 2023, Cathay Life Insurance Corporation (Cathay) also owns 18.68% interest in RCBC.

On August 26, 2022 and September 30, 2022, the BSP and Securities and Exchange Commission (SEC), respectively, approved the amendment of Articles of Incorporation (AOI) of the Parent Company to allow foreign ownership to exceed 40% (see Note 22.1).

In 2023, Sumitomo Mitsui Banking Corporation (SMBC) has completed its acquisition of an additional 15.01% equity stake in RCBC resulting in an increase of SMBC's shareholding to 20.00% (see Note 22.2), effectively making RCBC 44.10% foreign-owned. As of December 31, 2024 and 2023, SMBC owns 20.00% interest in RCBC. To comply with constitutional requirements on land ownership, the Bank disposed of its land through the following measures:

- sale and leaseback transaction of bank premises and investment properties with AT Yuchengco Center Inc. (ATYCI) [see Notes 13 and 27.7(a)];
- disposal of 119 Bank-owned real estate properties to a property holding company - Frame Properties Inc. (see Notes 13, 23.2 and 27.5);
- sale of subsidiaries Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (Cajel) to Filinvest Land Inc. (FLI) (see Notes 12 and 15.1);
- donation and transfer of 19.41% ownership in RCBC-JPL Holding Company, Inc. (RCBC JPL) (see Note 23.2); and,
- disposal of the remaining consolidated properties of the Bank (see Note 15.1).

With the endorsement of the Group's Trust Committee, on November 28, 2022, the Bank's Board of Directors (BOD) approved the spin-off of the trust operations from the Parent Company into a separate corporate entity by establishing a Stand-Alone Trust Corporation in accordance with the Manual of Regulations for Non-Bank Financing Institutions. The BOD approved the capital infusion by the Parent Company equivalent to 40% of the required capital under the capital build-up plan.

On March 27, 2023, the Bank's BOD approved the incorporation of the RCBC Trust Corporation (RTC), where the Bank subscribed to 400,000 shares amounting to P40, equivalent to 40% of the subscribed share capital of RTC. RTC was officially incorporated on June 29, 2023, while its application of Trust License from BSP – Stage 3 was approved on October 10, 2023. RTC started operations on January 2, 2024 (see Notes 12 and 26).

The Parent Company's registered address, which is also its principal office, is at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen. Gil Puyat Avenue, Makati City.

1.2 Subsidiaries and Associates

The Parent Company holds ownership interests in the following subsidiaries and associates at the end of 2024 and 2023:

Subsidiaries and Associates	Line of Business	Explanatory Notes	Effective Percentage of Ownership	
			2024	2023
Subsidiaries:				
RCBC Forex Brokers Corporation (RCBC Forex)	Foreign exchange dealing		**100.00**	100.00
RCBC Telemoney Europe (RCBC Telemoney)	Remittance	(a)	**-**	100.00
RCBC International Finance Limited (RCBC IFL)	Remittance		**100.00**	100.00
RCBC Investment Ltd.	Remittance	(b)	**100.00**	100.00
RCBC Capital Corporation (RCBC Capital)	Investment house		**99.96**	99.96
RCBC Securities, Inc. (RSI or RCBC Securities)	Securities brokerage and dealing	(c)	**99.96**	99.96
RCBC Bankard Services Corporation (RBSC)	Credit card management	(c)	**99.96**	99.96
RCBC JPL	Property holding	(e)	**80.00**	99.41
Rizal Microbank, Inc. (Rizal Microbank)	Thrift banking and microfinance		**100.00**	100.00
RCBC Leasing and Finance Corporation (RCBC LFC)	Financial leasing		**99.67**	99.67
RCBC Rental Corporation (RRC)	Property leasing	(d)	**99.67**	99.67
Associates:				
YGC Corporate Services, Inc. (YCS)	Support services for YGC		**40.00**	40.00
RTC	Trust, fiduciary and investment management	(f)	**40.00**	40.00
Luisita Industrial Park Co. (LIPC)	Real estate buying, developing, selling and rental		**35.00**	35.00
Honda Cars Phils., Inc. (HCPI)	Sale of motor vehicles		**12.88**	12.88

Except for RCBC Telemoney (Italy), RCBC IFL (Hongkong) and RCBC Investment Ltd. (Hongkong), all other subsidiaries and associates are incorporated and conducting their businesses in the Philippines.

Explanatory Notes:

(a) Operational only until March 1, 2016 and liquidated in 2024.
(b) A wholly-owned subsidiary of RCBC IFL.
(c) Wholly-owned subsidiaries of RCBC Capital.
(d) A wholly-owned subsidiary of RCBC LFC.
(e) In 2024, 19.41% ownership on RCBC JPL was donated and transferred to the Bank's retirement fund.
(f) In 2023, the Bank subscribed to 400 thousand shares equivalent to 40% of subscribed share capital of RTC (see Note 1.1).

1.3 Approval of Financial Statements

The consolidated financial statements of the Group and the separate financial statements of RCBC as of and for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were approved and authorized for issue by the BOD of the Parent Company on February 24, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these financial statements are summarized below. The accounting policies have been consistently applied to all the years presented, except when otherwise indicated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group and the separate financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by Philippine Board of Accountancy.

These financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of resource, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements.* The Group presents all items of income and expenses in two statements: a "statement of profit or loss" and a "statement of comprehensive income".

The Group presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that have a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Group's functional and presentation currency (see Note 2.10). All amounts are in millions, except share and per share data or when otherwise indicated.

Items included in the financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates. The financial statements of the Group's foreign currency deposit unit (FCDU), which is reported in United States (US) dollar, are translated to Philippine peso based on Philippine Dealing System closing rates (PDSCR) at the end of reporting period for the statement of financial position accounts and at the average PDS rate for the period for the profit and loss accounts.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Group and Parent Company

The Group adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Group and Parent Company's financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Group and Parent Company's financial statements.

(iii) PFRS 16, *Lease Liability in a Sale and Leaseback*. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The application of these amendments had no significant impact on the Group and Parent Company's financial statements.

(iv) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Group and Parent Company's financial statements.

(b) Effective Subsequent to 2024 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements below in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group and Parent Company's financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Basis of Consolidation and Accounting for Investments in Subsidiaries and Associates in the Separate Financial Statements

The Parent Company's investments in subsidiaries are initially recognized at cost and subsequently accounted for in its separate financial statements using the equity method.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Accordingly, entities are deconsolidated from the date that control ceases.

Acquired subsidiaries are subject to either of the following relevant policies:

(i) *Purchase method* – is applicable if the business combination does not involve entities under common control. The method involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of a subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of a subsidiary prior to acquisition.

(ii) *Pooling of interest method* – is applicable for business combinations involving entities under common control. On initial recognition, the assets and liabilities of a subsidiary are included in the consolidated statement of financial position at their book values. Adjustments, if any, are recorded to achieve uniform accounting policies. The combining entities' results and financial positions are presented in the consolidated financial statements as if they had always been combined.

No goodwill or negative goodwill is recognized. Any difference between the cost of the investment and the subsidiary's identifiable net assets is recognized on consolidation in Capital Paid in Excess of Par account in equity.

Acquired investments in associates are subject to purchase method of accounting as described above. However, any goodwill that represents the excess of identifiable net assets of the acquiree at the date of acquisition or fair value adjustment attributable to the Group's share in the associate is included in the amount recognized as investments in associates.

The Group reassesses whether or not an entity qualifies as an associate in the occurrence of changes to facts and circumstances surrounding its ability to exert significant influence.

2.4 Financial Instruments

(a) Financial Assets

(i) Classification and Measurement of Financial Assets

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (SPPI). In making this assessment, the Group considers whether the contractual cash flows are consistent with basic lending arrangements, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic lending arrangements, the related financial asset is classified and measured at FVTPL.

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost.

Financial Assets at Fair Value Through Other Comprehensive Income

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or a contingent consideration recognized arising from a business combination. The Group has made irrevocable designation of equity instruments not held for trading into this category.

Financial Assets at Fair Value Through Profit or Loss

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

(ii) Effective Interest Rate Method and Interest Income

Interest income on financial assets measured at amortized cost and all interest-bearing debt financial assets classified as at FVTPL, or at FVOCI, is recognized using the effective interest rate method.

The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of effective interest rate. The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument; hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset with an increase or reduction in interest income. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and or are purchased or originated credit-impaired assets.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves.

(iii) Impairment of Financial Assets

The Group's expected credit loss (ECL) model follows a three-stage impairment approach, which guide in the determination of the loss allowance to be recognized in the financial statements. The staging of financial assets and definition of default for purposes of determining ECL are further discussed in Note 4.4.

ECL is a function of the probability of default (PD), loss-given default (LGD), and exposure-at-default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement. These elements are discussed more fully in Note 4.4.

The Group calculates ECL either on an individual or a collective basis. For consumer loans which were carried out on a collective basis, the financial instruments are grouped on the basis of shared credit risk characteristics, such as but not limited to instrument type, credit risk rating, collateral type, product type, historical net charge-offs, industry type, and geographical locations of the borrowers or counterparties. The Group calculates ECL for corporate loans, finance lease receivables, and investment securities at amortized cost on an individual basis.

The Group applies a simplified ECL approach for its accounts receivables and other risk assets wherein the Group uses a provision matrix that considers historical changes in the behavior of the portfolio of credit exposures based on internally collected data to predict conditions over the span of a given observation period. These receivables include claims from various counterparties, which are not originated through the Group's lending activities. For these instruments, the Group measures the loss allowance at an amount equal to lifetime ECL.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to ECL impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account. With respect to investments in debt securities that are measured at FVOCI, the related loss allowance account is recognized in other comprehensive income and accumulated in the Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

For loan commitments, the loss allowance is recognized as provisions (presented and included as part of Other Liabilities account in the statement of financial position). Where a financial instrument includes a drawn and undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn commitment; the Group presents a combined allowance for ECL for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as provisions.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(iv) Modification of Loans

When the Group renegotiates or otherwise modifies the contractual cash flows of loans to customers, the Group assesses whether or not the new terms are substantially different to the original terms of the instrument.

In making such assessment, the Group considers, among others:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced that will affect the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in; and/or,
- Insertion of collateral, other security or credit enhancements that will significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation, including for the purpose of determining whether significant increase in credit risk (SICR) has occurred.

However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount between the old financial asset derecognized and the fair value of the new financial asset are recognized in profit or loss as either gain or loss on derecognition of financial assets.

As to the impact on ECL measurement, the expected fair value of the "new" financial asset is treated as the final cash flow from the existing financial asset at the date of derecognition. Such amount is included in the calculation of cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes the gain or loss arising from the modification in profit or loss.

The new gross carrying amount is recalculated by discounting the modified cash flows of the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

As to the impact on ECL measurement, the derecognition of the existing financial asset will result in the expected cash flows arising from the modified financial asset to be included in the calculation of cash shortfalls from the existing financial asset.

(b) Financial Liabilities

Financial liabilities including deposit liabilities, bills payable, bonds payable, accrued interest and other expenses, and other liabilities (except derivatives with negative fair value, tax-related payables, post-employment defined benefit obligation and deferred income)

(c) Financial Guarantees and Undrawn Loan Commitments

The Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract or agreement. Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The ECL related to financial guarantees and loan commitments without outstanding drawn amounts is recognized under Other Liabilities account in the statement of financial position.

(d) Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk. Derivatives held include foreign currency short-term forwards, interest rate swaps, cross currency swaps, debt warrants and options. Further details of derivative financial instruments are disclosed in Note 10.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to the fair value at each reporting date.

(e) Hedge Accounting

The Group has approved certain assets and liabilities as hedged items for interest rate risk exposures: fixed rate bonds, loans receivable and loans payable, floating rate bonds, loans receivable and loans payable, and fixed/floating rate highly probable bonds.

The Group also designates certain derivatives as hedging instruments in respect of interest rate risk in fair value hedges, or cash flow hedges, as appropriate. The Group applies PFRS 9 hedge accounting rules in full for these derivatives.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

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

The Group uses both qualitative and quantitative assessment to determine whether there is an economic relationship between the hedged item and the hedging instrument. The conclusion that an economic relationship exists may be purely qualitative when the critical terms of the hedging instrument and the hedged item are matched. In cases when the critical terms are not aligned, it will be necessary to perform a quantitative assessment to establish that there is an economic relationship and that this source of ineffectiveness is not material. These assessments may be through critical matching, by identifying critical terms in both the hedged item or the derivative that may be a source of ineffectiveness, or regression analysis, when the critical terms of the hedging instrument and hedged item are not closely aligned, and there is increased uncertainty about the extent of offset, such that the hedge effectiveness is more difficult to predict.

The Group shall perform effectiveness assessment on an ongoing basis, whether a hedging relationship continue to meet the hedge effectiveness requirements. In measuring ineffectiveness, the Group constructs a hypothetical derivative that represents a hedge for the hedged risk of the hedged item, and assesses the impact of credit risk.

Hedge ineffectiveness can arise from the following:

- counterparties' credit risk differently affecting the fair value movements of the hedging instrument and hedged item; and
- Any subsequent changes in the contractual terms of the hedged item or hedging instrument may create potential source of ineffectiveness.

The results of the effectiveness assessment shall determine whether the hedge needs to be rebalanced or discontinued. Discontinuation may apply to only part of the hedging relationship. For example, the hedge ratio might be adjusted in such a way that some of the volume of the hedged item is no longer part of a hedging relationship, hence hedge accounting is discontinued only for the volume of the hedged item that is no longer part of the hedging relationship. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e., rebalances the hedge) so that it meets the qualifying criteria again.

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in OCI. The Group has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at FVOCI. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss.

Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the EIR method is used (i.e. debt instruments measured at amortized cost or at FVOCI) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

Note 4.3 sets out the details of the fair values of the derivative instruments used for hedging purposes.

2.5 Bank Premises, Furniture, Fixtures and Equipment

All bank premises, furniture, fixtures and equipment are carried at cost less accumulated depreciation, amortization and any impairment in value.

Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Buildings	20 to 50 years
Furniture, fixtures and equipment	3 to 15 years

Leasehold rights and improvements are amortized over the term of the lease or the estimated useful lives of the improvements of 1 to 12 years, whichever is shorter.

2.6 Investment Properties

Investment properties pertain to buildings or condominium units acquired by the Group, in settlement of loans from defaulting borrowers through foreclosure or dacion in payment, which are either held by the Group for sale in the next 12 months or being used in the rendering of services or for administrative purposes, or held for rental. In 2024, the Bank ceased to acquire investment properties through dacion in payment, as a result of the change in capital structure of the Bank.

Investment properties are stated at cost, less accumulated depreciation and any impairment losses (see Note 2.11).

Transfers from other accounts (such as bank premises, furniture, fixtures and equipment) are made to investment properties when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party or holding the property for capital appreciation, while transfers from investment properties are made when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Investment properties, except land, are depreciated on a straight-line basis over a period of 10 years.

2.7 Intangible Assets

Intangible assets include goodwill, branch licenses, trading right, and computer software licenses which are accounted for under cost model and are reported under Other Resources account in the statement of financial position.

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired at the date of acquisition (see Note 2.3).

Branch licenses represent the rights given by the BSP to the Group to establish a certain number of branches in various areas in the country.

Goodwill and branch licenses are classified as intangible assets with indefinite useful life and, thus, not subject to amortization but are tested annually for impairment (see Note 2.11). After initial recognition, goodwill and branch licenses are subsequently carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those generating units is represented by each primary reporting segment.

Trading right, included as part of Miscellaneous under Other Resources account, represents the right given to RSI, a subsidiary engaged in stock brokerage, to preserve its access to the trading facilities and to transact business at the PSE. Trading right is assessed as having an indefinite useful life. It is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment, if any. The trading right is tested annually for any impairment in value (see Note 2.11).

Acquired computer software licenses are amortized on a straight line basis over the expected useful lives of the software of three to 10 years.

Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives (not exceeding 10 years).

2.8 Other Income and Expense Recognition

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent. The Group concluded that it is acting as a principal in all its revenue arrangements except for certain brokerage transactions.

For revenues arising from various services which are to be accounted for under PFRS 15, *Revenue from Contracts from Customers*, the following provides information about the nature and timing of satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

(a) Service fees and Commissions

The following service fees and commissions are recognized as follows:

(i) Commissions and fees – these income arising from loans, deposits, and other banking and brokerage transactions are recognized as income based on agreed terms and conditions with customers, which are generally when the services have been performed.

(ii) Annual membership fees – pertain to annual fees charged to credit cardholders. Revenues from membership fees are recognized over time from the date of renewal of the credit card until the validity date covered by the said renewal, usually termed as the expiry date of the issued cards. The credit card's validity period is deemed to be the servicing period.

(iii) Interchange fees, net of interchange costs – are recognized as income upon presentation by member establishments of charges arising from RBSC and non-RBSC (associated with MasterCard, JCB, VISA and China UnionPay labels) credit card availments passing through the Point of Sale (POS) terminals of the Parent Company. These discounts are computed based on agreed rates and are deducted from the amounts remitted to member establishments. Interchange costs pertain to the other credit card companies' share in RBSC's merchant discounts whenever their issued credit cards transact in the Parent Company's POS terminals.

The Parent Company operates a rewards program related to its deposit, loan, and credit card operations, allowing cardholders to accumulate non-expiring loyalty points that can be redeemed for free products, including travel airmiles, shopping vouchers, gift certificates and rewards credits. These loyalty points create a separate performance obligation, as they provide a material right to the cardholder.

The rewards liability of the Parent Company represents the best estimate of the cost associated with the loyalty points earned that are expected to be redeemed by cardholders. Specifically, the Bank calculates the expected breakage which is the proportion of rewards that will not be redeemed by its customers, and recognizes the liability associated with its loyalty programs by accounting for this expected breakage. This model considers the historical data and trends in cardholder behavior, including the effects of short-term and long-term promotional campaigns, to establish the best estimate of the rewards liability expected to be settled in the future. This estimate assumes that the vast majority of all points earned will ultimately be redeemed.

Accordingly, the Parent Company allocates a portion of the interchange fee billed to participating merchants to the loyalty points granted to cardholders, based on their relative stand-alone selling price. A liability equivalent to the estimated loyalty points is recognized until these points are redeemed. Revenue is recognized upon actual redemption by the cardholder.

(iv) Loan syndication fees – are recognized as revenue when the syndication has been completed and the Group retained no part of the loan package for itself or retained a part at the same effective interest rate for the other participants.

(v) *Underwriting and arrangers fees* – are fees arising from negotiating, or participating in the negotiation of a transaction for a third party such as arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized at the completion of the underlying transaction and where there are no further obligations to perform under the agreement.

(b) Trust Fees

These pertain to service fees earned in 2023 and prior years in reference to the net asset value of the funds managed and deducted from the customer's account balance on a monthly basis which are recognized over time as the asset management services are provided. These are also applicable for wealth management and asset custody services that are continuously provided over an extended period of time. No trust fees were earned in 2024 due to the spin-off of the trust operations from the Parent Company into RTC (see Note 1.1).

For other income outside the scope of PFRS 15, the following provides information about the nature and the related revenue recognition policies:

(a) Trading and Securities Gains (Losses)

These are recognized when the ownership of the securities is transferred to the buyer and is computed as the difference between the selling price and the carrying amount of the securities disposed of. These also include trading gains and losses as a result of the mark-to-market valuation of investment securities classified as FVTPL.

(b) Gain on Assets Sold

Gain on assets sold arise from the disposals of bank premises, furniture, fixtures and equipment, investment properties, real estate properties for sale, and assets held-for-sale. The Group recognizes the gain on sale at the time the control of the assets is transferred to the buyer, when the Group does not retain either continuing managerial involvement to the degree usually associated with ownership, or effective control over the assets sold, and when the collectability of the entire sales price is reasonably assured. Gain on assets sold are included as part of Other Operating Income account in the statement of profit or loss.

(c) Dividend Income

Dividend income is recognized when the Group and Parent Company's right to receive payment is established.

(d) Recoveries from Assets Written Off

These are income recognized from the increase in carrying amount of assets previously written off. The amount of reversal does not exceed the amount of impairment loss previously recognized for the related asset.

Collections from accounts, which did not qualify for revenue recognition are treated as customers' deposit included as part of Accounts payable under Other Liabilities account in the statement of financial position.

2.9 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease (see Note 3.1).

(c) Sale and Leaseback Transaction

As a seller-lessee, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

2.10 Foreign Currency Transactions and Translations

Except for the foreign subsidiaries and accounts of the Parent Company's FCDU, the accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the period are translated into the functional currency at exchange rates which approximate those prevailing at transaction dates. Resources and liabilities denominated in U.S. dollars are translated to Philippine pesos at the prevailing PDSCR at the end of the reporting period.

For financial reporting purposes, the accounts of the FCDU are translated into their equivalents in Philippine pesos based on the prevailing PDSCR at the end of each reporting period (for resources and liabilities) and at the weighted average PDSCR for the period (for income and expenses). Any foreign exchange difference is recognized in profit or loss.

The translation of the financial statements into Philippine peso should not be construed as a representation that the amounts stated in currencies other than the Philippine peso could be converted in Philippine peso amounts at the translation rates or at any other rates of exchange.

2.11 Impairment of Non-financial Assets

Investments in subsidiaries and associates, bank premises, furniture, fixtures and equipment (including right-of-use assets), investment properties, and other resources (including intangible assets and assets held for sale and disposal group) and other non-financial assets are subject to impairment testing.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [cash-generating units (CGU)]. As a result, some assets are tested for impairment either individually or at the CGU level. Except for intangible assets with an indefinite useful life (i.e., goodwill, branch licenses and trading right) or those not yet available for use, individual assets or CGU are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

All assets, except for intangible assets with indefinite useful life, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds its carrying amount.

2.12 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group and Parent Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Application of ECL to Financial Assets at Amortized Cost and Financial Assets at FVOCI

The Group uses the general approach to calculate ECL for all debt instruments carried at amortized cost and FVOCI, together with loan commitments and financial guarantee contracts. The allowance for impairment is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(b) Evaluation of Business Models Applied in Managing Financial Instruments

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely, its core deposit funding arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for trading activities consistent with its risk appetite.

The Group's business models reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belongs to taking into consideration the objectives of each business model established by the Group (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Group's investment, trading and lending strategies.

If more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with the HTC business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

There is no disposal of HTC investments in 2024 and 2023.

The Parent Company is currently performing an evaluation of its business models for HTC and FVOCI investments as a result of internal changes on how it manages these financial assets. Such changes are determined by senior management as significant to the Parent Company's operations wherein it implemented adjustments to its portfolio strategies in light of the revised long-term outlook following the pandemic and other global developments. Revisions in the business models may result in reclassifications in the categories of portfolio investments to be effected only at the beginning of the next reporting period following the change in business model. As of December 31, 2024, the Parent Company is yet to complete its assessment.

(c) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

(d) Determination of Timing of Satisfaction of Performance Obligation

The Group determines that its revenue shall be recognized at a point in time for loan syndication and underwriting fees and commission. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The services provided by the Group would need substantial reperformance from other entities. This demonstrates that the customers do not simultaneously receive and consume the benefits provided by the Group.

For the revenues from services related to credit card membership and account management, the Group determines that its revenues shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided to the customers. As the work is performed, the Group becomes entitled to payments. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of these services as it performs.

(e) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of offices, branches, and equipment, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract.

The Group did not include renewal options as part of the lease term as the terms are renewable upon mutual agreement.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(f) Distinction Between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production, supply process, and in the Group's banking operation.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease) then these portions can be accounted for separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in operations or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property.

(g) Determination of the Classification of Assets/Liabilities under Assets Held-for-Sale and Disposal Group

The Group classifies an asset (or disposal group) as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In determining whether reclassification is in order, the asset (or disposal group) must be available for immediate sale in its present condition subject to usual terms and the same must be highly probable, evidenced by a commitment to a plan to sell the asset, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except if a delay will be caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

(h) Distinction Between Operating and Finance Leases where the Group is the Lessor

The Group has entered into various lease agreements as a lessor. Judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets or liabilities (see Note 2.9).

In determining whether the lease arrangements of the Parent Company and RCBC LFC qualify as a finance lease, the following factors have been considered:

(i) the lease provides the lessee an option to purchase the asset; or,

(ii) the lease transfers ownership of the property at the end of the lease and the related lease terms approximate the estimate useful life of the asset being leased.

(i) Classification and Determination of Fair Value of Acquired Properties

The Group classifies its acquired properties as Bank Premises, Furniture, Fixtures and Equipment if used in operations, as Assets held-for-sale and disposal group presented under Other Resources account if the Group expects that the assets will be sold within one year from the date of recognition, or as Investment Properties if held for rental or for currently undetermined future use and is regarded as held for capital appreciation, or as financial assets. At initial recognition, the Group determines the fair value of acquired properties through internal and external appraisal depending on the Group's threshold policy. The appraised value is determined based on the current economic and market conditions, as well as the physical condition of the property.

The Group's methodology in determining the fair value of Investment Properties are further discussed in Note 7.4.

(j) Assessment of Significant Influence on HCPI in which the Group and the Parent Company Holds Less than 20% Ownership

The management considers that the Group and the Parent Company have significant influence on HCPI even though it holds less than 20% of the outstanding ordinary shares of the latter. In making this judgment, management considered the Group's and the Parent Company's agreement with another stockholder of HCPI to commit and undertake to vote, and to regulate the conduct of voting and the relationship between them with respect to their exercise of their voting rights (see Note 12.1).

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain.

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

In dealing with the Group's various legal proceedings, the Group's estimate of the probable costs that may arise from claims and contingencies has been developed in consultation and coordination with the Group's internal and outside counsels acting in defense for the Group and the Parent Company's legal cases and are based upon the analysis of probable results.

Although the Group does not believe that its on-going proceedings, as disclosed in Note 28, will have material adverse effect on the Group's financial position, it is possible that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies conducted relating to those proceedings.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are described below and in the succeeding pages.

(a) Estimation of Expected Credit Loss on Financial Assets

When measuring allowance for ECL for relevant categories of financial assets, management applies judgment in defining the criteria in assessing whether a financial asset has experienced SICR since initial recognition, and in the estimation of the contractual cash flows due from counterparty and those that the Group would expect to receive, taking into account the cash flows from the realization of collateral and integral credit enhancements. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions about future economic conditions and credit behavior of counterparties (e.g., the likelihood of counterparties defaulting and the resulting losses). The computation of the ECL also considers the use of reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other that may result in different levels of loss allowance.

Significant factors affecting the estimates on the ECL model include:

- internal rating matrix which determines the PD to be assigned to a financial asset;
- criteria for assessing if there has been an SICR and when a financial asset will be transferred between the three stages;
- the Group's definition of default for different segments of credit exposures that considers the regulatory requirements;
- establishing groups of similar financial assets (i.e., segmentation) for the purposes of measuring ECL on a collective basis;
- establishment of LGD parameters based on historical recovery rates of claims against defaulted counterparties across different group of financial instruments; and,
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.

The explanation of inputs, assumptions and estimation techniques used in measuring ECL and the analysis of the allowance for ECL on various groups of financial instruments is further discussed in Note 4.4.

(b) Fair Value Measurement for Financial Assets at FVTPL and at FVOCI

The Group carries certain financial assets at fair value which requires judgment and extensive use of accounting estimates. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another financial instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument or other more appropriated valuation techniques (see Note 7.2).

The amount of changes in fair value would differ if the Group had utilized different valuation methods and assumptions. Any change in fair value of the financial assets and financial liabilities would affect profit or loss or other comprehensive income. The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques such as net asset value method, or market-based approach (price-to-book value method) (see Note 7.2).

The carrying values of the Group's and the Parent Company's trading and investment securities and the amounts of fair value changes recognized on those financial assets are disclosed in Note 10.

(c) Estimation of Useful Lives of Bank Premises, Furniture, Fixtures and Equipment, Right-of-use Assets, Investment Properties, Computer Software, Goodwill, Branch Licenses and Trading Right

The Group estimates the useful lives of bank premises, furniture, fixtures and equipment, including right-of-use assets, investment properties and computer software based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The Group's goodwill, branch licenses and trading right were regarded as having indefinite useful lives considering there is no foreseeable limit to the period over which such assets are expected to generate net cash inflows for the Group. The assessment of having indefinite useful lives is reviewed periodically and is updated whether events and circumstances such as the period of control over these assets and legal or similar limits on the use of these assets continue to support such assessment.

The carrying amounts of bank premises, furniture, fixtures and equipment, including right-of-use assets, investment properties and computer software are analyzed in Notes 13, 14 and 15, respectively, while the carrying amounts of goodwill, branch licenses and trading right are analyzed in Note 15. Based on management's assessment as of December 31, 2024 and 2023, there are no changes in the useful lives of these assets.

(d) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Significant judgment is applied by management to determine the amount of deferred tax assets that can be recognized based on the likely timing and level of the Group's future taxable income together with its future tax planning strategies. The Group assessed its projected performance in determining the sufficiency of the future taxable income to support the recognition of deferred tax assets.

The carrying values of recognized and unrecognized deferred tax assets as of December 31, 2024 and 2023 are disclosed in Note 25.1.

(e) Estimation of Impairment Losses of Non-financial Assets

Except for intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indications are present. The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.11.

The Group assesses impairment on these non-financial assets and considers the following important indicators:

- significant changes in asset usage;
- significant decline in assets' market value;
- obsolescence or physical damage of an asset;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and,
- significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Though management believes that the assumptions used in the estimation of fair values of non-financial assets are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

(f) Determination of Fair Value of Investment Properties

The Group's investment properties are composed of buildings and condominium units which are measured using cost model. The estimated fair value of investment properties disclosed in Note 7.4 is determined by either an independent or internal appraiser on the basis of current appraised values of the properties or similar properties in the same location and condition.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in key inputs and sources of information used in the determination of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the financial statements if their fair value will indicate evidence of impairment.

(g) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment.

(h) Recognition of Reward Points

The Group has a reward program related to its deposits, loans and credit card operations, which allows its cardholders to accumulate award credits or loyalty points that can be redeemed for free products.

The Group allocated a portion of the interchange fee billed to participating merchants to the loyalty points granted to cardholders based on relative stand-alone selling price and recognizes liability equivalent to the estimated loyalty points until these are redeemed.

(i) Valuation of Post-employment Defined Benefits

The determination of the Group's obligation and cost of post-employment defined benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or loss, and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and related income or expense, and an analysis of the movements in the estimated present value of post-employment benefit obligation, as well as the significant assumptions used in estimating such obligation, are presented in Note 23.2.

(j) Determination of Recoverable Amount of Assets Held-for-Sale

In determining the recoverable amount of assets the Group's assets held-for-sale, the estimated fair value less cost to sell are determined by an independent appraiser or internal appraiser based on current appraised values of the properties or similar properties in the same location and condition.

The amount of assets classified as held-for sale by the Group, its impairment and recovery are presented in Notes 15.1 and 16, respectively.

4. RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group is exposed to risks in relation to its operating, investing, and financing activities, and the business environment in which it operates. The Group's objectives in risk management are to ensure that it identifies, measures, monitors, and controls the various risks that arise from its business activities, and that it adheres strictly to the policies, procedures, and control systems which are established to address these risks.

A committee system is a fundamental part of the Group's process of managing risk. The following five committees of the Parent Company's BOD are relevant in this context:

- The Executive Committee, which meets weekly, has the power to act and pass upon such matters as the BOD may entrust to it for action in between BOD meetings. It may also consider and approve loans and other credit related matters, investments, purchase of shares of stock, bonds, securities and other commercial papers for the Bank's portfolio. The Executive Committee also has the power to review an asset or loan to ensure timely resolution and recognition of losses of impaired assets.

- The Risk Oversight Committee (ROC), which meets monthly, carries out the BOD's oversight responsibility for Group's capital adequacy and risk management strategy and actions covering credit, market and operational risks under Pillar I of the Basel framework; as well as the management of other material risks determined under Pillar II and the Internal Capital Adequacy Assessment Process (ICAAP) (see Note 5.2). Risk limits are reviewed and approved by the ROC.

- The Audit and Compliance Committee (ACC), which meets monthly, reviews the results of the Internal Audit examinations and recommends remedial actions to the BOD as appropriate. The ACC also performs oversight functions over the Regulatory Affairs Group on matters such as compliance risk assessment, annual testing work plan, compliance breaches, and other regulatory issues.

- The Related Party Transactions (RPT) Committee, which meets monthly and as necessary, reviews proposed material RPTs to ensure that they are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. On favorable review, the RPT Committee endorses material RPTs to the BOD for approval.

- The Anti-Money Laundering (AML) Board Committee, which meets monthly, oversees the implementation of the Bank's Money Laundering and Terrorist Financing Prevention Program (MTPP) and ensures that Money Laundering/Terrorist Financing risks are effectively managed. The AML Board Committee also ensures that infractions are immediately corrected, issues are addressed and AML training of directors, officers, and staff are regularly conducted.

Four senior management committees also provide a regular forum to take up risk issues.

- The Credit and Collection Committee (CRECOL), chaired by the Chief Executive Officer (CEO) and composed of the heads of credit risk-taking business units and the head of credit management group, meets weekly to review and approve credit exposures within its authority. It also reviews plans and progress on the resolution of problem loan accounts.

- The Asset/Liability Committee (ALCO), chaired by the Treasurer of the Parent Company and with the participation of the CEO and key business and support unit heads meets weekly to appraise market trends, and economic and political developments. It provides direction in the management of interest rate risk, liquidity risk, foreign currency risk, and trading and investment portfolio decisions. It sets prices or rates for various asset and liability, and trading products, in light of funding costs and competitive and other market conditions. It receives confirmation that market risk limits (as described in the succeeding pages) are not breached; or if breached, it provides guidance on the handling of the relevant risk exposure in between ROC meetings.

- The Related Party Transactions Management Committee (RPT ManCom), composed of the Group Heads of the business units as specified in the charter or their respective designates. It meets monthly to review and approve proposed non-material RPTs or those that do not require Board approval to ensure that the said RPTs are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT ManCom approves the non-material RPT and submits the same to the BOD for confirmation.

- The Anti-Money Laundering Management Committee (AML ManCom), which meets weekly, evaluates the unusual/suspicious transaction reported by the different bank units, RCBC Business Centers, alerts that are generated by the Bank's Screening System (Accuity), Transaction Monitoring System (Predator) and other referrals from relevant Regulators to determine the filing of Suspicious Transaction Reports (STRs) to the Anti-Money Laundering Council (AMLC).

  The AML ManCom is composed of the Chief Compliance Officer as the Chairperson and Presiding Officer and the Heads of Operations Group, Retail Banking Group, Controllership Group, Legal Affairs Group, Risk Management Group or their duly appointed designates, as members, and Investigators from the Compliance Operations Division (COD) as the Rapporteur. The AML Monitoring and Reporting Division (AMRD), through the Chief Compliance Officer, reports to the AML Board Committee its monthly activities including the results of the AML ManCom meetings.

The Parent Company established a Risk Management Group (RMG), headed by the Chief Risk Officer, to ensure that consistent implementation of the objectives of risk identification, measurement and/or assessment, mitigation, and monitoring are pursued via practices commensurate with the group-wide risk profile.

In addition to established risk management systems and controls, the Group holds capital commensurate with the levels of risk it undertakes (see Note 5), in accordance with regulatory capital standards and internal benchmarks set by the Parent Company's BOD.

4.1 Group's Strategy in Using Financial Instruments

It is the Group's intent to generate returns mainly from the traditional financial intermediation and service-provision activities, augmented by returns from positions based on views on the financial markets. The main source of risk, therefore, remains to be that arising from credit risk exposures. Nevertheless, within BSP regulatory constraints, and subject to limits and parameters established by the BOD and/or the ROC, the Group is exposed to liquidity risk and interest rate risk inherent in the Group's operations, and other market risks, which include foreign exchange risk.

In the course of performing financial intermediation function, the Group accepts deposits from customers at fixed and floating rates, and for various periods, and seeks to earn interest margins by investing these funds in high-quality assets. The conventional strategy to enhance net interest margin is the investment of short-term funds in longer-term assets, such as fixed-income securities. While, in doing so, the Group maintains liquidity at prudent levels to meet all claims that fall due, the Group fully recognizes the consequent interest rate risk exposure.

The Group's investment portfolio is composed mainly of marketable, sovereign and corporate debt instruments.

The Parent Company was granted by the BSP additional derivatives authorities effective January 2011. Products approved under the Limited Dealer Authority (Type 2) are foreign currency forwards, non-deliverable forwards, interest rate and cross currency swaps while credit-linked notes and bond options were approved under the Limited User Authority (Type 3). In February 2012, bond forwards, non-deliverable swaps and foreign exchange options have been included under the same Type 3 license. In June 2013, the Parent Company was granted a Type 2 license non-deliverable swaps, foreign currency options, bond and interest rate options, and asset swaps. During the same period, additional Type 3 licenses for foreign exchange-option and bond-option linked notes were likewise approved. The Parent Company's derivatives portfolio consists mostly of short-term currency forward contracts and swaps, and interest rate swaps and futures.

In relation to the adoption of hedge accounting in accordance with PFRS 9, the Bank maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate. By hedging interest rate risk exposures, the Group manages the impact of interest rate movements on interest accruals and by extension, capital. The ability to manage interest rate risk through hedging gives the Group more flexibility in its choice of funding sources, in providing competitive pricing and in managing the balance sheet. Interest rate exposures are identified and hedged on an instrument-by-instrument basis. Hedging transactions are evaluated and executed by the Treasury Group within the boundaries set by interest rate risk limits and hedging product limits. Hedging decisions may also be initiated by the appropriate senior management committees.

In 2024, the Group hedges the benchmark interest rate risk component of the bonds payable which is an observable and reliably measurable component of interest rate risk. Specifically, the Group has designated fair value hedge relationships to hedge against the movements in a benchmark rate. The Group applied hedge accounting for economic hedge relationships that meet the hedge accounting criteria (see Note 2.4).

4.2 Liquidity Risk

Liquidity risk refers to current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. The Group manages liquidity risk by limiting the maturity mismatch between assets and liabilities, and by holding sufficient liquid assets of appropriate quality and marketability.

The Group recognizes the liquidity risk inherent in its activities, and identifies, measures, monitors and controls the liquidity risk inherent to the members of the Group which are financial intermediaries.

The Group's liquidity policy is to manage its operations to ensure that funds available are more than adequate to meet demands of its customers and to enable deposits to be repaid on maturity. The Group's liquidity policies and procedures are set out in its funding and liquidity plan which contains certain funding requirements based on assumptions and uses resources and liability maturity gap analysis.

The Group uses Maximum Cumulative Outflow (MCO) model to measure liquidity risk arising from mismatches of assets and liabilities. MCO is a liquidity gap tool to project cash flow expectations on a status quo condition. The MCO is generated by distributing the cash flows of the Group's assets, liabilities and off-balance sheet items to time buckets based cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products.

The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report which realistically captures the behavior of the products and creates a forward-looking cash flow projection.

The Group monitors MCO regularly to ensure that it remains within the set limits. The Parent Company generates and monitors daily its MCO. The subsidiaries generate at least monthly their respective MCO reports. The liquidity profile of the Group is reported monthly to the Parent Company's ROC. To supplement the status quo scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and events to the Group's liquidity profile.

The gap analyses as of December 31, 2024 and 2023 are presented below and in the succeeding pages.

	Group					
	2024					
	One to three Months	**Three months to one year**	**One to Five Years**	**More than five years**	**Non-maturity**	**Total**
(Amounts in PHP)						
Resources:						
Cash and cash equivalents	117,757	742	1,855	15,474	49,541	185,369
Investments - net	110,320	12,674	122,724	181,941	1,427	429,086
Loans and receivables - net	39,475	31,072	185,464	170,919	283,000	709,930
Other resources - net	8,225	6,894	1,675	820	18,154	35,768
Total resources	275,777	51,382	311,718	369,154	352,122	1,360,153
Liabilities:						
Deposit liabilities	224,180	15,023	30,570	289,649	463,372	1,022,794
Bills payable	57,801	9,073	17,022	648	2,072	86,616
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	12,850	38,798	1,093	-	12,576	65,317
Total liabilities	294,831	62,894	75,620	290,297	478,020	1,201,662
Equity	-	14,463	-	-	144,028	158,491
Total liabilities and equity	294,831	77,357	75,620	290,297	622,048	1,360,153
On-book gap	(19,054)	(25,975)	236,098	78,857	(269,926)	-
Cumulative on-book gap	(19,054)	(45,029)	191,069	269,926	-	-
Contingent resources	59,188	12,687	-	28,995	-	100,870
Contingent liabilities	85,349	12,944	-	29,478	-	127,771
Off-book gap	(26,161)	(257)	-	(483)	-	(26,901)
Cumulative off-book gap	(26,161)	(26,418)	(26,418)	(26,901)	(26,901)	-
Periodic gap	**(45,215)**	**(26,232)**	**236,098**	**78,374**	**(269,926)**	**26,901**
Cumulative total gap	**(45,215)**	**(71,447)**	**164,651**	**243,025**	**(26,901)**	**-**

(Amounts in PHP)	Group 2023 One to three Months	Three months to one year	One to Five Years	More than five years	Non-maturity	Total
Resources:						
Cash and cash equivalents	190,847	1,502	1,727	1	56,031	250,108
Investments - net	9,989	3,818	112,095	201,914	2,926	330,742
Loans and receivables - net	38,995	29,486	153,155	151,395	249,118	622,149
Other resources - net	7,716	6,507	1,100	1,354	18,656	35,333
Total resources	247,547	41,313	268,077	354,664	326,731	1,238,332
Liabilities:						
Deposit liabilities	184,137	15,725	22,859	7	733,984	956,712
Bills payable	42,698	2,293	4,349	396	1,122	50,858
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	12,833	16,507	297	411	13,500	43,548
Total liabilities	239,668	65,334	31,635	814	748,606	1,086,057
Equity	-	-	-	-	152,275	152,275
Total liabilities and equity	239,668	65,334	31,635	814	900,881	1,238,332
On-book gap	7,879	(24,021)	236,442	353,850	(574,150)	-
Cumulative on-book gap	7,879	(16,142)	220,300	574,150	-	-
Contingent resources	53,274	6,091	-	-	-	59,365
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,478)	(49)	-	-	-	18,527
Cumulative off-book gap	(18,478)	(18,527)	(18,527)	(18,527)	(18,527)	-
Periodic gap	(10,599)	(24,070)	236,442	353,850	(574,150)	18,527
Cumulative total gap	(10,599)	(34,669)	201,773	555,623	(18,527)	-

(Amounts in PHP)	Parent Company 2024 One to three Months	Three months to one year	One to Five Years	More than five years	Non-maturity	Total
Resources:						
Cash and cash equivalents	116,255	204	1,370	15,474	49,367	182,670
Investments - net	108,777	12,674	122,724	181,941	750	426,866
Loans and receivables - net	38,817	30,513	180,789	170,898	282,947	703,964
Other resources - net	8,115	6,893	1,675	820	22,149	39,652
Total resources	271,964	50,284	306,558	369,133	355,213	1,353,152
Liabilities:						
Deposit liabilities	223,743	14,814	30,569	290,110	463,501	1,022,737
Bills payable	57,435	7,977	14,870	646	-	80,928
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	12,612	38,770	1,093	-	11,595	64,070
Total liabilities	293,790	61,561	73,467	290,756	475,096	1,194,670
Equity	-	14,463	-	-	144,019	158,482
Total liabilities and equity	293,790	76,024	73,467	290,756	619,115	1,353,152
On-book gap	(21,826)	(25,740)	233,091	78,377	(263,902)	-
Cumulative on-book gap	(21,826)	(47,566)	185,525	263,902	-	-
Contingent resources	59,180	12,687	-	28,995	-	100,862
Contingent liabilities	85,345	12,944	-	29,478	-	127,767
Off-book gap	(26,165)	(257)	-	(483)	-	(26,905)
Cumulative off-book gap	(26,165)	(26,422)	(26,422)	(26,905)	(26,905)	-
Periodic gap	**(47,991)**	**(25,997)**	**233,091**	**77,894**	**(263,902)**	**26,905**
Cumulative total gap	**(47,991)**	**(73,988)**	**159,103**	**236,997**	**(26,905)**	**-**

(Amounts in PHP)	Parent Company 2023 One to three Months	Three months to one year	One to Five Years	More than five years	Non-maturity	Total
Resources:						
Cash and cash equivalents	170,128	20,756	1,118	1	55,938	247,941
Investments - net	10,134	408	112,095	203,726	2,080	328,443
Loans and receivables - net	38,525	28,726	148,270	151,286	249,094	615,901
Other resources - net	7,630	6,350	1,100	1,499	22,026	38,605
Total resources	226,417	56,240	262,583	356,512	329,138	1,230,890
Liabilities:						
Deposit liabilities	183,600	15,579	22,856	8	735,326	957,369
Bills payable	42,314	-	1,247	396	-	43,957
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	11,853	16,483	297	1,275	12,451	42,359
Total liabilities	237,767	62,871	28,530	1,679	747,777	1,078,624
Equity	-	-	-	-	152,266	152,266
Total liabilities and equity	237,767	62,871	28,530	1,679	900,043	1,230,890
On-book gap	(11,350)	(6,631)	234,053	354,833	(570,905)	-
Cumulative on-book gap	(11,350)	(17,981)	216,072	570,905	-	-
Contingent resources	53,269	6,091	-	-	-	59,360
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,483)	(49)	-	-	-	(18,532)
Cumulative off-book gap	(18,483)	(18,532)	(18,532)	(18,532)	(18,532)	-
Periodic gap	(29,833)	(6,680)	234,053	354,833	(570,905)	18,532
Cumulative total gap	(29,833)	(36,513)	197,540	552,373	(18,532)	-

Pursuant to applicable BSP regulations, the Group is required to maintain reserves against deposit liabilities which are based on certain percentages of deposits. The required reserves against deposit liabilities shall be kept in the form of deposits placed in the Group's demand deposit accounts with the BSP. The BSP also requires the Parent Company to maintain asset cover of 100% for foreign currency-denominated liabilities of its FCDU.

4.2.1 Foreign Currency Liquidity Management

The liquidity risk management policies and objectives described also apply to the management of any foreign currency to which the Group maintains significant exposure. Specifically, the Group ensures that its measurement, monitoring, and control systems account for these exposures as well. The Group sets and regularly reviews limits on the size of the cash flow mismatches for each significant individual currency and in aggregate over appropriate time horizons. The Group also assesses its access to foreign exchange markets when setting up its risk limits.

Following MORB Section 130 and Appendices 94, 95, and 96 on ICAAP, the Group likewise calculates and maintains a level of capital needed to support unexpected losses attributable to liquidity risk (see Note 5.2).

4.2.2 Liquidity Risk Stress

To augment the effectiveness of the Group's gap analysis, the Group regularly assesses liquidity risk based on behavioral and hypothetical assumptions under stress conditions. Survivability and resilience of the Group are assessed for a minimum stress period of 30 days for all crisis scenarios enumerated in MORB Section 145 and Appendix 71: *Guidelines on Liquidity Risk Management*. The results of these liquidity stress simulations are reported monthly to ALCO and ROC.

4.3 Market Risk

The Group's exposure to market risk is the potential diminution of earnings arising from the adverse movement of market interest rates and foreign exchange rates, as well as the potential loss of market value, primarily of its holdings of foreign exchange currencies, debt securities and derivatives.

The market risks of the Group are: (a) foreign exchange risk, (b) interest rate risk and (c) equity price risk. The Group manages these risks via a process of identifying, analyzing, measuring and controlling relevant market risk factors, and establishing appropriate limits for the various exposures. The market risk metrics in use, each of which has a corresponding limit, include the following:

- Nominal Position – an open risk position that is held as of any point in time expressed in terms of the nominal amount of the exposure.

- Dollar Value of 01 (DV01) – an estimate of the price impact due to a one-basis point change in the yield of fixed income securities. It effectively captures both the nominal size of the portfolio as well as its duration. A given DV01 limit accommodates various combinations of portfolio nominal size and duration, thus providing a degree of flexibility to the trading/risk taking function, but at the same time represents a ceiling to the rate sensitivity of the exposure according to the Group's risk appetite.

- Value-at-Risk (VaR) – an estimate of the amount of loss that a given risk exposure is unlikely to exceed during a given time period, at a given level of statistical confidence. Analytically, VaR is the product of: (a) the sensitivity of the market value of the position to movements of the relevant market risk factors, and (b) the volatility of the market risk factor for the given time horizon at a specified level of statistical confidence. Typically, the Group uses a 99% confidence level for this measurement. VaR is used as a risk measure for trading positions, which are marked-to-market (as opposed to exposures resulting from banking, or accrual, book resources and liabilities). Foreign Exchange Position VaR uses a one-day holding period, while Fixed Income VaR uses a defeasance period assessed periodically as appropriate to allow an orderly unwinding of the position. VaR models are back-tested to ensure that results remain consistent with the expectations based on the chosen statistical confidence level. The Bank employs appropriate back-testing methodology to perform a "reality check" on the models used. More specifically, the current back-test procedure employs the "hypothetical P&L" method where the daily position from which the VaR was computed is marked-to-market using the closing price of that day and the closing price of the next trading day. Any change in value in excess of the day's VaR is treated as an exception.

The Parent Company uses VaR as an important tool for measuring market risk, they are cognizant of its limitations, notably the following:

- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.

- VaR is based on historical volatility. Future volatility may be different due to either random, one-time events or structural changes (including changes in correlation). VaR may be unable to capture volatility due to either of these.

- The holding period assumption may not be valid in all cases, such as during periods of extremely stressed market liquidity.

- VaR is, by definition, an estimate at a specified level of confidence. Losses may occur beyond VaR. A 99% VaR implies that losses can exceed VaR 1% of the time.

- In cases where a parametric distribution is assumed to calculate VaR, the assumed distribution may not fit the actual distribution well.

- VaR assumes a static position over the holding period. In reality, trading positions change, even during the trading day.

In addition to the limits corresponding to the above measurements, the following are also in place:

- Loss Limit – represents a ceiling on accumulated month-to-date and year-to-date losses. For trading positions, a Management Action Trigger (MAT) is also usually defined to be at 50% of the Loss Limit. When MAT is breached, the risk-taking unit must consult with ALCO for approval of a course of action moving forward.

- Product Limit – the nominal position exposure for certain specific financial instruments is established.

Stress Testing, which uses more severe rate/price volatility and/or holding period assumptions, (relative to those used for VaR) is applied to marked-to-market positions to arrive at "worst case" loss estimates. This supplements the VaR measure, in recognition of its limitations mentioned above.

A summary of the VaR position of the trading portfolios at December 31 is as follows:

	Group and Parent Company			
	At December 31	**Average**	**Maximum**	**Minimum**
(Amounts in PHP)				
2024				
Foreign currency risk	61	86	167	22
Interest rate risk	443	595	754	405
Overall	**504**	**681**	**921**	**427**
2023				
Foreign currency risk	45	77	215	14
Interest rate risk	417	398	640	289
Overall	462	475	855	303

	Group and Parent Company			
	At December 31	Average	Maximum	Minimum
2022				
Foreign currency risk	54	56	106	27
Interest rate risk	639	435	639	376
Overall	693	491	745	403

4.3.1 Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The net foreign exchange exposure, or the difference between foreign currency denominated assets and foreign currency denominated liabilities, is capped by current BSP regulations. Compliance with this ceiling by the Group and the respective foreign currency positions of its subsidiaries are reported to the BSP on a daily basis as required. Beyond this constraint, the Group manages its foreign exchange exposure by limiting it within the conservative levels justifiable from a return/risk perspective. In addition, the Group regularly calculates VaR for each currency position, which is incorporated in the foregoing market risk management discussion.

The following table sets forth the impact of reasonably possible changes in the USD exchange rate and other currencies per Philippine peso on pre-tax income and equity of the Group and Parent Company:

	2024			2023		
(Amounts in PHP)	**Change in currency rate in %**	**Effect on profit before tax**	**Effect on equity**	Change in currency rate in %	Effect on profit before tax	Effect on equity
Currency:						
USD	**+1.00%**	**2**	**2**	+1.00%	(P 4)	(P 4)
	-1.00%	**(2)**	**(2)**	-1.00%	4	4
EUR	**+1.00%**	**(9)**	**(9)**	+1.00%	(4)	(4)
	-1.00%	**9**	**9**	-1.00%	4	4
GBP	**+1.00%**	**-**	**-**	+1.00%	2	2
	-1.00%	**-**	**-**	-1.00%	(2)	(2)
Others	**+1.00%**	**(14)**	**(14)**	+1.00%	7	7
	-1.00%	**14**	**14**	-1.00%	(7)	(7)

Closing exchange rates and weighted average rates (WAR) of USD to Philippine peso as of and for each of the year ended December 31 are as follows:

(Amounts in PHP)	**2024**	2023	2022
Closing	**57.85**	55.37	55.76
WAR	**58.31**	55.51	55.58

The breakdown of the financial resources and financial liabilities as to foreign and Philippine peso-denominated balances, after elimination of intercompany accounts or transactions, as of December 31 follows:

	Group		
	Foreign Currencies	**Philippine Pesos**	**Total**
(Amounts in PHP)			
2024			
Resources:			
Cash and other cash items	1,155	21,848	23,003
Due from BSP	-	115,230	115,230
Due from other banks	13,563	1,006	14,569
Financial assets at FVTPL	10,010	224	10,234
Financial assets at FVOCI	61,704	96,926	158,630
Investment securities at amortized cost - net	97,506	162,716	260,222
Loans and receivables - net	97,981	644,516	742,497
Other resources - net	41	1,647	1,688
	281,960	**1,044,113**	**1,326,073**
Liabilities:			
Deposit liabilities	189,457	833,337	1,022,794
Bills payable	80,928	5,688	86,616
Bonds payable	16,053	10,882	26,935
Accrued interest and other expenses	29	10,337	10,366
Other liabilities	1,610	48,702	50,312
	288,077	**908,946**	**1,197,023**
2023			
Resources:			
Cash and other cash items	1,146	18,729	19,875
Due from BSP	-	151,762	151,762
Due from other banks	13,836	1,056	14,892
Loans arising from reverse repurchase agreements	-	35,799	35,799
Financial assets at FVTPL	3,788	7,990	11,778
Financial assets at FVOCI	17,582	64,855	82,437
Investment securities at amortized cost - net	87,444	149,083	236,527
Loans and receivables - net	85,639	564,290	649,929
Other resources - net	40	1,419	1,459
	209,475	994,983	1,204,458
Liabilities:			
Deposit liabilities	189,457	767,255	956,712
Bills payable	43,957	6,901	50,858
Bonds payable	16,053	18,886	34,939
Accrued interest and other expenses	29	10,716	10,745
Other liabilities	1,610	25,380	26,990
	251,106	829,138	1,080,244

	Parent Company		
	Foreign Currencies	Philippine Pesos	Total
(Amounts in PHP)			
2024			
Resources:			
Cash and other cash items	1,155	21,752	22,907
Due from BSP	-	112,763	112,763
Due from other banks	13,548	885	14,433
Financial assets at FVTPL	5,012	4,513	9,525
Financial assets at FVOCI	61,701	96,253	157,954
Investment securities at amortized cost - net	97,506	161,881	259,387
Loans and receivables - net	97,981	638,550	736,531
Other resources - net	41	1,628	1,669
	276,944	**1,038,225**	**1,315,169**
Liabilities:			
Deposit liabilities	189,457	833,280	1,022,737
Bills payable	80,928	-	80,928
Bonds payable	16,053	10,882	26,935
Accrued interest and other expenses	29	11,283	11,312
Other liabilities	1,610	47,827	49,437
	288,077	**903,272**	**1,191,349**
2023			
Resources:			
Cash and other cash items	1,146	18,666	19,812
Due from BSP	-	150,771	150,771
Due from other banks	13,819	811	14,630
Loans arising from reverse repurchase agreements	-	34,948	34,948
Financial assets at FVTPL	3,788	7,166	10,954
Financial assets at FVOCI	17,576	64,181	81,757
Investment securities at amortized cost - net	87,444	148,288	235,732
Loans and receivables - net	85,639	558,042	643,681
Other resources - net	40	1,417	1,457
	209,452	984,290	1,193,742
Liabilities:			
Deposit liabilities	189,457	767,912	957,369
Bills payable	43,957	-	43,957
Bonds payable	16,053	18,886	34,939
Accrued interest and other expenses	29	10,446	10,475
Other liabilities	1,610	24,608	26,218
	251,106	821,852	1,072,958

4.3.2 Interest Rate Risk in the Banking Book (IRRBB)

The interest rate risk inherent in the Group's financial statements arises from re-pricing mismatches between financial assets and financial liabilities. The IRRBB Management Framework details the Group's policy on managing its assets and liabilities to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

To aid the Group in managing IRRBB, the following measurement techniques are used. These are prepared and reported to ALCO and ROC, on a monthly basis.

Technique	Description
Interest Rate Gap or Re-pricing Gap	*Contractual Gap* Measures the sensitivity of assets, liabilities and off-balance sheet items towards changes in the market interest rates based on the re-pricing frequency of each item. *Behavioral Gap* Behavioral assumption (BeA) is applied to the contractual cash flows to reflect sensitivity to market conditions or behavioral characteristics (i.e., early redemption of deposits, prepayment of loans, etc.).
Earnings Approach Net Interest Income at Risk	Measures the sensitivity of earnings to market interest rates movements over a short- and medium-term horizon. Interest rate volatility is based on the maximum volatility of the 1-mo, 3-mo, 6-mo and 1-yr tenors over a 260-day look back.
Economic Value Approach Earnings-at-Risk	Measures the sensitivity of capital to market interest rates given the resulting Net Interest Income (NII)-at-Risk and fair value through profit and loss portfolio value-at-risk (FVTPL VaR).
Capital-at-Risk	Measures the sensitivity of capital to market interest rates given the resulting EaR and fair value through other comprehensive income value-at-risk (FVOCI VaR).
Economic Value of Equity (EVE)	Measures the sensitivity of economic value of all non-trading book assets, liabilities and interest rate sensitive off-balance sheet products to interest rate movements over a longer time horizon.
Stress Test	Assesses the ability to withstand such changes, usually in relation to the capacity of its capital and earnings to absorb potentially significant loses. Stress testing, which includes both scenario and sensitivity analysis, is an integral part of IRR management. Scenario analysis estimates possible outcomes given an event or series of events, while sensitivity analysis estimates the impact of change in one or only a few of model's significant parameters. *Earnings approach*: NII-at-Risk Stress Test assumes gradual increase in Peso and USD interest rates to 400bps and 300bps, respectively. These are based on past local and global market events. *Economic Value approach*: The EVE Stress Test uses Basel's six interest rate scenarios to capture parallel and non-parallel gap risks. The standardized scenarios are as follows: 1) parallel shock up; 2) parallel shock down; 3) steepener shock (short rates down and long rates up); 4) flattener shock (short rates up and long rates down; 5) short rates shock up; and, 6) short rates shock down.

The interest rate gap analyses of financial assets and financial liabilities as of end of the reporting period based on re-pricing maturities are shown in the succeeding pages. It should be noted that such interest rate gap analyses are based on the following key assumptions:

- Loans and time deposits are subject to re-pricing on their contractual maturity dates. Non-performing loans (NPL), however, are not re-priced;
- Debt securities at amortized cost are bucketed based on their re-pricing profile;
- Held-for-trading securities and derivatives are considered as non-rate sensitive; and,
- For financial assets and financial liabilities with no definite re-pricing schedule or maturity, slotting is based on the Group's empirical assumptions.

These assumptions are reviewed on a regular basis. Similarly, other assumptions and behavioral models used in the preparation of other IRRBB metrics are also being reviewed, annually, at the minimum.

	Group 2024					
(Amounts in PHP)	**One to Three Months**	**Three Months to One Year**	**One to Five Years**	**More than Five Years**	**Non-rate Sensitive**	**Total**
Resources:						
Cash and cash equivalents	132,755	1,279	16,080	12,174	23,081	185,369
Investments - net	100,739	12,129	124,105	181,688	10,425	429,086
Loans and receivables - net	259,297	60,125	152,442	100,835	137,231	709,930
Other resources - net	8,225	1,231	1,842	887	23,583	35,768
Total resources	501,016	74,764	294,469	295,584	194,320	1,360,153
Liabilities:						
Deposit liabilities	498,020	33,608	259,331	231,537	298	1,022,794
Bills payable	72,671	9,073	2,152	648	2,072	86,616
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	598	256	841	2	63,620	65,317
Total liabilities	571,289	42,937	289,259	232,187	65,990	1,201,662
Equity	-	14,463	-	-	144,028	158,491
Total liabilities and equity	571,289	57,400	289,259	232,187	210,018	1,360,153
On-book gap	(70,273)	17,364	5,210	63,397	(15,698)	-
Cumulative on-book gap	(70,273)	(52,909)	(47,699)	15,698	-	-
Contingent resources	59,188	12,687	-	28,995	-	100,870
Contingent liabilities	85,349	12,944	-	29,478	-	127,771
Off-book gap	(26,161)	(257)	-	(483)	-	(26,901)
Cumulative off-book gap	(26,161)	(26,418)	(26,418)	(26,901)	(26,901)	-
Periodic gap	**(96,434)**	**17,107**	**5,210**	**62,914**	**(15,698)**	**26,901**
Cumulative total gap	**(96,434)**	**(79,327)**	**(74,117)**	**(11,203)**	**(26,901)**	-

(Amounts in PHP)	Group 2023 One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	166,452	2,103	29,153	32,376	20,024	250,108
Investments - net	1,822	3,286	69,910	243,158	12,566	330,742
Loans and receivables - net	391,011	58,068	132,177	5,557	35,336	622,149
Other resources - net	7,772	988	1,113	1,693	23,767	35,333
Total resources	567,057	64,445	232,353	282,784	91,693	1,238,332
Liabilities:						
Deposit liabilities	458,990	44,396	237,728	215,292	306	956,712
Bills payable	42,698	2,293	4,349	396	1,122	50,858
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	55	223	44	1,574	41,652	43,548
Total liabilities	501,743	77,721	246,251	217,262	43,080	1,086,057
Equity	-	-	-	-	152,275	152,275
Total liabilities and equity	501,743	77,721	246,251	217,262	195,355	1,238,332
On-book gap	65,314	(13,276)	(13,898)	65,522	(103,662)	-
Cumulative on-book gap	65,314	52,038	38,140	103,662	-	-
Contingent resources	53,274	6,091	-	-	-	59,365
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,478)	(49)	-	-	-	(18,527)
Cumulative off-book gap	(18,478)	(18,527)	(18,527)	(18,527)	(18,527)	-
Periodic gap	46,836	(13,325)	(13,898)	65,522	(103,662)	18,527
Cumulative total gap	46,836	33,511	19,613	85,135	(18,527)	-

(Amounts in PHP)	Parent Company 2024 One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	131,253	740	15,595	12,174	22,908	182,670
Investments - net	99,196	12,129	124,105	181,688	9,748	426,866
Loans and receivables - net	258,639	59,566	147,768	100,814	137,177	703,964
Other resources - net	8,115	1,231	1,842	887	27,577	39,652
Total resources	497,203	73,666	289,310	295,563	197,410	1,353,152
Liabilities:						
Deposit liabilities	497,583	33,400	259,961	231,793	-	1,022,737
Bills payable	72,305	7,977	-	646	-	80,928
Bonds payable	-	-	26,935	-	-	26,935
Other liabilities	-	229	841	2	62,998	64,070
Total liabilities	569,888	41,606	287,737	232,441	62,998	1,194,670
Equity	-	14,463	-	-	144,019	158,482
Total liabilities and equity	569,888	56,069	287,737	232,441	207,017	1,353,152
On-book gap	(72,685)	17,597	1,573	63,122	(9,607)	-
Cumulative on-book gap	(72,685)	(55,088)	(53,515)	9,607	-	-
Contingent resources	59,180	12,687	-	28,995	-	100,862
Contingent liabilities	85,345	12,944	-	29,478	-	127,767
Off-book gap	(26,165)	(257)	-	(483)	-	(26,905)
Cumulative off-book gap	(26,165)	(26,422)	(26,422)	(26,905)	(26,905)	-
Periodic gap	**(98,850)**	**17,340**	**1,573**	**62,639**	**(9,607)**	**26,905**
Cumulative total gap	**(98,850)**	**(81,510)**	**(79,937)**	**(17,298)**	**(26,905)**	-

(Amounts in PHP)	Parent Company 2023 One to Three Months	Three Months to One Year	One to Five Years	More than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and cash equivalents	126,153	1,547	28,545	71,884	19,812	247,941
Investments - net	282	3,286	112,230	195,089	17,556	328,443
Loans and receivables - net	425,330	57,308	98,344	5,538	29,381	615,901
Other resources - net	15,137	988	1,061	115	21,304	38,605
Total resources	566,902	63,129	240,180	272,626	88,053	1,230,890
Liabilities:						
Deposit liabilities	458,452	44,250	238,758	215,909	-	957,369
Bills payable	42,314	-	1,247	396	-	43,957
Bonds payable	-	30,809	4,130	-	-	34,939
Other liabilities	-	199	44	1,273	40,843	42,359
Total liabilities	500,766	75,258	244,179	217,578	40,843	1,078,624
Equity	-	-	-	-	152,266	152,266
Total liabilities and equity	500,766	75,258	244,179	217,578	193,109	1,230,890
On-book gap	66,136	(12,129)	(3,999)	55,048	(105,056)	-
Cumulative on-book gap	66,136	54,007	50,008	105,056	-	-
Contingent resources	53,269	6,091	-	-	-	59,360
Contingent liabilities	71,752	6,140	-	-	-	77,892
Off-book gap	(18,483)	(49)	-	-	-	(18,532)
Cumulative off-book gap	(18,483)	(18,532)	(18,532)	(18,532)	(18,532)	-
Periodic gap	47,653	(12,178)	(3,999)	55,048	(105,056)	(18,532)
Cumulative total gap	47,653	35,475	31,476	86,524	(18,532)	-

The table below summarizes the potential impact on the Group and the Parent Company's annual interest income of parallel rate shifts using the re-pricing.

(Amounts in PHP)	**Changes in Interest Rates (in basis points)** -100	-200	+100	+200
December 31, 2024				
Group	**493**	**986**	**(493)**	**(986)**
Parent Company	**518**	**1,037**	**(518)**	**(1,037)**
December 31, 2023				
Group	(517)	(1,033)	517	1,033
Parent Company	(529)	(1,058)	529	1,058

In 2024, the Group also entered into interest rate swap contracts which are accounted for under hedge accounting, under which the Group agreed to exchange the difference between fixed and floating rate interest amounts calculated on contracted notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt issued. The fair value of interest rate swaps as at December 31, 2024 is determined by discounting the future cash flows using the interest rate curves at the reporting date adjusted for the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the financial year (see Note 10.6).

The interest rate swaps settle on a quarterly basis and the floating rate on the interest rate swaps is based on SOFR. The pay fixed interest rate swap contracts exchanging fixed rate interest for floating rate interest are designated and effective as fair value hedges in respect of interest rates on the Group's fixed rate bonds. In 2024, the derivatives were highly effective in hedging the fair value exposure to interest rate movements and as a result the carrying amount of the hedged bonds were adjusted by P204, which was included in profit or loss at the same time that the fair value of the interest rate swap was included in profit or loss.

4.3.3 Equity Price Risk

The Group's exposure to price risk on equity securities held and classified in the statement of financial position as financial assets at FVTPL or financial assets at FVOCI (under Trading and Investment Securities account) as of December 31, 2024 and 2023 is managed through diversification of portfolio and monitoring of changes in market prices. Diversification of the portfolio is done in accordance with the limits set by the Group.

Moreover, RCBC Capital and RSI estimate the potential loss and determine the market and position risk requirement on equity securities at FVTPL in the computation of the market and position risk requirement for all equity positions.

RCBC Capital uses the delta-normal approach as its VaR model to estimate the daily potential loss that can be incurred from equity securities held for trading. VaR is a key measure in the management of market price risk. RCBC Capital uses a 99% confidence level and a minimum 260-day observation period in VaR calculation. In addition, RSI computes its market and position risk for all equity positions, if any, in conjunction with the Risk Based Capital Adequacy ratio required to be maintained. Market and position risk requirement is calculated using position risk factor multiplied by mark-to-market value security.

4.4 Credit Risk

Credit risk is the risk that the counterparty in a transaction may default, and arises from lending, trade finance, treasury, derivatives and other activities undertaken by the Group. The Group manages credit risk through a system of policies and authorities that govern the processes and practices of all credit-originating and borrowing relationship management units.

The Enterprise Risk Division of RMG assists senior management: (a) in establishing risk concentration limits at the portfolio level; and (b) in the continuous monitoring of the actual credit risk portfolio from the perspective of those limits and other risk management objectives. The Credit Management Group (CMG), on the other hand, is responsible for: (a) the development of credit policies relating to account management; (b) the financial evaluation and credit risk rating of borrowers; and, (c) asset quality review.

At the individual borrower level, exposure to credit risk is managed via adherence to a set of policies, the most notable features of which, in this context, are: (a) credit approving authority, except as noted below, is not exercised by a single individual but rather, through a hierarchy of limits that is effectively exercised collectively; (b) business center (BC) managers have limited approval authority only for credit exposure related to deposit-taking operations in the form of bills purchase, acceptance of second endorsed checks and 1:1 loan accommodations; (c) an independent credit risk assessment by the CMG of large corporate and middle-market borrowers, summarized into a borrower risk rating, is provided as input to the credit decision-making process; and, (d) borrower credit analysis is performed at origination and at least annually thereafter or co-terminus with the renewal of the credit line. In addition, adverse economic and market conditions that may impact a certain borrower or a group of borrowers may trigger the Group to conduct a special credit review prior to expiry of credit line.

CMG also identifies homogenous target market and design Credit Programs that will accelerate credit processing of accounts without sacrificing underwriting quality, and, set up enhanced data framework that would deepen the Bank’s ability to identify potential problem accounts earlier.

In 2023, the Bank engaged an independent consultant to conduct an independent validation and refresh of the Bank's ECL model parameters, assumptions, design, and calibration. As a result of this refresh, the Bank made the following adjustments to its model:

- accounts with 1 to 30 days past due (DPD) are classified as Stage 1 instead of Stage 2 (see Note 4.4.3);
- a 12-month performance window is observed to consider the probability of an account defaulting in the future (see Note 4.4.5);
- periods affected by the COVID-19 were excluded from the computation of default rates to exclude abnormally high default rates during the pandemic period considering the full recovery from the impact of COVID-19;
- a mean reversion approach was used for consumer loans to project the macroeconomic variables (MEVs) influencing the associated credit risk of the borrowers (Note 4.4.5); and
- the Vasicek equation was used to transform through-the-cycle PDs into point-in-time PDs (Note 4.4.5).

The updated ECL framework of the Bank was approved by ROC on January 19, 2024.

In 2024, the Bank made post model adjustments on the ECL models arising from the use of credit analytics and credit judgments, to consider the effects of the following:

- more granular level of segmentation of credit exposures for auto loans and credit cards based on customer segment, payment behavior, and credit score, among others;
- the respective collection behaviors on auto loan accounts and credit card receivables considering accounts that do not flow to further delinquencies, and accounts previously provided with 100% LGD but had subsequent recoveries; and
- account updates for specific corporate borrowers arising from regular credit monitoring activities

Post model adjustments made in estimating the reported ECL as at December 31, 2024 are set in the following table:

	Group and Parent Company		
	BAU Model	Post Model Overlays	Final ECL
(Amounts in PHP)			
Loans and discounts:			
Corporate	**11,083**	**(1,140)**	**9,943**
Consumer	**2,406**	**(209)**	**2,197**
Credit card receivables	**5,392**	**(963)**	**4,429**
	18,881	**(2,312)**	**16,569**

Based on the Bank's policy, a model validation shall be conducted when significant changes are made to the models, to ensure that the models are suitable for their proposed usage on an ongoing basis. The Bank plans to conduct another independent validation of its ECL models in the next reporting period.

4.4.1 Concentrations of Credit Risk

Credit risk concentration in the context of banking generally denotes the risk arising from an uneven distribution of counterparties in credit or in any other business relationships, or from a concentration in business sectors or geographic regions which is capable of generating losses large enough to jeopardize an institution's solvency. The Group monitors concentrations of credit risk by sector.

An analysis of concentrations of credit risk of the loan portfolio at the end of the reporting period is shown in Note 33.

In the course of the Group's implementation of ICAAP (see Note 5.2), it adopts a quantification of credit risk concentration following frameworks prescribed by some of the more advanced European central banks as well as established concentration metrics. Using sector distribution as a tool, the Group performs a straightforward application of the Herfindahl-Hirshman Index (HHI) to determine the existence of credit risk concentration. The Group supplements this methodology with the use of the Comprehensive Concentration Index (CCI) to monitor and analyze name concentration.

The Group, however, recognizes the inherent limitations of the use of HHI and CCI to assess credit concentration risk. To augment this measure and to appropriately manage said risk, the Group performs an in-depth analysis of its large borrowing groups. To ensure the independence of this process, the review and analysis are done during the ROC meetings.

4.4.2 Credit Risk Assessment

The Group's credit risk assessment is performed based on the different segments of financial asset portfolio such as (a) corporate, which generally include corporate banking group loans, commercial and small-medium size segment loans, lease contract and finance receivables, and unquoted debt securities classified as loan (UDSCL), (b) retail, which include housing, auto, credit cards, and microfinance lending; and, (c) treasury, which covers credit exposures on debt securities under the Group's HTC portfolio and financial assets at FVOCI. The Group also established credit risk assessment procedures for sales contract receivables and other risk assets including accounts receivables.

i. Corporate Loans

Loans, regardless if the accounts have been fully paid, extended or renewed in subsequent period, are subjected to evaluation for possible losses. The Group's estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions (or industry performance), expected cash flows, and the passage of time. The assessment of credit risk of a portfolio of assets requires further estimations as to the PDs occurring, of the associated loss ratios, and of default correlations between counterparties; accordingly, such credit risk is measured using PD, LGD, and EAD, for purposes of measuring ECL.

The Group uses its internal credit risk rating system (ICRRS) to determine any evidence of potential deterioration in the quality of an instrument that takes into consideration both quantitative and qualitative criteria. The rating system classifies performing accounts from a scale of AAA indicating an extremely strong capacity of the counterparty to meet financial commitments down to ratings lower than CCC demonstrating weakness in the counterparty's economic and financial condition that could lead to payment default on financial commitments.

Past due accounts, accounts identified for phase-out and those that exhibit the characteristics of classified loans shall be risk-rated following the guidelines on credit classification per BSP Manual of Regulations for Banks and under the BSP Circular No. 1011, i.e., Especially Mentioned, Substandard, Doubtful or Loss. These guidelines are used by the Group to assign the individually assessed loan or a group of loans within a particular portfolio segment to a specific stage category under the PFRS 9 loan impairment standards (i.e., Stage 1, 2, 3).

The ICRRS is established by the Group in congruence with and with reference to the credit risk rating methodology used by Standard & Poor's (S&P) in measuring the creditworthiness of an individual borrower, whether the related borrowing is still performing or current in status. The risk ratings determined by the Group for its portfolio of loans and receivables at a given review date is updated to consider the possible shift in the economy or business environment or circumstances affecting the industry and the entity or borrower, in particular.

Accordingly, a periodic assessment of credit quality may improve the borrower's rating or it could lead to one or more rating downgrades over time; hence, could lead to the transfer of credit exposure in different stages of impairment. The credit risk ratings in ICRRS are calibrated such that the risk of default increases exponentially at each higher risk rating (e.g., a difference in the PD between a risk rating of A and A- is lower than the difference in the PD between a B and B- risk rating).

In the process of applying the Group's ICRRS in determining the credit quality of loans and receivables, the Group analyzes the credit quality of the borrowers and counterparties through a set of criteria and rating scale classified into the following:

Rating Scale	Rating Description/Criteria
AAA	Extremely strong capacity to meet financial commitments.
AA*	Very strong capacity to meet financial commitments.
A*	Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.
BBB*	Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.
BB*	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
B*	More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.
CCC and below*	Not at risk of loss at the moment and the borrower has the financial capacity to meet its obligations but its exposure to adverse business, financial or economic conditions has weakened it and, unless present trends are reversed, could eventually lead to losses.
Especially Mentioned	Has potential weaknesses that deserve management's close attention and if left uncorrected, these weaknesses may affect the repayment of the loan.
Substandard	Have well-defined weakness(es), that may jeopardize repayment/liquidation in full, either in respect of the business, cash flow or financial position, which may include adverse trends or developments that affect willingness or repayment ability of the borrower.
Doubtful	Loans and credit accommodations that exhibit more severe weaknesses than those classified as "Substandard", whose characteristics on the basis of currently known facts, conditions and values make collection or liquidation highly improbable.
Loss	Loans considered absolutely uncollectible or worthless.

* *Ratings from AA to CCC are modified by a plus (+) or minus (-) sign to show relative standing within the rating categories.*

As part of credit risk assessment documentation and reporting, the Group includes financial instruments rated as AAA to B- under the "Pass" classification, while instruments rated CCC+ and below are grouped under the Watchlisted classification. Generally, "Pass" classification includes loans and other credit accommodations that do not have a greater-than-normal credit risk and do not possess the characteristics of classified loans. These are credits that have the apparent ability and willingness to satisfy their obligations in full and therefore, no loss in ultimate collection is anticipated. On the other hand, watchlisted counterparties are characterized by the following:

- those that belong to an unfavorable industry or has company-specific risk factors which represent a concern;
- the operating performance and financial strength may be marginal and it is uncertain if borrower can attract alternative course of finance;
- borrower finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility; and,
- borrower incurs net losses and has salient financial weaknesses, reflected on their financial statements, specifically in profitability.

Split classification/rating may apply for non-performing secured loans and other credit accommodations, depending on the recoverability and liquidity of the collateral. The secured portion may be classified as "substandard" or "doubtful", as appropriate, while the unsecured portion shall be classified "loss" if there is no other source of payment other than the collateral.

In the case of syndicated loans, the Group shall maintain credit information on the borrower, and grade and make provision for its portion of the syndicated loan in accordance with its policy. The lead financial institution or bank shall provide participating financial institutions with the credit information on the borrower upon request by the participating financial institutions and inform the latter if the loan will be classified so as to achieve uniform classification of the syndicated loan.

(ii) Retail and Other Products

CMG is tasked to measure, control and manage credit risk on the consumer loans business of the Group through the performance of regular monitoring, reporting and recommendation of risk mitigation measures of the actual credit risk portfolio to the CRECOL and ROC, as well as accomplishment of the corresponding review and development of credit policies and guidelines to sustain asset quality.

For consumer loans, risk assessment is performed on an individual borrower through the use of a credit application scorecard for Housing, Auto and Personal Loans while for Corporate Salary Loans, rule-based credit criteria on company accreditation and borrower evaluation has been established. The credit application scorecard makes use of customer, loan and collateral characteristics which have been assigned weights based on their predictive power in determining the propensity of an account to default or maintain a satisfactory credit performance. Credit decisions are based on recommended score cut-offs.

Asset quality of the Group is monitored through a regular portfolio performance review including customer segmentation and loan concentration risk assessment to identify sources of risk and to determine risk mitigation on segments that drive delinquency or manifests triggers for default. Likewise, close monitoring and review of industry performance, economic changes and market conditions that may affect the consumer loans business is also taken into consideration to establish a holistic risk assessment process.

For the credit card portfolio of the Group, credit risk assessment is performed through segmentation process to diversify the portfolio risk into different homogeneous populations or segments. Over-all account distribution is analyzed for three different snapshots with respect to month-on-month DPD to see consistency in the portfolio.

For microfinance and small business loans, regardless if the accounts have been fully paid, extended or renewed in subsequent period, are subjected to evaluation for possible losses. Credit risk assessment is performed based on groups of loan portfolio segmented by product type such as (a) credit accommodations to small-medium size borrowers; and, (b) agricultural and microfinance loans.

The Group classifies the consumer, microfinance and small business loans based on days past due following the categories that are consistent with the manner applied under the Group's internal credit risk assessment and regulatory reporting as follows:

Bucket	Classification	Secured	Unsecured
Current	Unclassified	Unclassified	Unclassified
One to 30 days	Especially Mentioned	Unclassified	Especially Mentioned
31 to 60 days	Especially Mentioned	Especially Mentioned	Especially Mentioned
61 to 90 days	Substandard	Especially Mentioned	Substandard
91 to 180 days	Substandard	Substandard	Substandard
181 to 365 days	Doubtful	Doubtful	Doubtful
More than 365 days	Loss	Loss	Loss

The Group assigns consumer, microfinance and small business loans based on classification into stages of impairment as follows:

Classification	Stage
Unclassified	1
Especially Mentioned	2
Defaulted	3

For purposes of the information disclosed for credit risk exposures, 'defaulted' accounts include those which are classified as Substandard, Doubtful, and Loss.

The groupings of financial instruments into a pool of shared credit quality are subject to the regular review by the Group's CMG in order to ensure that credit exposures within a particular group remain appropriately homogenous.

(iii) Debt Securities at Amortized Cost and at FVOCI

For debt securities, the Group adopts similar credit risk ratings published by reputable external rating agency (e.g., S&P). These ratings are continuously monitored and updated. The PD associated with each rating is determined based on realized default rates over the previous 12 months, as published by the rating agency.

4.4.3 Assessment of SICR

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group assesses the change in the risk of a default occurring over the remaining life of the financial instrument. In making this assessment, the Group assesses on a periodic basis both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information as appropriate. These may include macroeconomic conditions, economic sector and geographical region relevant to the counterparty or borrower and other factors that are counterparty-specific. As the Group holds various arrays of financial instruments, the extent of assessment may depend on the materiality of the financial instrument or the complexity of the portfolio being assessed.

The Group ECL model follows a three-stage impairment approach in determining the loss allowance to be recognized in the financial statements:

(i) Stage 1 – comprises of all credit exposures that are considered 'performing' and with no observed SICR since initial recognition. These include those financial instruments with low credit risk. For these financial instruments, the loss allowance is determined based on a 12-month ECL. PFRS 9 provides a rebuttable presumption that credit risk is considered to have significantly increased since initial recognition if the contractual payment is more than 30 days past due. The rebuttal must be in consideration of a reasonable and supportable information that is available without undue cost or effort.

(ii) Stage 2 – comprises of all financial instruments assessed to have SICR since initial recognition based on the Group's quantitative and qualitative criteria, though not yet deemed to be credit-impaired. Using the Group's ICRRS, Stage 2 includes credit exposures that are considered 'under-performing' in which risk ratings were downgraded by at least three notches and/or downgraded to CCC+ to Especially Mentioned. Stage 2 financial instruments may also include those facilities where the credit risk has improved and have been reclassified from Stage 3 subject to the Group's observation period on the creditworthiness of the counterparty. A lifetime ECL is recognized for these financial instruments.

(iii) Stage 3 – comprises credit exposures which are assessed as 'credit-impaired', thus considered by the Group as 'non-performing', which is assessed consistently with the Group's definition of default. Generally, this includes accounts classified as Substandard, Doubtful and Loss. The Group recognizes a lifetime ECL for all credit-impaired financial assets.

The Group considers low credit risk for listed debt security when its credit risk rating is equivalent to a globally understood definition of 'investment grade' (which should be from at least one major rating agency); other debt securities are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets that are credit-impaired on initial recognition are classified as purchased or originated credit-impaired assets. ECL is only recognized or released to the extent that there is a subsequent change in the ECLs.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to have well-defined credit weaknesses. Under the Group's ICRRS, these are exposures rated at least Especially Mentioned. For exposures with no internal credit risk rating performed, if contractual payments are more than a specified days past due threshold, the credit risk is deemed to have increased significantly since initial recognition. Depending on the number of days past due which differ across the various retail products of the Group, a credit exposure may be transferred to Stage 2 or Stage 3. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL.

As a general rule, an upgrade or transfer of credit exposure from Stage 3 to Stage 1 is allowed when there is sufficient evidence to support that full collection of principal and interest is probable, consistent with the Group's definition of curing period which is 6 months of satisfactory performance before an account is moved from Stage 3 to Stage 2 and another 6 months from Stage 2 to Stage 1.

For portfolios in respect of which the Group has limited historical data, external benchmark information (e.g., Basel LGD) is used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL include exposures to foreign borrowers and low default borrower segments.

4.4.4 Definition of Default and Credit-impaired Assets

i. Loans and Receivables

The Group defines a loan instrument as in default, which is aligned with the definition of credit-impaired, when the borrower is more than 90 days past due on its contractual payments, except for the 30 days past due threshold for retail loans of the Group and one day past due for microfinance loan portfolio of Rizal Microbank. As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances and factors that may indicate unlikeliness to pay which may include (a) significant financial difficulty of the issuer or borrower; (b) the restructuring of a loan by the Group, for economic or legal reasons relating to the borrower's financial difficulty, on terms that the Group would not consider otherwise; or (c) it becoming probable that the borrower will enter bankruptcy or other financial reorganization. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

An instrument is considered to be no longer in default or have cured when the borrower is able to repay the installments in arrears and the account no longer meets any of the default criteria for a consecutive period of 180 days observation period, within which the borrower shall make consecutive payments.

The definitions of default and observation period have been aligned with the definition used for regulatory capital purposes. Definitions of default and cure period can be rebutted and the rebuttal will be monitored and reviewed by the CMG on annual basis to ensure definitions remains appropriate.

These criteria are consistent with the definition of default used for internal credit risk management purposes that is aligned with the default criteria used for regulatory capital purposes. Such definition is consistently applied in determining PD, LGD, and EAD for each loan portfolio segment and throughout the ECL calculations of the Group.

ii. Investments in Debt Securities

Investments in debt securities is assessed as credit-impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of an event that occurred after the initial recognition of the security (a "loss event") and that loss event has impact on the estimated future cash flows of the securities. Losses expected as a result of future events, shall also be considered in estimating the ECL.

Objective evidence that the security is impaired includes observable data that comes to the attention of the holder of the security about the following loss events:

- significant financial difficulty of the issuer or obligor;
- breach of contract, such as a default or delinquency in interest or principal payments;
- the financial institution, for economic or legal reasons relating to the issuer's financial difficulty, granting to the issuer a concession that the financial institution would not otherwise consider;
- it becoming probable that the issuer will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that security because of financial difficulties; or,
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of securities since the initial recognition of those assets, although the decrease cannot yet be identified with the individual securities in the portfolio, including adverse change in the payment status of issuers in the portfolio; or national or local economic conditions that correlate with defaults on the securities in the portfolio.

The disappearance of an active market because a financial institution's held securities are no longer publicly traded is not evidence of impairment. A downgrade of an issuer's credit rating is not, by itself, evidence of impairment, although it may be evidence of impairment when considered with other available information. A decline in the fair value of a security below its cost or amortized cost is not necessarily evidence of impairment (for example, a decline in fair value of an investment in debt security that results from an increase in the risk-free interest rate).

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields;
- the rating agencies' assessment of credit-worthiness;
- the country's ability to access the capital markets for new debt issuance;
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; or,
- the internal support mechanism in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfill the required criteria.

4.4.5 ECL Measurement Inputs

Integral in the Group's established policies in measuring and calculating ECL on financial instrument is the use of appropriate model for each segment of financial asset that applies relevant inputs and assumptions, including forward-looking information as appropriate.

(a) Key Inputs and Assumptions in the ECL Model

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment.

(i) PD represents an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation. PD is calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures which considers both quantitative and qualitative factors. In determining PD, the Group performed segmentation of its credit exposures based on homogenous characteristics [including corporate loan and retail loan (including credit-card and microfinance)] and developed a systematic PD methodology for each portfolio. Generally, if a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD.

(ii) LGD pertains to estimate of loss related to the amount that may not be recovered after the borrower defaults. The Group estimates LGD parameters based on historical recovery rates of claims against defaulted counterparties, which takes into consideration the realization of any collateral that is integral to the financial asset. For secured credit exposure, the determination of LGD is dependent on the Group's collateral data which are available at the origination of the instrument which takes into account the amount and timing of the cash inflows (actual recovery) and outflows (actual expenses) and on the time value of money. Recoveries are calculated on a discounted cash flows basis using the effective interest rate as the discounting factor.

(iii) EAD represents the gross carrying amount of the exposure in the event of default which include the amortized cost amount of an instrument and any accrued interest receivable. For lending commitments, the EAD includes the amount of drawn and undrawn irrevocable loan commitments under the contract, which are estimated based on historical observations and forward-looking forecast. For some financial assets (e.g., credit card lending), EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical technique which considers the ability of borrowers to increase its exposure from the time of ECL calculation to the time of default (i.e., credit conversion factor).

These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not been prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to and summed at the end of the reporting period. The discount rate used in the ECL calculation is the original effective interest rate or the relevant fund transfer pricing rate, whichever is more applicable.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the instrument. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. Such profile is supported by a historical analysis (i.e., an observation period of five years) which uses, among others the number of rated accounts and ratings of bad accounts at the time of default. Bad accounts are defaulted accounts classified into three classes such as the non-performing loans, accounts classified as Substandard, Doubtful or Loss, and real past due accounts.

For consumer loans, the PD models are used to compute a through-the-cycle (TTC) PD, which are PDs neutral to changes in conditions over the economic cycle covering the lifetime of the exposure. These TTC PDs are adjusted using a single factor Vasicek model to reflect the impact of macroeconomic factors to arrive at forward-looking Point-In-Time (PIT) PDs to consider the probability of default in current economic conditions in accordance with PFRS 9.

In a risk rating model applied by the Group for corporate loans, a better rating or score denotes less probability of default than those of a worse rating. Identifying the counterparty default is done through a computation of the portfolio's observed default rate (ODR). In cases when ODR method and the data to be used is limited, the Group may also employ the implied probability of default frequency (IPD) and the application of overlay factors in the PD.

Using the historical defaults under the Group's ICRRS based on S&P scale, ODR is calculated for each rating bucket as the ratio of the total number of defaults in next 12 months divided by the total count of accounts. On the other hand, unrated accounts are distributed to existing S&P rating classes using normal distribution assumption.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

For loans with periodic amortization and one-time full payment at end of the term, EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment or refinancing assumptions are also incorporated into the calculation.

For revolving products (such as credit cards and credit line facilities), EAD is determined by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default, and may vary by product type. For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market or book values due to forced sales, time to repossession and recovery costs observed. For unsecured products, LGD is typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. The LGD is influenced by collection strategies.

For cash and cash equivalents and debt securities, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a SICR since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from S&P to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

The assumptions underlying the ECL calculation are monitored and reviewed on an annual basis. With the changes in the current economic condition and granular behavior analysis of customers, the management has enhanced its existing ECL model in 2022 to reflect the continuing impact of the COVID-19 pandemic and the Group's and Parent Company's financial support program to its customers on a reasonable and supportable basis. In 2023, the Bank conducted an independent model validation which encompasses comprehensive model testing to assess model robustness. A refresh is applied to update the ECL model to ensure it remains relevant and effective in estimating credit losses. The Bank further applied post model adjustments in 2024 to consider the results of its ongoing review of customer segmentation recovery updates (see Note 4.4).

The determination of the 12-month and lifetime PD, LGD, and EAD includes the overlay of forward-looking economic information discussed below.

(b) Overlay of Forward-looking Information

The Group incorporates forward-looking information (FLI) in its calculation of ECL. The Group has performed historical analysis and has identified the key MEVs impacting credit risk associated with its borrowers and/or counterparties and the ECL for relevant portfolio of debt instruments.

The MEVs and their associated impact on the PD, LGD and EAD vary by financial instrument. For corporate loans, a multivariate analysis in the context of Vector Autoregressive (VAR) model is used to assess the effect of macroeconomic factors as historical and deterministic regressors to the portfolios PD. To determine the MEV, all possible combinations of the time series and considered lags with NPL ratio were considered and evaluated based on the soundness of economic theory, goodness of fit, and in accordance with the assumptions of VAR. For consumer loans, to project the MEVs for the full remaining life of each financial instrument, a mean reversion approach has been used for consumer loans, which means that MEVs tend to converge to either a long run average rate (e.g., for unemployment) or a long run average growth rate [e.g., Gross Domestic Product (GDP)] over a period of two to five years.

The impact of these economic variables on the PD, LGD and EAD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

The MEVs considered by the Group include economic data and forecasts published by government bodies (e.g., BSP and Philippine Statistics Authority), international organizations (e.g., International Monetary Fund), and certain reputable private and academic organizations involved in forecasting. Accordingly, the Group has identified key drivers for credit risk for its corporate loans portfolio, which include among others, GDP growth rate, inflation rate, unemployment rate, interest rate (i.e., based on 91-day T-bill Yield), household consumption expenditure growth, OFW remittances, and foreign currency exchange rates.

On the other hand, the key drivers for the Group's retail and consumer loans portfolio include unemployment rate, GDP growth rate, consumer price index (CPI), foreign currency exchange rates, inflation rate, and bank lending rates. Using an analysis of historical data, the Group has estimated relationships between MEVs and credit risk and credit losses.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore, the actual outcomes may be significantly different to those projections. The Group considers these forecasts to represent its best estimate of the possible outcomes.

Management has also considered other FLI not incorporated within the above economic scenarios, such as any regulatory, legislative, or political changes, but are not deemed to have a significant impact on the calculation of ECL. Management reviews and monitors the appropriateness of FLIs on a regular basis and additional factors may be incorporated from time to time as deemed appropriate.

4.4.6 Credit Risk Exposures

An analysis of the maximum credit risk exposure relating to receivables from customers is shown below:

	Group			
(Amounts in PHP)	**Gross Maximum Exposure**	**Fair Value of Collaterals**	**Net Exposure**	**Financial Effect Of Collaterals**
2024				
Loans and discounts:				
Corporate	421,744	477,408	-	421,744
Consumer*	174,873	143,253	31,620	143,253
Credit card receivables	110,453	-	110,453	-
Leasing and finance	2,401	5,677	-	2,401
Microfinance and small business	1,163	4,148	-	1,163
Other receivables	51,993	4,332	47,661	4,332
	762,627	**634,818**	**189,734**	**572,893**
2023				
Loans and discounts:				
Corporate	414,311	356,230	58,081	356,230
Consumer*	128,867	145,505	2,777	126,090
Credit card receivables	74,667	-	74,667	-
Leasing and finance	2,801	3,900	-	2,801
Microfinance and small business	1,276	5,978	-	1,276
Other receivables	45,402	5,504	39,898	5,504
	667,324	517,117	175,423	491,901

**The net exposure balance includes unsecured personal and salary loans*

(Amounts in PHP)	Parent Company Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect Of Collaterals
2024				
Loans and discounts:				
Corporate	419,085	477,408	-	419,085
Consumer*	174,873	143,253	31,620	143,253
Credit card receivables	110,453	-	110,453	-
Other receivables	50,850	4,332	46,518	4,332
	755,261	**624,993**	**188,591**	**566,670**
2023				
Loans and discounts:				
Corporate	411,706	351,499	60,207	351,499
Consumer*	128,867	145,505	2,777	126,090
Credit card receivables	74,667	-	74,667	-
Other receivables	44,462	5,504	38,958	5,504
	659,702	502,508	176,609	483,093

**The net exposure balance includes unsecured personal and salary loans*

The table below sets out the gross carrying amounts of the exposures to credit risk on financial assets with low credit risk measured at amortized cost and debt securities at FVOCI as of December 31.

	Group		Parent Company	
(Amounts in PHP)	**2024**	2023	**2024**	2023
Cash and cash equivalents	**185,369**	250,108	**182,670**	247,941
Debt securities:				
At amortized cost	**260,344**	236,688	**259,419**	235,803
At FVOCI	**154,488**	78,533	**154,376**	78,417
	600,201	565,329	**596,465**	562,161

Cash and cash equivalents include loans and advances to banks [i.e., Due from BSP, Due from Other Banks, Loans Arising from Repurchase Agreements, and Interbank Loans Receivables (see Note 9)]. Debt securities includes government and corporate bonds and bills. These are held with the central bank, financial institutions and other counterparties that are reputable and with low credit risk; corresponding allowance for ECL is shown in the succeeding pages.

The information about the credit exposures on the above financial assets as well as on loan commitments by stages of impairment as of December 31, 2024 and 2023, shown at their gross carrying amounts with the corresponding allowance for ECL are shown in the succeeding pages. All instruments, which were not assessed by the Group for ECL based on individual credit risk rating were evaluated on a collective basis, applying applicable PD and LGD based on the segment of instrument.

The maximum exposure to credit risks for other financial assets is limited to their carrying values as of December 31, 2024 and 2023.

a) Loans and receivables

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired***	**Total**
(Amounts in PHP)					
2024					
Corporate loans					
Pass					
AAA to BBB	3,936	-	-	-	3,936
BBB- to B-	360,442	162	227	-	360,831
Watchlisted	31,530	200	1,352	-	33,082
Especially mentioned	-	6,921	7,854	-	14,775
Substandard	-	-	8,458	-	8,458
Defaulted	-	-	579	20	599
Unrated	63	-	-	-	63
	395,971	7,283	18,470	20	421,744
Allowance for ECL	(957)	(472)	(8,352)	(16)	(9,797)
Carrying amount	**395,014**	**6,811**	**10,118**	**4**	**411,947**
Consumer loans					
Current	154,061	-	-	-	154,061
1-30 dpd	7,620	-	-	-	7,620
31-90 dpd	-	5,289	-	-	5,289
Defaulted	-	-	7,903	-	7,903
	161,681	5,289	7,903	-	174,873
Allowance for ECL	(820)	(515)	(1,669)	-	(3,004)
Carrying amount	**160,861**	**4,774**	**6,234**	**-**	**171,869**
Credit cards					
Current	102,931	51	-	-	102,982
1-29 dpd	1,714	19	-	-	1,733
30-59 dpd	-	911	-	-	911
60-89 dpd	-	833	-	-	833
Defaulted	-	-	3,994	-	3,994
	104,645	1,814	3,994	-	110,453
Allowance for ECL	(734)	(891)	(2,804)	-	(4,429)
Carrying amount	**103,911**	**923**	**1,190**	**-**	**106,024**
Leasing and finance receivables*					
AAA+ to B+	290	-	-	-	290
B-	777	7	-	-	784
CCC below	-	127	1,116	-	1,243
Unrated	84	-	-	-	84
	1,151	134	1,116	-	2,401
Allowance for ECL	(144)	(25)	(824)	-	(993)
Carrying amount	**1,007**	**109**	**292**	**-**	**1,408**
Micro and small business loans**					
Unclassified	892	-	-	-	892
Especially mentioned	-	50	-	-	50
Defaulted	-	-	221	-	221
	892	50	221	-	1,163
Allowance for ECL	(1)	-	(92)	-	(93)
Carrying amount	**891**	**50**	**129**	**-**	**1,070**
Balance forwarded	**661,684**	**12,667**	**17,963**	**4**	**692,318**

(Amounts in PHP)	Group Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
Balance carried forward	**661,684**	**12,667**	**17,963**	**4**	**692,318**
Other receivables					
Current	48,794	-	1	-	48,795
Past due	-	883	2,315	-	3,198
	48,794	883	2,316	-	51,993
Allowance for ECL	(143)	(81)	(1,590)	-	(1,814)
Carrying amount	**48,651**	**802**	**726**	**-**	**50,179**
Total gross amount	713,134	15,453	34,020	20	762,627
Allowance for ECL	(2,799)	(1,984)	(15,331)	(16)	(20,130)
Carrying amount	**710,335**	**13,469**	**18,689**	**4**	**742,497**

**Purchased credit-impaired financial assets pertain to the non-performing loans of RCBC JPL*
***Leasing and finance receivables are from RCBC LFC*
****Micro and small business loans are from Rizal Microbank*

(Amounts in PHP)	Group Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
2023					
Corporate Loans					
Pass					
AAA to BBB	16,339	1	-	-	16,340
BBB- to B-	351,474	32	4	-	351,510
Watchlisted	20,104	836	4	-	20,944
Especially mentioned	-	4,565	4,395	-	8,960
Substandard	-	-	9,032	-	9,032
Defaulted	-	-	518	20	538
Unrated	6,955	1	31	-	6,987
	394,872	5,435	13,984	20	414,311
Allowance for ECL	(923)	(222)	(7,891)	(16)	(9,052)
Carrying amount	393,949	5,213	6,093	4	405,259
Consumer loans					
Current	111,978	-	-	-	111,978
1-30 dpd	6,216	-	-	-	6,216
31-90 dpd	-	3,686	-	-	3,686
Defaulted	-	-	6,987	-	6,987
	118,194	3,686	6,987	-	128,867
Allowance for ECL	(558)	(280)	(1,187)	-	(2,025)
Carrying amount	117,636	3,406	5,800	-	126,842
Credit cards					
Current	69,735	30	-	-	69,765
1-29 dpd	1,129	13	-	-	1,142
30-59 dpd	-	660	-	-	660
60-89 dpd	-	544	-	-	544
Defaulted	-	-	2,556	-	2,556
	70,864	1,247	2,556		74,667
Allowance for ECL	(886)	(747)	(2,018)	-	(3,651)
Carrying amount	69,978	500	538	-	71,016
Balance forwarded	581,563	9,119	12,431	4	603,117

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
(Amounts in PHP)					
Balance carried forward	581,563	9,119	12,431	4	603,117
*Leasing and finance receivables***					
AAA+ to B+	512	-	-	-	512
B-	136	-	-	-	136
CCC below	-	1,216	937	-	2,153
	648	1,216	937	-	2,801
Allowance for ECL	(85)	(235)	(716)	-	(1,036)
Carrying amount	563	981	221	-	1,765
*Micro and small business loans****					
Unclassified	994	-	-	-	994
Especially mentioned	-	79	-	-	79
Defaulted	-	-	203	-	203
	994	79	203	-	1,276
Allowance for ECL	(1)	(1)	(66)	-	(68)
Carrying amount	993	78	137	-	1,208
Other receivables					
Current	43,050	-	1	-	43,051
Past due	-	344	2,007	-	2,351
	43,050	344	2,008	-	45,402
Allowance for ECL	(188)	(29)	(1,346)	-	(1,563)
Carrying amount	42,862	315	662	-	43,839
Total gross amount	628,622	12,007	26,675	20	667,324
Allowance for ECL	(2,641)	(1,514)	(13,224)	(16)	(17,395)
Carrying amount	625,981	10,493	13,451	4	649,929

**Purchased credit-impaired financial assets pertain to the non-performing loans of RCBC JPL*
***Leasing and finance receivables are from RCBC LFC*
****Micro and small business loans are from Rizal Microbank*

(Amounts in PHP)	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
<u>2024</u>					
Corporate loans					
Pass					
AAA to BBB	3,936	-	-	-	3,936
BBB- to B-	359,746	160	227	-	360,133
Watchlisted	31,361	136	833	-	32,330
Especially mentioned	-	6,921	7,647	-	14,568
Substandard	-	-	7,756	-	7,756
Defaulted	-	-	362	-	362
	395,043	7,217	16,825	-	419,085
Allowance for ECL	(956)	(472)	(8,352)	-	(9,780)
Carrying amount	**394,087**	**6,745**	**8,473**	**-**	**409,305**
Consumer loans					
Current	154,061	-	-	-	154,061
1-30 dpd	7,620	-	-	-	7,620
31-90 dpd	-	5,289	-	-	5,289
Defaulted	-	-	7,903	-	7,903
	161,681	5,289	7,903	-	174,873
Allowance for ECL	(820)	(515)	(1,669)	-	(3,004)
Carrying amount	**160,861**	**4,774**	**6,234**	**-**	**171,869**
Credit cards					
Current	102,931	51	-	-	102,982
1-29 dpd	1,714	19	-	-	1,733
30-59 dpd	-	911	-	-	911
60-89 dpd	-	833	-	-	833
Defaulted	-	-	3,994	-	3,994
	104,645	1,814	3,994	-	110,453
Allowance for ECL	(734)	(891)	(2,804)	-	(4,429)
Carrying amount	**103,911**	**923**	**1,190**	**-**	**106,024**
Other receivables					
Current	47,941	-	-	-	47,941
Past due	-	883	2,026	-	2,909
	47,941	883	2,026	-	50,850
Allowance for ECL	(142)	(81)	(1,294)	-	(1,517)
Carrying amount	**47,799**	**802**	**732**	**-**	**49,333**
Total gross amount	709,310	15,203	30,748	-	755,261
Allowance for ECL	(2,652)	(1,959)	(14,119)	-	(18,730)
Carrying amount	**706,658**	**13,244**	**16,629**	**-**	**736,531**

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired*	Total
(Amounts in PHP)					
2023					
Corporate loans					
Pass					
AAA to BBB	15,793	1	-	-	15,794
BBB- to B-	351,474	32	4	-	351,510
Watchlisted	19,761	295	4	-	20,060
Especially mentioned	-	4,294	4,395	-	8,689
Substandard	-	-	8,326		8,326
Defaulted	-	-	340	-	340
Unrated	6,955	1	31		6,987
	393,983	4,623	13,100	-	411,706
Allowance for ECL	(923)	(222)	(7,890)	-	(9,035)
Carrying amount	393,060	4,401	5,210	-	402,671
Consumer loans					
Current	111,978	-	-		111,978
1-30 dpd	6,216	-	-	-	6,216
31-90 dpd	-	3,686	-	-	3,686
Defaulted	-	-	6,987	-	6,987
	118,194	3,686	6,987	-	128,867
Allowance for ECL	(558)	(280)	(1,187)	-	(2,025)
Carrying amount	117,636	3,406	5,800	-	126,842
Credit cards					
Current	69,735	30	-	-	69,765
1-29 dpd	1,129	13	-	-	1,142
30-59 dpd	-	660	-	-	660
60-89 dpd	-	544	-	-	544
Defaulted	-	-	2,556	-	2,556
	70,864	1,247	2,556	-	74,667
Allowance for ECL	(886)	(747)	(2,018)	-	(3,651)
Carrying amount	69,978	500	538	-	71,016
Other receivables					
Current	42,401	-	-	-	42,401
Past due	-	344	1,717	-	2,061
	42,401	344	1,717	-	44,462
Allowance for ECL	(187)	(29)	(1,094)	-	(1,310)
Carrying amount	42,214	315	623	-	43,152
Total gross amount	625,442	9,900	24,360	-	659,702
Allowance for ECL	(2,554)	(1,278)	(12,189)	-	(16,021)
Carrying amount	622,888	8,622	12,171	-	643,681

b) *Investments in debt securities at amortized cost and at FVOCI*

	Group		Parent Company	
	HTC	**FVOCI**	**HTC**	**FVOCI**
(Amounts in PHP)				
2024				
Government securities				
AAA to A+	19,033	45,969	19,033	45,969
BBB+ to BBB-	211,269	94,428	210,344	94,428
	230,302	140,397	229,377	140,397
Corporate debt securities				
AAA	-	536	-	536
AA+ to A+	1,130	-	1,130	-
A to A-	715	-	715	-
BBB+ to BBB-	12,855	3,527	12,855	3,527
BB+ to BB-	-	581	-	500
B+ and below	15,342	9,447	15,342	9,416
	30,042	14,091	30,042	13,979
Allowance for ECL	(122)	(14)	(32)	(14)
	29,920	14,077	30,010	13,965
	260,222	**154,474**	**259,387**	**154,362**
2023				
Government securities				
AAA to A+	15,778	808	15,778	808
BBB+ to BBB-	192,383	64,623	191,498	64,623
	208,161	65,431	207,276	65,431
Corporate debt securities				
AAA	-	515	-	515
AA+ to A+	830	-	830	-
A to A-	687	-	687	-
BBB+ to BBB-	16,024	9,620	16,024	9,620
BB+ to BB-	10,823	2,934	10,823	2,851
B+ and below	163	33	163	-
	28,527	13,102	28,527	12,986
Allowance for ECL	(161)	(13)	(71)	(13)
	28,366	13,089	28,456	12,973
	236,527	78,520	235,732	78,404

c) *Loan Commitments*

The credit quality of the Group and Parent Company's irrevocable loan commitments with amounts determined after considering credit conversion factor, as of December 31 follows:

	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
(Amounts in PHP)				
2024				
Corporate loans				
Pass				
AAA to BBB	72	-	-	72
BBB- to B-	6,804	-	-	6,804
Watchlisted	123	-	-	123
Especially mentioned	-	10	-	10
	6,999	10	-	7,009
ECL provisions	(12)	-	-	(12)
Carrying amount	**6,987**	**10**	**-**	**6,997**
Credit cards				
Current	30,646	-	-	30,646
ECL provisions	(358)	-	-	(358)
Carrying amount	**30,288**	**-**	**-**	**30,288**
	37,275	**10**	**-**	**37,285**
2023				
Corporate loans				
Pass				
AAA to BBB	474	-	-	474
BBB- to B-	7,150	-	-	7,150
Watchlisted	59	-		59
Especially mentioned	-	3	-	3
Unrated	599	-	-	599
	8,282	3	-	8,285
ECL provisions	(11)	-	-	(11)
Carrying amount	8,271	3	-	8,274
Credit cards				
Current	23,718	-	-	23,718
ECL provisions	(293)	-	-	(293)
Carrying amount	23,425	-	-	23,425
	31,696	3	-	31,699

4.4.7 Maximum Exposure to Credit Risk of Financial Instruments not Subject to Impairment

The following table contains analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e., FVTPL).

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Government securities	**7,257**	9,647	**7,252**	9,615
Corporate debt securities	**132**	28	**132**	19
Derivative financial assets	**2,067**	1,320	**2,067**	1,320
	9,456	10,995	**9,451**	10,954

4.4.8 Allowance for ECL

The succeeding tables show the reconciliation of the loss allowance for ECL by class of significant financial instruments.

a) *Loans and receivables*

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
(Amounts in PHP)					
2024					
Corporate loans					
Balance at beginning of year	923	222	7,891	16	9,052
Transfers:					
Stage 1 to Stage 2	(8)	8	-	-	-
Stage 1 to Stage 3	(63)	-	63	-	-
Stage 2 to Stage 1	7	(7)	-	-	-
Stage 2 to Stage 3	-	(107)	107	-	-
Stage 3 to Stage 2	-	355	(355)	-	-
Assets derecognized or repaid	(667)	(217)	(38)	-	(922)
New assets originated:					
Remained in Stage 1	765	-	-	-	765
Moved to Stages 2 and 3	-	218	684	-	902
	34	250	461	-	745
Balance at end of year	**957**	**472**	**8,352**	**16**	**9,797**
Consumer loans					
Balance at beginning of year	558	280	1,187	-	2,025
Transfers:				-	
Stage 1 to Stage 2	(57)	57	-	-	-
Stage 1 to Stage 3	(139)	-	139	-	-
Stage 2 to Stage 1	130	(130)	-	-	-
Stage 2 to Stage 3	-	(145)	145	-	-
Stage 3 to Stage 2	-	29	(29)	-	-
Assets derecognized or repaid	(149)	(61)	(272)	-	(482)
New assets originated:				-	
Remained in Stage 1	477	-	-	-	477
Moved to Stages 2 and 3	-	485	607	-	1,092
Write-offs	-	-	(108)	-	(108)
	262	235	482	-	979
Balance at end of year	**820**	**515**	**1,669**	**-**	**3,004**
Balance forwarded	1,777	987	10,021	16	12,801

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
Balance carried forward	1,777	987	10,021	16	12,801
Credit cards					
Balance at beginning of year	886	747	2,018	-	3,651
Transfers:					
Stage 1 to Stage 2	(40)	40	-	-	-
Stage 1 to Stage 3	(252)	-	252	-	-
Stage 2 to Stage 1	76	(76)	-	-	-
Stage 2 to Stage 3	-	(623)	623	-	-
Stage 3 to Stage 1	50		(50)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(1,046)	(396)	(524)	-	(1,966)
New assets originated:					
Remained in Stage 1	1,060	-	-	-	1,060
Moved to Stages 2 and 3	-	1,148	5,508	-	6,656
Write-offs	-	-	(4,972)	-	(4,972)
	(152)	144	786	-	778
Balance at end of year	**734**	**891**	**2,804**	**-**	**4,429**
Leasing and finance receivables*					
Balance at beginning of year	85	235	716	-	1,036
Transfers:					
Stage 1 to Stage 2	(3)	3	-	-	-
Stage 1 to Stage 3	(10)	-	10	-	-
Stage 2 to Stage 1	1	(1)			-
Stage 2 to Stage 3	-	(66)	66	-	-
Stage 3 to Stage 1	2	-	(2)	-	-
Assets derecognized or repaid	(25)	(147)	(119)	-	(291)
New assets originated:					
Remained in Stage 1	94	-	-	-	94
Moved to Stages 2 and 3	-	1	174	-	175
Write-offs	-	-	(21)	-	(21)
	59	(210)	108	-	(43)
Balance at end of year	**144**	**25**	**824**	**-**	**993**
Balance forwarded	2,655	1,903	13,649	16	18,223

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
Balance carried forward	2,655	1,903	13,649	16	18,223
Micro and small business loans**					
Balance at beginning of year	1	1	66	-	68
Transfers:					
Stage 1 to Stage 2	(1)	1	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to 3	-	(2)	2	-	-
Stage 3 to 1	1	-	(1)	-	-
Stage 3 to 2	-	2	(2)	-	-
Assets derecognized or repaid	-	(3)	(10)	-	(13)
New assets originated:	-				
Remained in Stage 1	1	-	-	-	1
Moved to Stages 2 and 3	-	1	39	-	40
Write-offs	-	-	(3)	-	(3)
	-	(1)	26	-	25
Balance at end of year	**1**	**-**	**92**	**-**	**93**
Other receivables					
Balance at beginning of year	188	29	1,346	-	1,563
Transfers:					
Stage 1 to Stage 2	(59)	59	-	-	-
Stage 1 to Stage 3	(2)	-	2	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(44)	44	-	-
Stage 3 to Stage 2	-	26	(26)	-	-
Assets derecognized or repaid	(9)	(39)	(203)	-	(251)
New assets originated:				-	
Remained in Stage 1	23	-	-	-	23
Moved to Stages 2 and 3	-	52	427	-	479
	(45)	52	244	-	251
Balance at end of year	**143**	**81**	**1,590**	-	**1,814**
	2,799	**1,984**	**15,331**	**16**	**20,130**

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
2023					
Corporate loans					
Balance at beginning of year	1,607	1,200	5,818	18	8,643
Transfers:					
Stage 1 to Stage 2	(127)	127	-	-	-
Stage 1 to Stage 3	(40)	-	40	-	-
Stage 2 to Stage 1	81	(81)	-	-	-
Stage 2 to Stage 3	-	(1,089)	1,089	-	-
Stage 3 to Stage 1	52	-	(52)	-	-
Stage 3 to Stage 2	-	147	(147)	-	-
Assets derecognized or repaid	(1,254)	(126)	(270)	(2)	(1,652)
New assets originated:					
Remained in Stage 1	604	-	-	-	604
Moved to Stages 2 and 3	-	44	1,700	-	1,744
Write-offs	-	-	(287)	-	(287)
	(684)	(978)	2,073	(2)	409
Balance at end of year	923	222	7,891	16	9,052
Consumer loans					
Balance at beginning of year	210	222	2,024	-	2,456
Transfers:					
Stage 1 to Stage 2	(31)	31	-	-	-
Stage 1 to Stage 3	(13)	-	13	-	-
Stage 2 to Stage 1	73	(73)	-	-	-
Stage 2 to Stage 3	-	(33)	33	-	-
Stage 3 to Stage 1	31	-	(31)	-	-
Stage 3 to Stage 2	-	11	(11)	-	-
Assets derecognized or repaid	(54)	(160)	(990)	-	(1,204)
New assets originated:					
Remained in Stage 1	342	-	-	-	342
Moved to Stages 2 and 3	-	282	885	-	1,167
Write-offs	-	-	(736)	-	(736)
	348	58	(837)	-	(431)
Balance at end of year	558	280	1,187	-	2,025
Credit cards					
Balance at beginning of year	718	310	1,662	-	2,690
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 1	60	(60)	-	-	-
Stage 2 to Stage 3	-	(75)	75	-	-
Stage 3 to Stage 1	53	-	(53)	-	-
Stage 3 to Stage 2	-	40	(40)	-	-
Assets derecognized or repaid	(1,401)	(316)	(398)	-	(2,115)
New assets originated:					
Remained in Stage 1	1,558	-	-	-	1,558
Moved to Stages 2 and 3	-	814	3,779	-	4,593
Write-offs	-	-	(3,075)	-	(3,075)
	168	437	356	-	961
Balance at end of year	886	747	2,018	-	3,651
Balance forwarded	2,367	1,249	11,096	16	14,728

(Amounts in PHP)	Group Stage 1	Stage 2	Stage 3	Purchased credit – impaired	Total
Balance carried forward	2,367	1,249	11,096	16	14,728
*Leasing and finance receivables**					
Balance at beginning of year	26	100	624	-	750
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 2 to Stage 1	1	(1)	-	-	-
Stage 3 to Stage 1	5	-	(5)	-	-
Assets derecognized or repaid	(6)	(32)	(73)	-	(111)
New assets originated:					
Remained in Stage 1	93	-	-	-	93
Moved to Stages 2 and 3	-	134	242	-	376
Write-offs	-	-	(72)	-	(72)
	59	135	92	-	286
Balance at end of year	85	235	716	-	1,036
*Micro and small business loans***					
Balance at beginning of year	1	2	65	-	68
Transfers:				-	
Stage 1 to Stage 2	(1)	1	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(1)	1	-	-
Assets derecognized or repaid	-	-	(9)	-	(9)
New assets originated:					
Remained in Stage 1	-	-	-	-	-
Moved to Stages 2 and 3	-	1	17	-	18
Write-offs	-	-	(9)	-	(9)
	-	(1)	1	-	-
Balance at end of year	1	1	66	-	68
Other receivables					
Balance at beginning of year	128	57	1,238	-	1,423
Transfers:					
Stage 1 to Stage 2	(7)	7	-	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(19)	19	-	-
Assets derecognized or repaid	(3)	(32)	(293)	-	(328)
New assets originated:					
Remained in Stage 1	68	-	-	-	68
Moved to Stages 2 and 3	-	18	382	-	400
	60	(28)	108	-	140
Balance at end of year	188	29	1,346	-	1,563
	2,641	1,514	13,224	16	17,395

	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
(Amounts in PHP)					
2024					
Corporate loans					
Balance at beginning of year	923	222	7,890	-	9,035
Transfers:					
Stage 1 to Stage 2	(8)	8	-	-	-
Stage 1 to Stage 3	(63)	-	63	-	-
Stage 2 to Stage 1	7	(7)	-	-	-
Stage 2 to Stage 3	-	(107)	107	-	-
Stage 3 to Stage 2	-	355	(355)	-	-
Assets derecognized or repaid	(667)	(217)	(38)	-	(922)
New assets originated:					
Remained in Stage 1	764	-	-	-	764
Moved to Stages 2 and 3	-	218	685	-	903
	33	250	462	-	745
Balance at end of year	**956**	**472**	**8,352**	-	**9,780**
Consumer loans					
Balance at beginning of year	558	280	1,187	-	2,025
Transfers:					
Stage 1 to Stage 2	(57)	57	-	-	-
Stage 1 to Stage 3	(139)	-	139	-	-
Stage 2 to Stage 1	130	(130)	-	-	-
Stage 2 to Stage 3	-	(145)	145	-	-
Stage 3 to Stage 2	-	29	(29)	-	-
Assets derecognized or repaid	(149)	(61)	(272)	-	(482)
New assets originated:					
Remained in Stage 1	477	-	-	-	477
Moved to Stages 2 and 3	-	485	607	-	1,092
Write-offs	-	-	(108)	-	(108)
	262	235	482	-	979
Balance at end of year	**820**	**515**	**1,669**	**-**	**3,004**
Credit cards					
Balance at beginning of year	886	747	2,018	-	3,651
Transfers:					
Stage 1 to Stage 2	(40)	40	-	-	-
Stage 1 to Stage 3	(252)	-	252	-	-
Stage 2 to Stage 1	76	(76)	-	-	-
Stage 2 to Stage 3	-	(623)	623	-	-
Stage 3 to Stage 1	50	-	(50)	-	-
Stage 3 to Stage 2	-	51	(51)	-	-
Assets derecognized or repaid	(1,046)	(396)	(524)	-	(1,966)
New assets originated:					
Remained in Stage 1	1,060	-	-	-	1,060
Moved to Stages 2 and 3	-	1,148	5,508	-	6,656
Write-offs			(4,972)	-	(4,972)
	(152)	144	786	-	778
Balance at end of year	**734**	**891**	**2,804**	**-**	**4,429**
Balance forwarded	2,510	1,878	12,825	-	17,213

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
Balance carried forward	2,510	1,878	12,825	-	17,213
Other receivables					
Balance at beginning of year	187	29	1,094	-	1,310
Transfers:					
Stage 1 to Stage 2	(59)	59	-	-	-
Stage 1 to Stage 3	(2)	-	2	-	-
Stage 2 to Stage 1	2	(2)	-	-	-
Stage 2 to Stage 3	-	(44)	44	-	-
Stage 3 to Stage 2	-	26	(26)	-	-
Assets derecognized or repaid	(9)	(39)	(205)	-	(253)
New assets originated:					
Remained in Stage 1	23	-	-	-	23
Moved to Stages 2 and 3	-	52	385	-	437
	(45)	52	200		207
Balance at end of year	**142**	**81**	**1,294**	**-**	**1,517**
	2,652	**1,959**	**14,119**	**-**	**18,730**
(Amounts in PHP)					
2023					
Corporate loans					
Balance at beginning of year	1,607	1,200	5,818	-	8,625
Transfers:					
Stage 1 to Stage 2	(127)	127	-	-	-
Stage 1 to Stage 3	(40)	-	40	-	-
Stage 2 to Stage 1	80	(80)	-	-	-
Stage 2 to Stage 3	-	(1,089)	1,089	-	-
Stage 3 to Stage 1	47	-	(47)	-	-
Stage 3 to Stage 2	-	147	(147)	-	-
Assets derecognized or repaid	(1,244)	(117)	(322)	-	(1,683)
New assets originated:					
Remained in Stage 1	600	-	-	-	600
Moved to Stages 2 and 3	-	34	1,459	-	1,493
	(684)	(978)	2,072	-	410
Balance at end of year	923	222	7,890	-	9,035
Balance forwarded	923	222	7,890	-	9,035

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
Balance carried forward	923	222	7,890	-	9,035
Consumer loans					
Balance at beginning of year	210	222	2,024	-	2,456
Transfers:					
Stage 1 to Stage 2	(31)	31	-	-	-
Stage 1 to Stage 3	(13)	-	13	-	-
Stage 2 to Stage 1	73	(73)	-	-	-
Stage 2 to Stage 3	-	(33)	33	-	-
Stage 3 to Stage 1	31	-	(31)	-	-
Stage 3 to Stage 2	-	11	(11)	-	-
Assets derecognized or repaid	(54)	(160)	(990)	-	(1,204)
New assets originated:					
Remained in Stage 1	342	-	-	-	342
Moved to Stages 2 and 3	-	282	885	-	1,167
Write-offs	-	-	(736)	-	(736)
	348	58	(837)	-	(431)
Balance at end of year	558	280	1,187	-	2,025
Credit cards					
Balance at beginning				-	
of year	718	310	1,662	-	2,690
Transfers:					
Stage 1 to Stage 2	(34)	34	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 1	60	(60)	-	-	-
Stage 2 to Stage 3	-	(75)	75	-	-
Stage 3 to Stage 1	53		(53)	-	-
Stage 3 to Stage 2		40	(40)	-	-
Assets derecognized or repaid	(1,401)	(316)	(398)		(2,115)
New assets originated:					
Remained in Stage 1	1,558			-	1,558
Moved to Stages 2 and 3	-	814	3,779	-	4,593
Write-offs	-	-	(3,075)	-	(3,075)
	168	437	356	-	961
Balance at end of year	886	747	2,018	-	3,651
Other receivables					
Balance at beginning of year	76	52	1,189	-	1,317
Transfers:					
Stage 1 to Stage 2	(10)	10	-	-	-
Stage 1 to Stage 3	(1)	-	1	-	-
Stage 2 to Stage 1	11	(11)	-	-	-
Stage 2 to Stage 3	-	(36)	36	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	1	(1)	-	-
Assets derecognized or repaid	(13)	(4)	(472)	-	(489)
New assets originated:					
Remained in Stage 1	123	-	-	-	123
Moved to Stages 2 and 3	-	17	342	-	359
	111	(23)	(95)	-	(7)
Balance at end of year	187	29	1,094	-	1,310
	2,554	1,278	12,189	-	16,021

Presented below are the composition of allowance for ECL as by loan portfolio (see Note 11):

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Corporate	**9,797**	9,052	**9,780**	9,035
Credit card receivables	**4,429**	3,651	**4,429**	3,651
Consumer	**3,004**	2,025	**3,004**	2,025
Leasing and finance	**993**	1,036	-	-
Microfinance and small business	**93**	68	-	-
Other receivables	**1,814**	1,563	**1,517**	1,310
	20,130	17,395	**18,730**	16,021

b) Investments in debt securities at amortized cost and at FVOCI

	Group			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
(Amounts in PHP)				
Amortized cost				
2024				
Balance at beginning of year	161	-	-	161
Transfer:				
Stage 1 to Stage 2	(2)	2	-	-
Net remeasurement of loss allowance	(39)	-	-	(39)
Balance at end of year	**120**	**2**	**-**	**122**
2023				
Balance at beginning of year	163	-	-	163
Net remeasurement of loss allowance	(2)	-	-	(2)
Balance at end of year	161	-	-	161

	Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
(Amounts in PHP)				
Amortized cost				
2024				
Balance at beginning of year	71	-	-	71
Transfer:				
Stage 1 to Stage 2	(2)	2	-	-
Net remeasurement of loss allowance	(39)	-	-	(39)
Balance at end of year	**30**	**2**	**-**	**32**
2023				
Balance at beginning of year	71	-	-	71
Net remeasurement of loss allowance	-	-	-	-
Balance at end of year	71	-	-	71

(Amounts in PHP)	Group and Parent Company Stage 1	Stage 2	Stage 3	Total
FVOCI				
2024				
Balance at beginning of year	13	-	-	13
Transfer:				
Stage 1 to Stage 2	(2)	2	-	-
Net remeasurement of loss allowance	(7)	8	-	1
Balance at end of year	**4**	**10**	**-**	**14**
2023				
Balance at beginning of year	13	-	-	13
Net remeasurement of loss allowance	-	-	-	-
Balance at end of year	13	-	-	13

c) *Loan commitments*

(Amounts in PHP)	Group and Parent Company Stage 1	Stage 2	Stage 3	Total
2024				
Corporate loans				
Balance at beginning of year	11	-	-	11
Assets derecognized or repaid	(8)	-	-	(8)
New assets originated – Remained in Stage 1	9	-	-	9
	1	-	-	1
Balance at end of year	12	-	-	12
Credit cards				
Balance at beginning of year	293	-	-	293
New assets originated – Remained in Stage 1	65	-	-	65
Balance at end of year	358	-	-	358
	370	**-**	**-**	**370**

(Amounts in PHP)	Group and Parent Company Stage 1	Stage 2	Stage 3	Total
2023				
Corporate loans				
Balance at beginning of year	29	-	-	29
Assets derecognized or repaid	(26)	-	-	(26)
New assets originated – Remained in Stage 1	8	-	-	8
	(18)	-	-	(18)
Balance at end of year	11	-	-	11
Credit cards				
Balance at beginning of year	185	-	-	185
New assets originated – Remained in Stage 1	108	-	-	108
Balance at end of year	293	-	-	293
	304	-	-	304

The information on how the significant changes in the gross carrying amount of the financial instruments contributed to the changes in the amount of allowance for ECL are presented in Note 4.4.9.

4.4.9 Significant Changes in Gross Carrying Amount Affecting Allowance for ECL

The tables in the succeeding pages provide information how the significant changes in the gross carrying amount of financial instruments in 2024 and 2023 contributed to the changes in the allowance for ECL.

a) *Loans and receivables*

	Group				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
(Amounts in PHP)					
2024					
Corporate loans					
Balance at beginning of year	394,872	5,435	13,984	20	414,311
Transfers:					
Stage 1 to Stage 2	(1,256)	1,256	-	-	-
Stage 1 to Stage 3	(3,034)	-	3,034	-	-
Stage 2 to Stage 1	271	(271)	-	-	-
Stage 2 to Stage 3	-	(2,117)	2,117	-	-
Stage 3 to Stage 1	5	-	(5)	-	-
Stage 3 to Stage 2	-	709	(709)	-	-
Assets derecognized or repaid	(228,997)	(1,323)	(1,254)	-	(231,574)
New assets originated:					
Remained in Stage 1	234,110	-	-	-	234,110
Moved to Stages 2 and 3	-	3,594	1,303	-	4,897
	1,099	1,848	4,486	-	7,433
Balance at end of year	**395,971**	**7,283**	**18,470**	**20**	**421,744**
Consumer loans					
Balance at beginning of year	118,194	3,686	6,987	-	128,867
Transfers:					
Stage 1 to Stage 2	(3,409)	3,409	-	-	-
Stage 1 to Stage 3	(2,836)	-	2,836	-	-
Stage 2 to Stage 1	1,123	(1,123)	-	-	-
Stage 2 to Stage 3	-	(1,276)	1,276	-	-
Stage 3 to Stage 2	-	311	(311)	-	-
Assets derecognized or repaid	(6,477)	(428)	(3,499)	-	(10,404)
New assets originated:					
Remained in Stage 1	55,086	-	-	-	55,086
Moved to Stages 2 and 3	-	710	722	-	1,432
Write-offs	-	-	(108)	-	(108)
	43,487	1,603	916	-	46,006
Balance at end of year	**161,681**	**5,289**	**7,903**	**-**	**174,873**
Credit cards					
Balance at beginning of year	70,864	1,247	2,556	-	74,667
Transfers:					
Stage 1 to Stage 2	(1,283)	1,283	-	-	-
Stage 1 to Stage 3	(4,208)	-	4,208	-	-
Stage 2 to Stage 1	144	(144)	-	-	-
Stage 2 to Stage 3	-	(1,053)	1,053	-	-
Stage 3 to Stage 1	68	-	(68)	-	-
Stage 3 to Stage 2	-	64	(64)	-	-
Assets derecognized or repaid	(170,466)	(931)	(779)	-	(172,176)
New assets originated:					
Remained in Stage 1	209,526	-	-	-	209,526
Moved to Stages 2 and 3	-	1,348	2,060	-	3,408
Write-offs	-	-	(4,972)	-	(4,972)
	33,781	567	1,438	-	35,786
Balance at end of year	**104,645**	**1,814**	**3,994**	**-**	**110,453**
Balance carried forward	662,297	14,386	30,367	20	707,070

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit – impaired	Total
(Amounts in PHP)					
Balance carried forward	662,297	14,386	30,367	20	707,070
Leasing and finance receivables*					
Balance at beginning of year	648	1,216	937	-	2,801
Transfers:					
Stage 1 to Stage 2	(44)	44	-	-	-
Stage 1 to Stage 3	(247)	-	247	-	-
Stage 2 to Stage 1	9	(9)	-	-	-
Stage 2 to Stage 3	-	(122)	122	-	-
Stage 3 to Stage 1	2	-	(2)	-	-
Assets derecognized or repaid	(986)	(1,002)	(469)	-	(2,457)
New assets originated:					
Remained in Stage 1	1,769	-	-	-	1,769
Moved to Stages 2 and 3	-	7	302	-	309
Write-offs	-	-	(21)	-	(21)
	503	(1,082)	179	-	(400)
Balance at end of year	**1,151**	**134**	**1,116**	**-**	**2,401**
Micro and small business loans*					
Balance at beginning of year	994	79	203	-	1,276
Transfers:					
Stage 1 to Stage 2	(9)	9	-	-	-
Stage 1 to Stage 3	(22)	-	22	-	-
Stage 2 to Stage 1	16	(16)	-	-	-
Stage 2 to Stage 3	-	(21)	21	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	6	(6)	-	-
Assets derecognized or repaid	(726)	(39)	(63)	-	(828)
New assets originated:					
Remained in Stage 1	638	-	-	-	638
Moved to Stages 2 and 3	-	32	48	-	80
Write-offs	-	-	(3)	-	(3)
	(102)	(29)	18	-	(113)
Balance at end of year	**892**	**50**	**221**	-	**1,163**
Other receivables					
Balance at beginning of year	43,050	344	2,008	-	45,402
Transfers:				-	
Stage 1 to Stage 2	(620)	620		-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 1	26	(26)	-	-	-
Stage 2 to Stage 3	-	(465)	465	-	-
Stage 3 to Stage 1	-	58	(58)	-	-
Assets derecognized or repaid	(3,762)	(517)	(813)	-	(5,092)
New assets originated:					
Remained in Stage 1	10,168	-	-	-	10,168
Moved to Stages 2 and 3	-	869	646	-	1,515
	5,744	539	308	-	6,591
Balance at end of year	**48,794**	**883**	**2,316**	-	**51,993**
	713,134	**15,453**	**34,020**	**20**	**762,627**

(Amounts in PHP)	Group Stage 1	Stage 2	Stage 3	Purchased credit - impaired	Total
2023					
Corporate loans					
Balance at beginning of year	367,413	3,837	9,452	20	380,722
Transfers:					
Stage 1 to Stage 2	(3,371)	3,371	-	-	-
Stage 1 to Stage 3	(794)	-	794	-	-
Stage 2 to Stage 1	472	(472)	-	-	-
Stage 2 to Stage 3	-	(3,113)	3,113	-	-
Stage 3 to Stage 1	105	-	(105)	-	-
Stage 3 to Stage 2	-	293	(293)	-	-
Assets derecognized or repaid	(196,871)	(204)	(769)	-	(197,844)
New assets originated:					
Remained in Stage 1	227,918	-	-	-	227,918
Moved to Stages 2 and 3	-	1,723	2,079	-	3,802
Write-offs	-	-	(287)	-	(287)
	27,459	1,598	4,532	-	33,589
Balance at end of year	394,872	5,435	13,984	20	414,311
Consumer loans					
Balance at beginning of year	89,533	9,361	8,882	-	107,776
Transfers:					
Stage 1 to Stage 2	(2,303)	2,303	-	-	-
Stage 1 to Stage 3	(1,202)	-	1,202	-	-
Stage 2 to Stage 1	6,082	(6,082)	-	-	-
Stage 2 to Stage 3	-	(2,406)	2,406	-	-
Stage 3 to Stage 1	2,505	-	(2,505)	-	-
Stage 3 to Stage 2	-	655	(655)	-	-
Assets derecognized or repaid	(30,895)	(766)	(1,895)	-	(33,556)
New assets originated:					
Remained in Stage 1	54,474	-	-	-	54,474
Moved to Stages 2 and 3	-	621	288	-	909
Write-offs	-	-	(736)	-	(736)
	28,661	(5,675)	(1,895)	-	21,091
Balance at end of year	118,194	3,686	6,987	-	128,867
Credit cards					
Balance at beginning of year	47,713	752	1,915	-	50,380
Transfers:					
Stage 1 to Stage 2	(901)	901	-	-	-
Stage 1 to Stage 3	(1,472)	-	1,472	-	-
Stage 2 to Stage 1	115	(115)	-	-	-
Stage 2 to Stage 3	-	(125)	125	-	-
Stage 3 to Stage 1	69	-	(69)	-	-
Stage 3 to Stage 2	-	46	(46)	-	-
Assets derecognized or repaid	(122,151)	(600)	(547)	-	(123,298)
New assets originated:					
Remained in Stage 1	147,491	-	-	-	147,491
Moved to Stages 2 and 3	-	388	2,781	-	3,169
Write-offs	-	-	(3,075)	-	(3,075)
	23,151	495	641	-	24,287
Balance at end of year	70,864	1,247	2,556	-	74,667
Balance forwarded	583,930	10,368	23,527	20	617,845

	Group				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
Balance carried forward	583,930	10,368	23,527	20	617,845
*Leasing and finance receivables**					
Balance at beginning of year	1,141	1,286	806	-	3,233
Transfers:					
Stage 1 to Stage 2	(472)	472	-	-	-
Stage 2 to Stage 1	14	(14)	-	-	-
Stage 3 to Stage 1	12	-	(12)	-	-
Assets derecognized or repaid	(696)	(934)	(241)	-	(1,871)
New assets originated:					
Remained in Stage 1	649	-	-	-	649
Moved to Stages 2 and 3	-	406	456	-	862
Write-offs	-	-	(72)	-	(72)
	(493)	(70)	131	-	(432)
Balance at end of year	648	1,216	937	-	2,801
*Micro and small business loans***					
Balance at beginning of year	982	67	186	-	1,235
Transfers:				-	
Stage 1 to Stage 2	(29)	29	-	-	-
Stage 1 to Stage 3	(29)	-	29	-	-
Stage 2 to Stage 1	5	(5)	-	-	-
Stage 2 to Stage 3	-	(2)	2	-	-
Stage 3 to Stage 1	1	-	(1)	-	-
Stage 3 to Stage 2	-	8	(8)	-	-
Assets derecognized or repaid	(671)	(46)	(38)	-	(755)
New assets originated:					
Remained in Stage 1	735	-	-	-	735
Moved to Stages 2 and 3	-	28	42	-	70
Write-offs	-		(9)	-	(9)
	12	12	17	-	41
Balance at end of year	994	79	203	-	1,276
Other receivables					
Balance at beginning of year	29,187	494	1,872	-	31,553
Transfers:				-	
Stage 1 to Stage 2	(84)	84		-	-
Stage 1 to Stage 3	(80)	-	80	-	-
Stage 2 to Stage 1	68	(68)	-		-
Stage 2 to Stage 3	-	(246)	246	-	-
Stage 3 to Stage 1	-	21	(21)	-	-
Assets derecognized or repaid	(2,186)	(232)	(693)	-	(3,111)
New assets originated:					
Remained in Stage 1	16,145	-	-	-	16,145
Moved to Stages 2 and 3	-	291	524	-	815
	13,863	(150)	136	-	13,849
Balance at end of year	43,050	344	2,008	-	45,402
	628,622	12,007	26,675	20	667,324

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
2024					
Corporate loans					
Balance at beginning of year	393,983	4,623	13,100	-	411,706
Transfers:					
Stage 1 to Stage 2	(1,213)	1,213	-	-	-
Stage 1 to Stage 3	(2,663)	-	2,663	-	-
Stage 2 to Stage 1	266	(266)	-	-	-
Stage 2 to Stage 3	-	(1,609)	1,609	-	-
Stage 3 to Stage 2	-	709	(709)	-	-
Assets derecognized or repaid	(228,997)	(1,323)	(1,254)	-	(231,574)
New assets originated:					
Remained in Stage 1	233,667	-		-	233,667
Moved to Stages 2 and 3	-	3,870	1,416	-	5,286
	1,060	2,594	3,725	-	7,379
Balance at end of year	**395,043**	**7,217**	**16,825**	-	**419,085**
Consumer loans					
Balance at beginning of year	118,194	3,686	6,987	-	128,867
Transfers:					
Stage 1 to Stage 2	(3,409)	3,409	-	-	-
Stage 1 to Stage 3	(2,836)	-	2,836	-	-
Stage 2 to Stage 1	1,123	(1,123)	-	-	-
Stage 2 to Stage 3	-	(1,276)	1,276	-	-
Stage 3 to Stage 2	-	311	(311)	-	-
Assets derecognized or repaid	(6,477)	(428)	(3,499)	-	(10,404)
New assets originated:					
Remained in Stage 1	55,086		-	-	55,086
Moved to Stages 2 and 3		710	722	-	1,432
Write-offs	-	-	(108)		(108)
	43,487	1,603	916	-	46,006
Balance at end of year	**161,681**	**5,289**	**7,903**	-	**174,873**
Credit cards					
Balance at beginning of year	70,864	1,247	2,556	-	74,667
Transfers:					
Stage 1 to Stage 2	(1,283)	1,283	-	-	-
Stage 1 to Stage 3	(4,208)	-	4,208	-	-
Stage 2 to Stage 1	144	(144)	-	-	-
Stage 2 to Stage 3	-	(1,053)	1,053	-	-
Stage 3 to Stage 1	68	-	(68)	-	-
Stage 3 to Stage 2	-	64	(64)	-	-
Assets derecognized or repaid	(170,466)	(931)	(779)	-	(172,176)
New assets originated:					
Remained in Stage 1	209,526	-	-	-	209,526
Moved to Stages 2 and 3	-	1,348	2,060	-	3,408
Write-offs	-	-	(4,972)	-	(4,972)
	33,781	567	1,438	-	35,786
Balance at end of year	**104,645**	**1,814**	**3,994**	-	**110,453**
Balance forwarded	**661,369**	**14,320**	**28,722**	-	**704,411**

	Parent Company				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**
(Amounts in PHP)					
Balance carried forward	**661,369**	**14,320**	**28,722**	**-**	**704,411**
Other receivables					
Balance at beginning of year	42,401	344	1,717	-	44,462
Transfers:					
Stage 1 to Stage 2	(620)	620	-	-	-
Stage 1 to Stage 3	(68)	-	68	-	-
Stage 2 to Stage 1	26	(26)	-	-	-
Stage 2 to Stage 3	-	(465)	465	-	-
Stage 3 to Stage 1	-	58	(58)	-	-
Assets derecognized or repaid	(3,964)	(517)	(813)	-	(5,294)
New assets originated:					
Remained in Stage 1	10,166	-	-	-	10,166
Moved to Stages 2 and 3	-	869	647	-	1,516
	5,540	539	309	-	6,388
Balance at end of year	**47,941**	**883**	**2,026**	**-**	**50,850**
	709,310	**15,203**	**30,748**	**-**	**755,261**
2023					
Corporate loans					
Balance at beginning of year	364,131	3,837	9,452	-	377,420
Transfers:					
Stage 1 to Stage 2	(3,371)	3,371	-	-	-
Stage 1 to Stage 3	(787)	-	787	-	-
Stage 2 to Stage 1	434	(434)	-	-	-
Stage 2 to Stage 3	-	(3,113)	3,113	-	-
Stage 3 to Stage 1	94	-	(94)	-	-
Stage 3 to Stage 2	-	293	(293)	-	-
Assets derecognized or repaid	(194,253)	(202)	(1,042)	-	(195,497)
New assets originated:					
Remained in Stage 1	227,735	-	-	-	227,735
Moved to Stages 2 and 3	-	871	1,177	-	2,048
	29,852	786	3,648	-	34,286
Balance at end of year	393,983	4,623	13,100	-	411,706
Balance Forwarded	393,983	4,623	13,100	-	411,706

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit – impaired	Total
(Amounts in PHP)					
Balance carried forward	393,983	4,623	13,100	-	411,706
Consumer loans					
Balance at beginning of year	89,533	9,361	8,882	-	107,776
Transfers:					
Stage 1 to Stage 2	(2,303)	2,303	-	-	-
Stage 1 to Stage 3	(1,202)	-	1,202	-	-
Stage 2 to Stage 1	6,082	(6,082)	-	-	-
Stage 2 to Stage 3	-	(2,406)	2,406	-	-
Stage 3 to Stage 1	2,505	-	(2,505)	-	-
Stage 3 to Stage 2	-	655	(655)	-	-
Assets derecognized or repaid	(30,895)	(766)	(1,895)	-	(33,556)
New assets originated:					
Remained in Stage 1	54,474	-	-	-	54,474
Moved to Stages 2 and 3	-	621	288	-	909
Write-offs	-	-	(736)	-	(736)
	28,661	(5,675)	(1,895)	-	21,091
Balance at end of year	118,194	3,686	6,987	-	128,867
Credit cards					
Balance at beginning of year	47,713	752	1,915	-	50,380
Transfers:					
Stage 1 to Stage 2	(901)	901	-	-	-
Stage 1 to Stage 3	(1,472)	-	1,472	-	-
Stage 2 to Stage 1	115	(115)	-	-	-
Stage 2 to Stage 3	-	(125)	125	-	-
Stage 3 to Stage 1	69	-	(69)	-	-
Stage 3 to Stage 2	-	46	(46)	-	-
Assets derecognized or repaid	(122,151)	(600)	(547)	-	(123,298)
New assets originated:					
Remained in Stage 1	147,491	-	-	-	147,491
Moved to Stages 2 and 3	-	388	2,781	-	3,169
Write-offs	-	-	(3,075)	-	(3,075)
	23,151	495	641	-	24,287
Balance at end of year	70,864	1,247	2,556	-	74,667
Balance forwarded	583,041	9,556	22,643	-	615,240

	Parent Company				
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
(Amounts in PHP)					
Balance carried forward	583,041	9,556	22,643	-	615,240
Other receivables					
Balance at beginning of year	28,589	461	1,676	-	30,726
Transfers:					
Stage 1 to Stage 2	(126)	126	-	-	-
Stage 1 to Stage 3	(92)	-	92	-	-
Stage 2 to Stage 1	96	(96)	-	-	-
Stage 2 to Stage 3	-	(293)	293	-	-
Stage 3 to Stage 1	3	-	(3)	-	-
Stage 3 to Stage 2	-	168	(168)	-	-
Assets derecognized or repaid	(2,573)	(232)	(825)	-	(3,630)
New assets originated:					
Remained in Stage 1	16,504	-	-	-	16,504
Moved to Stages 2 and 3	-	210	652	-	862
	13,812	(117)	41	-	13,736
Balance at end of year	42,401	344	1,717	-	44,462
	625,442	9,900	24,360	-	659,702

The amounts of "Transfers to" include the changes in the ECL on the exposures transferred from one stage to another during the year.

The Group's receivables arising from salary loans are generally fully recoverable as those are collected through salary deductions, except for those receivables from resigned employees which were provided with full ECL allowance.

b) *Investment in debt securities at amortized cost and at FVOCI*

	Group		**Parent Company**	
	HTC	**FVOCI**	**HTC**	**FVOCI**
(Amounts in PHP)				
2024				
Balance at beginning of year	236,688	78,533	235,803	78,417
Assets purchased	26,330	391,742	24,245	391,718
Assets derecognized	(2,674)	(315,409)	(629)	(315,386)
Fair value loss	-	(378)	-	(373)
Balance at end of year	**260,344**	**154,488**	**259,419**	**154,376**
2023				
Balance at beginning of year	252,545	111,314	251,399	111,205
Assets purchased	16,099	442,380	14,092	442,360
Assets derecognized	(31,956)	(476,584)	(29,688)	(476,576)
Fair value gain	-	1,423	-	1,428
	236,688	78,533	235,803	78,417

c) *Loan Commitments*

(Amounts in PHP)	Group and Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
2024				
Corporate loans				
Balance at beginning of year	8,282	3	-	8,285
Transfer:				
Stage 1 to Stage 2	(5)	5	-	-
Assets derecognized or repaid	(6,417)	-	-	(6,417)
New assets originated:				
Remained in Stage 1	5,139	-	-	5,139
Moved to Stage 2	-	2	-	2
Balance at end of year	6,999	10	-	7,009
Credit cards				
Balance at beginning of year	23,718	-	-	23,718
New assets originated –				
Remained in Stage 1	6,928	-	-	6,928
	6,928	-	-	6,928
Balance at end of year	30,646	-	-	30,646
	37,645	10	-	37,655

(Amounts in PHP)	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2023				
Corporate loans				
Balance at beginning of year	8,930	-	-	8,930
Assets derecognized or repaid	(7,043)	-	-	(7,043)
New assets originated –				
Remained in Stage 1	6,395	-	-	6,395
Moved to Stage 2	-	3	-	3
Balance at end of year	8,282	3	-	8,285
Credit Cards				
Balance at beginning of year	9,607	-	-	9,607
New assets originated –				
Remained in Stage 1	14,111	-	-	14,111
Balance at end of year	23,718	-	-	23,718
	32,000	3	-	32,003

4.4.10 Collateral Held as Security and Other Credit Enhancements

The Group holds collateral against loans and advances to customers in the form of hold-out deposits, real estate mortgage, standby letters of credit or bank guaranty, government guaranty, chattel mortgage, assignment of receivables, pledge of equity securities, personal and corporate guaranty and other forms of security. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are generally updated annually.

Generally, collateral is not held over loans and advances to other banks, except when securities are held as part of reverse repurchase and securities borrowing arrangements. Collateral is not usually held against trading and investment securities, and no such collateral was held as of December 31, 2024 and 2023.

The estimated fair value of collateral and other security enhancements held against the loan portfolio as of December 31 are presented below.

	Group			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
(Amounts in PHP)				
2024				
Real properties	149,001	6,473	10,336	165,810
Chattel	78,222	3,405	5,996	87,623
Hold-out deposits	4,401	7	28	4,436
Equity securities	6,570	270	248	7,088
Others	353,287	1,927	14,647	369,861
	591,481	**12,082**	**31,255**	**634,818**
2023				
Real properties	143,141	4,320	9,761	157,222
Chattel	139,159	3,287	5,297	147,743
Hold-out deposits	6,890	9	10	6,909
Equity securities	6,121	9	248	6,378
Others	185,498	2,493	10,874	198,865
	480,809	10,118	26,190	517,117

	Parent Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
(Amounts in PHP)				
2024				
Real properties	145,607	6,389	9,576	161,572
Chattel	77,029	3,245	4,785	85,059
Hold-out deposits	4,338	5	21	4,364
Equity securities	6,570	270	248	7,088
Others	351,424	1,691	13,795	366,910
	584,968	**11,600**	**28,425**	**624,993**
2023				
Real properties	137,841	3,996	9,471	151,308
Chattel	136,681	2,903	3,700	143,284
Hold-out deposits	6,797	6	4	6,807
Equity securities	6,121	9	248	6,378
Others	182,520	2,324	9,887	194,731
	469,960	9,238	23,310	502,508

The Group and the Parent Company have recognized certain properties arising from foreclosures in settlement of loan account amounting to P972 and P891, respectively, in 2024 and P675 and P614, respectively, in 2023.

The Group and the Parent Company's manner of disposing the collateral for impaired loans and receivables is normally through sale of these assets after foreclosure proceedings have taken place. The Group and the Parent Company do not generally use the non-cash collateral for its own operations.

There were no changes in the Group and the Parent Company's collateral policies in 2024 and 2023, except for the cessation of accepting dacion in payment in 2024 as a result of the Parent Company's change in ownership structure (see Note 1.1).

4.4.11 Modifications of Financial Assets

(a) Financial Reliefs Provided by the Group

In certain cases, the Group modifies the terms of the loans provided to the borrowers due to commercial renegotiations, or for distressed loans, with a view of maximizing recovery of the contractual amount of obligation that the Group is owed to. Restructuring policies and practices are based on indicators or criteria which, in the management's judgment, indicate that payment will most likely continue. Such policies are continuously reviewed and updated as necessary. Restructuring is most commonly applied to term or corporate loans.

The outstanding balance of loans modified under the Bank's restructuring programs in 2024 and 2023 amounted to P22,638 and P24,424, respectively, for the Group, and P21,678 and P23,429, respectively for the Parent Company.

The following tables provide a summary of the outstanding balance of modified loans resulting from the financial reliefs provided by the Group as of December 31:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Stage 1 (Performing)				
Corporate	**5,696**	9,463	**5,696**	9,463
Consumer	**2,956**	4,062	**2,956**	4,062
Credit card	**1,169**	958	**1,169**	958
Leasing and finance	**73**	437	-	-
Microfinance and small business	**8**	9	-	-
	9,902	14,929	**9,821**	14,483
Stage 2 (Underperforming)				
Corporate	**4,205**	2,227	**4,205**	2,227
Consumer	**789**	992	**789**	992
Credit card	-	-	-	-
Leasing and finance	**5**	156	-	-
Microfinance and small business	**10**	21	-	-
	5,009	3,396	**4,994**	3,219

	Group		Parent Company	
	2024	2023	**2024**	2023
Stage 3 (Nonperforming)				
Corporate	**4,930**	3,533	**4,930**	3,533
Consumer	**1,829**	2,115	**1,829**	2,115
Credit card	**104**	79	**104**	79
Leasing and finance	**777**	279	-	-
Microfinance and small business	**87**	93	-	-
	7,727	6,099	**6,863**	5,727

(b) Assessment of SICR

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the performance of the financial asset subsequent to its modification.

The Group may determine that the credit risk has significantly improved after restructuring (in accordance with the new terms for six consecutive months or more), so that the assets are moved from Stage 3 or Stage 2.

The Group continues to monitor if there is a subsequent SICR in relation to such modified assets through the use of specific models for modified assets.

4.4.12 Write-offs

The Group and the Parent Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset.

Indicators that there is no reasonable expectation of recovery include: cessation of enforcement activity; and, where the Group and Parent Company's recovery method is through foreclosure of collateral and the value of the collateral is less than the outstanding contractual amounts of the financial assets to be written-off.

The Group and Parent Company may write off financial assets that are still subject to enforcement activity. The outstanding amounts of such assets written off in 2024 and 2023 amounted to P5,104 and P4,179, respectively, for the Group, and P5,080 and P3,811, respectively, for the Parent Company. The Group and the Parent Company still seek to recover amounts legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

4.4.13 Credit Risk Stress Test

To enhance the assessment of credit risk, the Group adopted a credit risk stress testing framework using break-even sales and cash flow debt service to determine a borrower's vulnerability and ultimately impact to the Group's capital adequacy. The Parent Company adopted a portfolio credit risk testing framework that takes into consideration the causal relationships among industry sectors.

4.4.14 Analysis on ECL Measurement

Set out below are the changes to the Group's ECL as of December 31, 2024 and 2023 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions:

	Change in MEVs		**Impact on ECL**	
	Upside Scenario	**Downside Scenario**	**Upside Scenario**	**Downside Scenario**
(Amounts in PHP)				
2024				
Credit card receivables			**(5,498)**	**6,334**
GDP	**+ 7.00%**	**- 0.50%**		
CPI	**- 131.3**	**+ 138.36**		
Unemployment rate	**- 1.00%**	**+ 12.00%**		
Corporate loans			**(310)**	**101**
Inflation rate	**- 0.50%**	**+ 5.00%**		
91D TD bill	**- 0.50%**	**+ 5.00%**		
Consumer loans:				
Salary loans			**(319)**	**786**
Unemployment rate	**- 1.00%**	**+ 12.00%**		
USD-Php exchange rate	**- 55.50**	**+ 69.00**		
Inflation rate	**-2.20%**	**+ 7.70%**		
Bank lending rate	**-5.65%**	**+ 11.15%**		
Housing loans			**(14)**	**78**
GDP	**+ 7.00%**	**- 0.50%**		
CPI	**- 131.3**	**+ 138.36**		
Unemployment rate	**- 3.00%**	**+ 8.00%**		
Auto loans			**(14)**	**251**
GDP	**+ 7.00%**	**- 0.50%**		
CPI	**- 131.3**	**+ 138.36**		
Unemployment rate	**- 3.00%**	**+ 8.00%**		
Personal loans			**(442)**	**665**
GDP	**+ 7.00%**	**- 0.50%**		
CPI	**- 131.3**	**+ 138.36**		
Unemployment rate	**- 1.00%**	**+ 12.00%**		

	Change in MEVs		Impact on ECL	
	Upside Scenario	Downside Scenario	Upside Scenario	Downside Scenario
(Amount in PHP)				
2023				
Credit card receivables			(3,748)	4,372
GDP	+ 7.00%	- 0.50%		
CPI	- 123.70	+ 124.30		
Unemployment rate	- 2.00%	+ 12.00%		
Corporate loans			(234)	197
Inflation rate	- 0.50%	+ 5.00%		
91D TD bill	- 0.50%	+ 5.00%		
Consumer loans:				
Salary loans			(128)	303
Unemployment rate	- 2.00%	+ 12.00%		
USD-Php exchange rate	- 52.50	+ 66.00		
Inflation rate	-3.60%	+ 9.10%		
Bank lending rate	-5.70%	+ 11.20%		
Housing loans			(505)	564
GDP	+ 7.00%	- 0.50%		
CPI	- 124.30	+ 130.27		
Unemployment rate	- 4.00%	+ 12.00%		
Auto loans			(971)	1,164
GDP	+ 7.00%	- 0.50%		
CPI	- 124.30	+ 130.27		
Unemployment rate	- 4.00%	+ 12.00%		
Personal loans			(122)	145
GDP	+ 7.00%	- 0.50%		
CPI	- 123.70	+ 124.30		
Unemployment rate	- 2.00%	+ 12.00%		

4.5 Operational Risk

Operational risks are risks arising from the potential inadequate information systems and systems, operations or transactional problems (relating to service or product delivery), breaches in internal controls, fraud, or unforeseen catastrophes that may result in unexpected loss. Operational risks include the risk of loss arising from various types of human or technical error, settlement or payments failures, business interruption, administrative and legal risks, and the risk arising from systems not performing adequately.

The Operational Risk Management Division (ORMD) assists management in meeting its responsibility to understand and manage operational risk exposures and to ensure consistent application of operational risk management tools across the Group.

The ORMD applies a number of techniques to efficiently manage operational risks. Among these are as follows:

- Each major business line has an embedded designated Deputy Operational Risk Officer (DORO) who acts as a point person for the implementation of various operational risk tools. The DOROs attend quarterly DORO forums conducted by the ORMD to keep them up-to-date with different operational risk issues, challenges and initiatives;

- With ORMD's bottom up Risk Control Self-Assessment (RCSA) process, which is conducted at least annually, material operational processes and controls are assessed and examined to the Bank's overall risks and controls. The result of said self-assessment exercise also serves as one of the inputs in identifying specific key risk indicators (KRIs) and Control Sample Tests (CSTs);

- KRIs are used to monitor the operational risk profile of the Group and of each business unit, and alert management of impending problems in a timely fashion;

- CSTs is for the business units to self-assure against key process controls, effective implementation and execution of controls in its day-to-day activities. CSTs are conducted periodically to detect control failures and address any process weaknesses in a timely manner before control failures can be systemic.

- Internal loss information is collected, reported, and utilized to model operational risk; and,

- The ORMD, as part of the clearing house, reviews product and operating manuals, policies, procedures and circulars, thus allowing the embedding of desired operational risk management practices in all business units.

Operational Risk Management, as it relates to capital adequacy, is currently under Basic Indicator Approach (see Note 5.2).

The Group has an institutional Business Continuity Plan (BCP) based on several crisis severity levels which is tested at least annually and updated for any major changes in systems and procedures. Central to the Group's BCP is a disaster recovery plan to address the continued functioning of systems, recovery of critical data, and contingency processing requirements in the event of a disaster.

4.5.1 Reputation Risk

Reputation risk is the risk to earnings, capital and liquidity arising from negative public opinion. This affects the Group's ability to establish new relationships or services, or to continue servicing existing relationships. This risk can expose the Group to litigation, financial loss, or damage to its reputation. Reputation risk arises whenever technology-based banking products, services, delivery channels, or processes may generate adverse public opinion such that it seriously affects the Group's earnings or impairs its capital. This risk is present in activities such as asset management and regulatory compliance.

The RCBC Group has very low tolerance for engaging in any business activity where foreseeable reputational risk or damage has not been considered and/or mitigated. The Group shall protect its reputation to ensure that there is no material damage to the Group.

The management of reputational risk in the Bank is guided by its Reputational Risk Management Framework in accordance with BSP Circular 1114. The Bank's Reputational Risk Management Framework (RRMF) is in place in order to have an enterprise-wide approach and scope of implementation, beyond the assessment of reputational risk that is focused on customer complaints. While growth is projected to emanate from various drivers, the Bank recognizes that potential failure in the same ushers in a potential damage to reputation.

4.5.2 Legal Risk and Regulatory Risk Management

Changes in laws and regulations and fiscal policies could adversely affect the Group's operations and financial reporting. In addition, the Group faces legal risks in enforcing its rights under its loan agreements, such as foreclosing of collateral. Legal risk is higher in new areas of business where the law remains untested by the courts. The Group uses a legal review process as the primary control mechanism for legal risk. Such a legal review aims to verify and validate the existence, genuineness and due execution of legal documents, and verify the capacity and authority of counterparties and customers to enter into transactions. In addition, the Group seeks to minimize its legal risk by using stringent legal documentation, imposing certain requirements designed to ensure that transactions are properly authorized, and consulting internal and external legal advisors.

Regulatory risk refers to the potential for the Group to suffer financial loss due to mid-stream changes in regulatory regime affecting current position and/or strategy. Compliance Risk is the risk of loss resulting from failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities.

The Group's Compliance Program, the design and implementation of which is overseen and coordinated by the Chief Compliance Officer (CCO), is the primary control process for regulatory and compliance risk issues. The CCO is committed to safeguard the integrity of the Group by maintaining a high level of regulatory compliance. It is responsible for communicating and disseminating new rules and regulations to all units, assessing and addressing identified compliance issues, performing periodic compliance testing an, and reporting compliance findings to the ACC and the BOD.

4.6 Anti-Money Laundering Controls

The AMLA or RA No. 9160 was passed in September 2001. It was subsequently amended by RA No. 9194, RA No. 10167, and RA No. 10365, R.A.11521 in March 2003, June 2012 and February 2021, respectively. Together with the Terrorism Financing Prevention and Suppression Act (TFPSA) which was passed in June 2012 by virtue of RA No. 10168, and Anti-Terrorism Act of 2020 or R.A. 11479 these laws provide the regulatory framework for the Philippine Anti-Money Laundering and Terrorist Financing Prevention regulations. The Anti-Money Laundering Council is the financial intelligence unit tasked to implement AMLA, as amended. It is also the government agency that issues implementing guidelines to the AMLA and the TFPSA.

RCBC, as a BSP-supervised covered person, is subject to the Anti-Money Laundering and Combatting the Financing of Terrorism Regulations under Part Nine of the Manual of Regulations for Banks (MORB). Recent amendments to the said regulations were covered by BSP Circular Nos. 950 and 1022.

RCBC's Anti-Money Laundering and Terrorism Financing Prevention Program (MTPP) is aligned with the foregoing laws, rules, and regulations, and follows a risk-based approach in identifying, assessing, and mitigating money laundering, terrorist financing, and proliferation financing risks. It includes the policies, procedures, and controls that are designed to prevent, detect, and deter money laundering and terrorist financing, proliferation financing, and other financial crimes.

Some of these controls include the following:

- Delineation of the sales and the service functions of the first line of defense. The Sales function is focused on marketing and sales, relationship management, cross-selling, credit-related matters and documentation, and loan-related referrals and documentation; while the Service function is focused on BC operations such as: (a) customer servicing, which includes know your customer (KYC) and account opening, account maintenance and tellering, cash and vault management and ATM servicing, (b) BC administration, (c) customer experience management such as inquiries, feedback, and problem resolution, and (d) compliance and audit.

- The Group also created middle offices under the Branch Operations and Control Segment, comprised of Middle Office Support Division (MOSD) and Branch Control Division (BCD), tasked to review and validate KYC documents. The MOSD ensures the uniqueness of Customer Information Files and accuracy of information captured in the Customer Relationship Management(CRM). It also reviews the completeness of account opening documents. The BCD, on the other hand, ensures the proper implementation of KYC, the performance of independent enhanced due diligence based on customer risk profile, and monitoring adherence of BCs to standard operating procedures. It also acts as the additional control layer to track exceptions and decides on dispositions, recommends sanctions or additional trainings for BCs, and recommends process improvements. The key processes of the BCD are KYC, exceptions reporting, and quality assurance.

- Use of technology in automating compliance activities such as client risk profiling, watch list and sanctions screening, transaction monitoring, and regulatory reporting. The Bank has also initiated the use of proactive compliance analytics and investigation to gain more actionable insights and typologies. As recent updates, the Bank has enhanced its sanctions policy to ensure the prohibition of dealing with "designated" individuals or entities. It has updated its policy regulating the onboarding and monitoring of transactions with Designated-Non Financial Businesses and Professions (DNFBPs) customers.

For the controls to remain effective, the RCBC Group assesses its key exposures to ML (money laundering)/TF (terrorist financing)/PF (proliferation financing) risks by performing an Institutional ML/TF/PF Risk Assessment (IRA) focusing on evaluating the inherent ML/TF/PF risks presented by the Bank's business activities and the controls in place to mitigate the inherent ML/TF/PF risks so as to determine the overall residual risks. The institutional risk assessment is conducted at least once every two (2) years, or as often as the Board or senior management may direct, depending on the level of risks identified in the previous risk assessment, or other relevant AML/Countering Financing of Terrorism developments that may have an impact on the covered person's operations.

4.7 Impact of London Interbank Offered Rate (LIBOR) Reform

In 2022 and 2023, the Group has transitioned its LIBOR contracts which includes swaps that were transitioned under the International Swaps and Derivatives Association (ISDA) protocols.

The Group utilizes the Interbank Offered Rates (IBOR) Fallback Rates from Bloomberg for legacy deals while Overnight Index Swap (OIS) Rates as specified in the ISDA protocols are used for normal Interest Rate Swaps since LIBOR cessation in June 2023.

The Group adopted CME Term SOFR for new loans beginning 2022. Loan documentations were reviewed for consistency with the new benchmark. As of July 2023, the necessary updates to internal systems and processes have been implemented.

5. CAPITAL MANAGEMENT

5.1 Regulatory Capital

The Group's lead regulator, the BSP, sets and monitors the capital requirements of the Group.

In implementing the current capital requirements, the BSP requires the Group to maintain a prescribed ratio of qualifying regulatory capital to total risk-weighted assets including market risk and operational risk computed based on BSP-prescribed formula provided under its circulars.

On January 15, 2013, the BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. Circular No. 781 is effective on January 1, 2014.

The BSP has adopted the Basel III risk-based capital adequacy framework effective January 1, 2014, which requires the Group to maintain at all times the following:

(a) Common Equity Tier 1 (CET1) of at least 6.0% of risk-weighted assets;
(b) Tier 1 Capital of at least 7.5% of risk-weighted assets;
(c) Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets; and,
(d) Capital Conservation Buffer of 2.5% of risk-weighted assets, comprised of CET1 Capital.

Under the relevant provisions of the current BSP regulations, the required minimum capitalization for the Parent Company, Rizal Microbank, RCBC Capital and RCBC LFC is P20,000, P400, P300 and P300, respectively.

In computing for the capital adequacy ratio (CAR), the regulatory qualifying capital is analyzed into two tiers which are: (i) Tier 1 Capital comprised of CET1 and Additional Tier 1 (AT1) capital, and, (ii) Tier 2 Capital, defined as follows and are subject to deductions as defined in relevant regulations:

(a) CET1 Capital includes the following:

(i) paid-up common stock;
(ii) common stock dividends distributable;
(iii) additional paid-in capital;
(iv) deposit for common stock subscription;
(v) retained earnings;

(vi) undivided profits;
(vii) other comprehensive income from net unrealized gains or losses on financial assets at FVOCI and cumulative foreign currency translation; and,
(viii) minority interest in subsidiary banks which are less than wholly-owned, subject to regulatory conditions.

(b) AT1 Capital includes:

(i) instruments that do not qualify as CET1, but meet the criteria set out in Annex B of BSP Circular No. 781;
(ii) financial liabilities meeting loss absorbency requirements set out in Annex E of BSP Circular No. 781;
(iii) financial liabilities bearing loss absorbency features at point of non-viability as set out in Annex F of BSP Circular No. 781;
(iv) additional paid-in capital resulting from issuance of AT1 capital;
(v) deposit for subscription to AT1 instruments; and,
(vi) minority interest in subsidiary banks which are less than wholly-owned, subject to regulatory conditions.

(c) Tier 2 Capital includes:

(i) instruments issued that are not qualified as Tier 1 capital but meet the criteria set forth in Annex C of BSP Circular No. 781;
(ii) financial liabilities bearing loss absorbency features at point of non-viability as set out in Annex F of BSP Circular No. 781;
(iii) deposit for subscription of Tier 2 capital;
(iv) appraisal increment reserve on bank premises, as authorized by the Monetary Board (MB) of the BSP;
(v) general loan loss provisions; and,
(vi) minority interest in subsidiary banks that are less than wholly-owned, subject to regulatory conditions.

In the calculation of Risk-based CAR, the total Qualifying Capital is expressed as a percentage of Total Risk-Weighted Assets based on book exposures, where Risk Weighted Assets is composed of Credit Risk, Market Risk and Operational Risk, net of specific provisions and exposures covered by CRM.

Banking book exposures shall be risk-weighted based on third party credit assessment of the individual exposure given by eligible external credit institutions and the corresponding external credit assessment are mapped with the corresponding risk weights following the Standardized Credit Risk Weights table as provided under BSP Circular No. 538, *Revised Risk-Based Capital Adequacy Framework*.

BSP Circular No. 856, *Implementing Guidelines on the Framework for Dealing with Domestic Systemically Important Banks under Basel III*, covers the implementing guidelines on the framework for dealing with domestic systemically important banks (D-SIBs) in accordance with the Basel III standards. Banks identified as D-SIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement was phased-in starting January 1, 2017, with full compliance on January 1, 2019.

The Group and Parent Company's regulatory capital position based on the Basel III risk-based capital adequacy framework as reported to the BSP follows:

(Amounts in PHP)	**Group**	**Parent Company**
2024:		
Tier 1 Capital		
CET 1	118,685	114,963
AT1	14,465	14,465
	133,150	129,428
Tier 2 Capital	7,921	7,830
Total Qualifying Capital	**141,071**	**137,258**
Total Risk – Weighted Assets	**877,395**	**865,397**
Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	**16.08%**	**15.86%**
Tier 1 Capital Ratio	**15.18%**	**14.96%**
Total CET 1 Ratio	**13.53%**	**13.28%**
2023:		
Tier 1 Capital		
CET 1	115,046	111,616
AT1	14,466	14,466
	129,512	126,082
Tier 2 Capital	6,586	6,522
Total Qualifying Capital	136,098	132,604
Total Risk – Weighted Assets	783,300	771,479
Capital ratios:		
Total qualifying capital expressed as a percentage of total risk-weighted assets	17.37%	17.19%
Tier 1 Capital Ratio	16.53%	16.34%
Total CET 1 Ratio	14.69%	14.47%

5.2 Internal Capital Adequacy Assessment and Pillar 2 Risk-Weighted Assets

In January 2009, the BSP issued Circular No. 639 on the ICAAP and Supervisory Review Process covering universal and commercial banks on a group-wide basis. As a supplement to BSP Circular No. 538 on the Risk-Based Capital Adequacy Framework, ICAAP sets out the following principles:

(a) Banks must have a process for assessing capital adequacy relative to their risk profile, operating environment, and strategic/business plans;

(b) The Bank's ICAAP is the responsibility of the BOD, must be properly documented and approved and with policies and methodologies integrated into banking operations;

(c) The Bank's ICAAP should address other material risks – Pillar 2 risks – in addition to those covered by Pillar 1, with risk measurement methodologies linked to the assessment of corresponding capital requirement both on a BAU and stressed scenario;

(d) The minimum CAR prescribed by the BSP after accounting for Pillar 1 and other risks is retained at 10%; and,

(e) The Bank's ICAAP document must be submitted to the BSP every March 31 of each year.

The Group identified the following Pillar 2 risks as material to its operations, and consequently set out methodologies to quantify the level of capital that it must hold.

(a) *Credit Risk Concentration* – The Group has so far limited its analysis to credit risk concentration arising from the uneven sector distribution of the Group's credit exposures. Aside from using a simplified application of the HHI, concentration is estimated using the CCI. The capital charge is estimated by calculating the change in the Economic Capital (EC) requirement of the credit portfolio as an effect of credit deterioration in the largest industry exposure.

(b) *IRRBB* – It is the current and prospective negative impact on earnings and capital arising from interest rate shifts. The Group IRRBB estimates as its NII-at-risk, and accordingly deducts the same from regulatory qualifying capital. Stressed IRRBB is calculated by applying the highest observed market volatilities over a determined timeframe.

(c) *Liquidity Risk* – The Group estimates its liquidity risk under BAU scenario using standard gap analysis. Stressed liquidity risk on the other hand assumes a repeat of a historical liquidity stress, and estimates the impact if the Group were to partially defend its deposits and partially pay-off by drawing from its reserve of liquid assets.

(d) *IT Risk* – It is the current and prospective negative impact to earnings arising from failure of IT systems and realization of cyber security threats. The Group treats this risk as forming part of Operational Risk.

(e) *Compliance Risk* – It is the current and prospective negative impact on earnings and capital arising from violation of laws, regulations, ethical standards, and the like. For BAU scenario, the Group estimates compliance risk charge from historical fines and penalties as the worst-case loss determined via a frequency-severity analysis of each penalty type. The resulting compliance risk charge calculation is likewise directly deducted from earnings.

(f) *Strategic Business Risk* – It is the current and prospective negative impact on earnings and capital arising from adverse business decisions, improper implementation, and failure to respond to industry changes. The Group treats strategic business risk as a catch-all risk, and expresses its estimate as a cap on additional risk-weighted assets given other risks and the desired level of capital adequacy. The Group maintains that the assessment of strategic risk is embedded in the budget of the Group. Its capital impact therefore on a BAU case is already expressed in the amount of risk projected to be taken on in the forecast years. However, the Group does recognize the need to set up processes that would enable to put a number to the risk incurred by going into specific strategies.

(g) *Reputation Risk* – From the adoption of a theoretical measure, the Group amended its approach to reputation risk in 2011 by adopting instead a reputation risk monitoring and reporting process, run primarily by its Marketing Committee. The measurement of reputation risk under stress is folded into the Group's assessment of stressed liquidity risk.

5.3 Basel III Leverage Ratio

BSP issued Circular No. 881, *Implementing Guidelines on the Basel III Leverage Ratio Framework*, which provides the implementing guidelines on the leverage ratio framework designed to act as a supplementary measure to the risk-based capital requirements. It sets out a minimum leverage ratio of 5.00% on a solo and consolidated basis and shall be complied with at all times. The monitoring period has been set every quarter starting December 31, 2014 and extended until June 30, 2018 per BSP Circular No. 990, *Amendments to the Basel III Leverage Ratio Framework*, issued on January 22, 2018. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The Basel III leverage ratio intends to restrict the build-up of leverage to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the ratio of capital measure (Tier 1 Capital) and the exposure measure. Exposure measure includes: on-balance sheet exposures, securities financing transactions exposures and off-balance sheet.

The Group and Parent Company's Basel III leverage ratio as reported to the BSP are as follows:

(Amounts in PHP)	**Group**	**Parent Company**
2024:		
Tier 1 Capital	**133,150**	**129,428**
Exposure measure	**1,492,891**	**1,481,740**
	8.92%	**8.73%**
2023:		
Tier 1 Capital	129,512	126,082
Exposure measure	1,326,242	1,314,888
	9.77%	9.59%

5.4 Liquidity Coverage Ratio and Net Stable Funding Ratio

On March 10, 2016, the BSP issued Circular No. 905, *Implementation of Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio and Disclosure Standards*, which provides the implementing guidelines on liquidity coverage ratio (LCR) and disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets to total net cash outflows, which should not be lower than 100.00%.

To promote the short-term resilience of the liquidity risk profile, the Bank maintains adequate stock of unencumbered high-quality liquid assets (HQLAs) that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. The stock of liquid assets should enable the Bank to withstand significant liquidity shocks for at least 30 calendar days, which would give time for corrective actions to be taken by the Bank management and/or the BSP. Details of the Group's and Parent Company's LCR are summarized below.

	Group		**Parent Company**	
	Total Unweighted Value	**Total Weighted Value**	**Total Unweighted Value**	**Total Weighted Value**
(Amounts in PHP)				
December 31, 2024				
Total stock of HQLA	**447,599**	**440,035**	**444,607**	**437,289**
Expected Net Cash Outflows*	**1,859,531**	**267,132**	**1,860,122**	**267,655**
Liquidity Coverage Ratio		**164.73%**		**163.38%**
December 31, 2023				
Total stock of HQLA	445,894	437,927	443,228	435,553
Expected Net Cash Outflows*	1,459,085	256,891	1,460,162	257,561
Liquidity Coverage Ratio		170.47%		169.11%

**Includes Restricted Term Deposits and Deposits pledged as collateral or under hold-out arrangements*

Net Stable Funding Ratio (NSFR), as detailed in BSP Circular No. 1007, *Implementing Guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio*, measures the availability of medium and long-term stable funding to support illiquid assets and business activities on an on-going basis. It is an assessment of the level of sustainable funding required to reduce funding risk over a one-year time horizon. The NSFR complements the LCR, which promotes short-term resilience of the Group's liquidity profile.

To promote long-term resilience against liquidity risk, the Group maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and seeks to meet this objective by limiting overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

Details of the Group's and Parent Company's Basel III NSFR are summarized in the succeeding page.

(Amounts in PHP)	Group	Parent Company
December 31, 2024		
Available stable funding	**879,877**	**875,392**
Required stable funding	**662,046**	**664,648**
Basel III NSFR	**132.90%**	**131.71%**
December 31, 2023		
Available stable funding	760,231	755,299
Required stable funding	633,006	634,468
Basel III NSFR	120.10%	118.95%

The Bank has complied with the daily minimum regulatory requirement of 100% for both ratios beginning in 2019.

6. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Carrying Amounts and Fair Values by Category

The following tables summarize the carrying amounts and corresponding fair values of financial assets and financial liabilities presented in the statements of financial position.

	Group			
	2024		2023	
(Amounts in PHP)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**185,369**	**185,369**	250,108	250,108
Investment securities - net	**260,222**	**236,267**	236,527	213,708
Loans and receivables – net	**709,930**	**732,498**	622,149	640,850
Other resources - net	**1,688**	**1,688**	1,459	1,459
	1,157,209	**1,155,822**	1,110,243	1,106,125
At fair value:				
Investment securities at FVTPL	**10,234**	**10,234**	11,778	11,778
Investment securities at FVOCI	**158,630**	**158,630**	82,437	82,437
	168,864	**168,864**	94,215	94,215
	1,326,073	**1,324,686**	1,204,458	1,200,340
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**1,022,794**	**1,020,115**	956,712	929,590
Bills payable	**86,616**	**86,616**	50,858	50,858
Bonds payable	**26,935**	**43,663**	34,939	34,356
Accrued interest and other expenses	**10,366**	**10,366**	10,745	10,745
Other liabilities	**50,312**	**50,312**	26,990	26,990
	1,197,023	**1,211,072**	1,080,244	1,052,539
At fair value:				
Derivative financial liabilities	**3,635**	**3,635**	1,690	1,690
	1,200,658	**1,214,707**	1,081,934	1,054,229

	Parent Company			
	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
(Amounts in PHP)				
Financial Assets				
At amortized cost:				
Cash and cash equivalents	**182,670**	**182,670**	247,941	247,941
Investment securities - net	**259,387**	**235,429**	235,732	213,097
Loans and receivables – net	**703,964**	**725,037**	615,901	633,825
Other resources - net	**1,669**	**1,669**	1,457	1,457
	1,147,690	**1,144,805**	1,101,031	1,096,320
At fair value:				
Investment securities at FVTPL	**9,525**	**9,525**	10,954	10,954
Investment securities at FVOCI	**157,954**	**157,954**	81,757	81,757
	167,479	**167,479**	92,711	92,711
	1,315,169	**1,312,284**	1,193,742	1,189,031
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**1,022,737**	**1,020,060**	957,369	930,262
Bills payable	**80,928**	**80,928**	43,957	43,957
Bonds payable	**26,935**	**43,663**	34,939	34,356
Accrued interest and other expenses	**11,312**	**11,312**	10,475	10,475
Other liabilities	**49,437**	**49,437**	26,218	26,218
	1,191,349	**1,205,400**	1,072,958	1,045,268
At fair value – Derivative financial liabilities	**3,635**	**3,635**	1,690	1,690
	1,194,984	**1,209,035**	1,074,648	1,046,958

Except for investment securities at amortized cost, deposit liabilities, loans and receivables, and bonds payable with fair value disclosed different from their carrying amounts, management considers that the carrying amounts of other financial assets and financial liabilities presented above which are measured at amortized cost, approximate the fair values either because those instruments are short-term in nature or the effect of discounting for those with maturities of more than one year is not material. The fair value information disclosed for the Group and Parent Company's investment securities at amortized cost and other financial assets and liabilities measured at fair value on a recurring basis are determined based on the procedures and methodologies discussed in Note 7.3.

6.2 *Offsetting Financial Assets and Financial Liabilities*

The following financial assets presented in the statements of financial position at gross amounts are covered by enforceable master netting arrangements and similar arrangements:

		Group			
		Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		
	Notes		Financial instruments	Collateral received	Net amount
(Amount in PHP)					
December 31, 2024					
Loans and receivables – Receivable from customers	11	**710,634**	**(15,089)**	**-**	**695,545**
Trading and investment securities – Investment securities at amortized cost	10	**260,222**	**(80,523)**	**-**	**179,699**
Due from other banks – Margin deposits	9	**14,569**	**(1,587)**	**-**	**12,982**
Other resources – Margin deposits	15	**214**	**-**	**(214)**	**-**
December 31, 2023					
Loans and receivables – Receivable from customers	11	621,922	(8,153)	-	613,769
Trading and investment securities – Investment securities at amortized cost	10	236,527	(41,597)	-	194,930
Due from other banks – Margin deposits	9	14,892	(763)	-	14,129
Other resources – Margin deposits	15	243	-	(243)	-

		Parent Company			
		Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		
	Notes		Financial instruments	Collateral received	Net amount
(Amounts in PHP)					
December 31, 2024					
Loans and receivables – Receivable from customers	11	**704,411**	**(15,089)**	**-**	**689,322**
Trading and investment securities – Investment securities at amortized cost	10	**259,387**	**(80,523)**	**-**	**179,134**
Due from other banks – Margin deposits	9	**14,433**	**(1,587)**	**-**	**12,846**
Other resources – Margin deposits	15	**214**	**-**	**(214)**	**-**
December 31, 2023					
Loans and receivables – Receivable from customers	11	615,240	(8,152)	-	607,088
Trading and investment securities – Investment securities at amortized cost	10	235,732	(41,597)	-	194,135
Due from other banks – Margin deposits	9	14,630	(763)	-	13,867
Other resources – Margin deposits	15	243	-	(243)	-

The following financial liabilities presented in the statements of financial position at gross amounts are covered by enforceable master netting arrangements and similar agreements:

		Group			
		Gross amounts recognized in the statements of financial position	**Related amounts not set off in the statements of financial position**		
(Amounts in PHP)	Notes		Financial instruments	Collateral received	**Net amount**
December 31, 2024					
Deposit liabilities	17	**1,022,794**	**(15,089)**	**-**	**1,007,705**
Bills payable	18	**86,616**	**(82,110)**	**-**	**4,506**
Other liabilities – Derivative financial liabilities	21	**3,635**	**-**	**(214)**	**3,421**
December 31, 2023					
Deposit liabilities	17	956,712	(8,153)	-	948,559
Bills payable	18	50,858	(42,360)	-	8,498
Other liabilities – Derivative financial liabilities	21	1,690	-	(243)	1,447

		Parent Company			
		Gross amounts recognized in the statements of financial position	**Related amounts not set off in the statements of financial position**		
(Amounts in PHP)	Notes		Financial instruments	Collateral received	**Net amount**
December 31, 2024					
Deposit liabilities	17	**1,022,737**	**(15,089)**	**-**	**1,007,648**
Bills payable	18	**80,928**	**(80,928)**	**-**	**-**
Other liabilities – Derivative financial liabilities	21	**3,635**	**-**	**(214)**	**3,421**
December 31, 2023					
Deposit liabilities	17	957,369	(8,152)	-	949,217
Bills payable	18	43,957	(42,360)	-	1,597
Other liabilities – Derivative financial liabilities	21	1,690	-	(243)	1,447

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and its counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis. However, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

For purposes of presenting the above information, the related amounts not set off in the statements of financial position pertains to: (a) hold-out deposits and equity securities which serve as the Group's collateral enhancement for certain loans and receivables; (b) collateralized bills payable under sale and repurchase agreements; and, (c) margin deposits which serve as security for outstanding financial market transactions and other liabilities. The financial instruments that can be set off are only disclosed to the extent of the amounts of the Group's obligations to counterparties.

7. FAIR VALUE MEASUREMENT AND DISCLOSURES

7.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3. Changes in assumptions could also affect the reported fair value of the financial instruments. The Group uses judgment to select a variety of valuation techniques and to make assumptions that are mainly based on market conditions existing at the end of each reporting period.

7.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the statements of financial position on a recurring basis as of December 31, 2024 and 2023.

	Group			
	Level 1	**Level 2**	**Level 3**	**Total**
(Amounts in PHP)				
2024				
Financial assets at FVTPL:				
Government securities	4,952	2,305	-	7,257
Equity securities	778	-	-	778
Corporate debt securities	16	116	-	132
Derivative assets	13	2,054	-	2,067
	5,759	**4,475**	**-**	**10,234**
Financial assets at FVOCI:				
Equity securities	680	871	2,591	4,142
Government securities	66,830	73,567	-	140,397
Corporate debt securities	1,906	12,185	-	14,091
	69,416	**86,623**	**2,591**	**158,630**
Total Resources at Fair Value	**75,175**	**91,098**	**2,591**	**168,864**
Derivative liabilities	**-**	**3,635**	**-**	**3,635**
2023				
Financial assets at FVTPL:				
Government securities	5,066	4,581	-	9,647
Equity securities	783	-	-	783
Corporate debt securities	-	28	-	28
Derivative assets	10	1,310	-	1,320
	5,859	5,919	-	11,778
Financial assets at FVOCI:				
Equity securities	863	561	2,480	3,904
Government securities	28,605	36,826	-	65,431
Corporate debt securities	1,640	11,462	-	13,102
	31,108	48,849	2,480	82,437
Total Resources at Fair Value	36,967	54,768	2,480	94,215
Derivative liabilities	-	1,690	-	1,690

(Amounts in PHP)	**Parent Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
2024				
Financial assets at FVTPL:				
Government securities	4,947	2,305	-	7,252
Corporate debt securities	16	116	-	132
Equity securities	74	-	-	74
Derivative assets	13	2,054	-	2,067
	5,050	**4,475**	**-**	**9,525**
Financial assets at FVOCI:				
Equity securities	299	711	2,568	3,578
Government securities	66,830	73,567	-	140,397
Corporate debt securities	1,794	12,185	-	13,979
	68,923	**86,463**	**2,568**	**157,954**
Total Resources at Fair Value	**73,973**	**90,938**	**2,568**	**167,479**
Derivative liabilities	**-**	**3,635**	**-**	**3,635**
2023				
Financial assets at FVTPL:				
Government securities	5,469	4,146	-	9,615
Corporate debt securities	-	19	-	19
Derivative assets	10	1,310	-	1,320
	5,479	5,475	-	10,954
Financial assets at FVOCI:				
Equity securities	381	557	2,402	3,340
Government securities	28,605	36,826	-	65,431
Corporate debt securities	1,524	11,462	-	12,986
	30,510	48,845	2,402	81,757
Total Resources at Fair Value	35,989	54,320	2,402	92,711
Derivative liabilities	-	1,690	-	1,690

Described below and in the succeeding pages are the information about how the fair values of the Group's classes of financial assets and financial liabilities were determined.

(a) Government and Corporate Debt Securities

The fair value of the Group's government and corporate debt securities are categorized within Level 1 and Level 2 of the fair value hierarchy.

Fair values of peso-denominated government debt securities issued by the Philippine government, are determined based on the reference price per Bloomberg which used BVAL. These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparables; hence, categorized as Level 1 or 2.

Fair values of actively traded corporate debt securities are determined based on their market prices quoted in the Philippine Dealing Holdings System or based on the direct reference price per Bloomberg or observed comparables at the end of each reporting period; hence, categorized within Level 1 or Level 2.

(b) Equity Securities

The fair values of certain equity securities classified as financial assets at FVTPL and at FVOCI as of December 31, 2024 and 2023 were valued based on their market prices quoted in the PSE at the end of each reporting period; hence, categorized within Level 1.

Level 2 category includes the Group's investments in proprietary club shares as their prices are not derived from a market considered as active due to lack of trading activities among market participants at the end of each reporting period.

For equity securities which are not traded in an active market and with fair value categorized within Level 3, their fair value is determined through valuation techniques such as net asset value method, or market-based approach (price-to-book value method) using current market values of comparable listed entities.

The price-to-book value method used to value a certain equity security of the Parent Company uses the price-to-book ratio of comparable listed entities as multiple in determining the fair value adjusted by a certain valuation discount. The price-to-book ratio used in the fair value measurement as of December 31, 2024 and 2023 ranges from 0.41:1 to 3.55:1 and from 0.25:1 to 3.72:1, respectively. Increase or decrease in the price-to-book ratio and net asset value would result in higher or lower fair values, all else equal.

For a certain preferred equity security, the Group has used the discounted cash flow applying a discount rate of 6.9% and 7.4%, which is based on the latest available weighted cost of capital of the investee company, in 2024 and 2023, respectively, to determine the present value of future cash flows from dividends or redemption expected to be received from the instrument.

A reconciliation of the carrying amounts of Level 3 FVOCI equity securities at the beginning and end of 2024 and 2023 is shown below.

	Group		**Parent Company**	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Balance at beginning of year	**2,480**	2,112	**2,402**	2,088
Fair value gains - net	**111**	368	**166**	314
Balance at end of year	**2,591**	2,480	**2,568**	2,402

There were neither transfers between the levels of the fair value hierarchy nor gains or losses recognized in the statements of profit or loss for Level 3 financial assets in 2024 and 2023.

(c) Derivative Assets and Liabilities

The fair value of the Group's derivative assets categorized within Level 1 is determined be the current mid-price based on the last trading transaction as defined by third-party market makers.

On the other hand, the fair values of certain derivative financial assets and liabilities categorized within Level 2 were determined through valuation techniques using net present value computation which makes use of the streams of cash flows related to the derivative financial instruments such as interest rate swaps and currency swaps.

7.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The table below and in the succeeding page summarizes the fair value hierarchy of the Group and Parent Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

	Group			
	Level 1	**Level 2**	**Level 3**	**Total**
(Amounts in PHP)				
2024				
Financial Assets:				
Cash and other cash items	**23,003**	**-**	**-**	**23,003**
Due from BSP	**115,230**	**-**	**-**	**115,230**
Due from other banks	**14,569**	**-**	**-**	**14,569**
Interbank loans	**32,567**	**-**	**-**	**32,567**
Investment securities at amortized cost	**43,938**	**191,491**	**838**	**236,267**
Loans and receivables - net	**-**	**-**	**732,498**	**732,498**
Other resources - net	**-**	**-**	**1,688**	**1,688**
	229,307	**191,491**	**735,024**	**1,155,822**
Financial Liabilities:				
Deposit liabilities	**-**	**-**	**1,020,115**	**1,020,115**
Bills payable	**-**	**-**	**86,616**	**86,616**
Bonds payable	**-**	**43,663**	**-**	**43,663**
Accrued interest and other expense	**-**	**-**	**10,366**	**10,366**
Other liabilities	**-**	**-**	**50,312**	**50,312**
	-	**43,663**	**1,167,409**	**1,211,072**
2023				
Financial Assets:				
Cash and other cash items	19,875	-	-	19,875
Due from BSP	151,762	-	-	151,762
Due from other banks	14,892	-	-	14,892
Loans arising from reverse repurchase agreements	35,799	-	-	35,799
Interbank loans	27,780	-	-	27,780
Investment securities at amortized cost	104,163	109,015	530	213,708
Loans and receivables - net	-	-	640,850	640,850
Other resources - net	-	-	1,459	1,459
	354,271	109,015	642,839	1,106,125
Financial Liabilities:				
Deposit liabilities	-	-	929,590	929,590
Bills payable	-	-	50,858	50,858
Bonds payable	-	34,356	-	34,356
Accrued interest and other expense		-	10,745	10,745
Other liabilities	-	-	26,990	26,990
	-	34,356	1,018,183	1,052,539

	Parent Company			
	Level 1	Level 2	Level 3	Total
(Amounts in PHP)				
2024				
Financial Assets:				
Cash and other cash items	22,907	-	-	22,907
Due from BSP	112,763	-	-	112,763
Due from other banks	14,433	-	-	14,433
Interbank loans	32,567	-	-	32,567
Investment securities at amortized cost	43,938	191,491	-	235,429
Loans and receivables - net	-	-	725,037	725,037
Other resources - net	-	-	1,669	1,669
	226,608	191,491	726,706	1,144,805
Financial Liabilities:				
Deposit liabilities	-	-	1,020,060	1,020,060
Bills payable	-	-	80,928	80,928
Bonds payable	-	43,663	-	43,663
Accrued interest and other expense	-	-	11,312	11,312
Other liabilities	-	-	49,437	49,437
	-	43,663	1,161,737	1,205,400
2023				
Financial Assets:				
Cash and other cash items	19,812	-	-	19,812
Due from BSP	150,771	-	-	150,771
Due from other banks	14,630	-	-	14,630
Loans arising from reverse repurchase agreements	34,948	-	-	34,948
Interbank loans	27,780	-	-	27,780
Investment securities at amortized cost	104,082	109,015	-	213,097
Loans and receivables - net	-	-	633,825	633,825
Other resources - net	-	-	1,457	1,457
	352,023	109,015	635,282	1,096,320
Financial Liabilities:				
Deposit liabilities	-	-	930,262	930,262
Bills payable	-	-	43,957	43,957
Bonds payable	-	-	34,356	34,356
Accrued interest and other expense	-	-	10,475	10,475
Other liabilities	-	-	26,218	26,218
	-	-	1,045,268	1,045,268

The following are the methods used to determine the fair value of financial assets and financial liabilities not presented in the statements of financial position at their fair values:

(a) *Due from BSP and Other Banks, and Loans and Receivables Arising from Reverse Repurchase Agreements*

Due from BSP pertains to deposits made to the BSP for clearing and reserve requirements, overnight and term deposit facilities, while loans and receivables arising from reverse repurchase agreements pertain to loans and receivables from BSP arising from overnight lending from excess liquidity. Due from other banks includes items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on the discounted cash flows using prevailing money market interest rates for debt with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

(b) Investment Securities at Amortized Cost

The fair value of investment securities at amortized cost consisting of government securities and corporate debt securities is determined based on reference prices appearing in Bloomberg. The fair value of these securities are categorized within Level 1 and Level 2 of the fair value hierarchy using BVAL reference rates, which are derived using an approach based on a combined sequence of algorithms of direct observations and/or observed comparables, hence, categorized as Level 1 or 2.

(c) Deposits Liabilities and Borrowings

The estimated fair value of demand deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits and other borrowings without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The Level 2 fair value of bonds payable and subordinated debt is determined based on the average of ask and bid prices as appearing on Bloomberg. For bills payable categorized within Level 3, fair value is determined based on their discounted amount of estimated future cash flows expected to be received or paid, or based on their cost which management estimates to approximate their fair values.

(d) Other Resources and Other Liabilities

Due to their short duration, the carrying amounts of other resources and liabilities in the statements of financial position are considered to be reasonable approximation of their fair values.

7.4 Fair Value Disclosures for Investment Properties Carried at Cost

The fair values of the Group and Parent Company's investment properties were determined based on the following approaches:

(a) Fair Value Measurement for Land

The fair value of the Group's and the Parent Company's land are categorized within Level 3 of the fair value hierarchy, as the observable and recent prices of the reference properties are adjusted for differences in key attributes such as property size, location and zoning, and accessibility, or any physical or legal restrictions on the use of the property. The most significant input into this valuation approach is the price per square feet, hence, the higher the price per square feet, the higher the fair value.

The fair value of the Group's and the Parent Company's land amounted to nil and P31 as of December 31, 2024 and 2023, respectively.

(b) *Fair Value Measurement for Buildings and Improvements*

The Level 3 fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

The fair value of building improvements of the Group and Parent Company amounted to P1,833 and P1,475 as of December 31, 2024 and 2023, respectively

There has been no change in the valuation techniques for investment properties in both years.

8. SEGMENT INFORMATION

8.1 Business Segments

The Group's operating businesses are managed separately according to the nature of services provided (primary segments) and the different geographical markets served (secondary segments) with a segment representing a strategic business unit. The Group's business segments follow:

(a) *Retail* – principally handles the BCs offering a wide range of consumer banking products and services. Products offered include individual customer's deposits, credit cards, home and mortgage loans, auto, personal and microfinance loans, overdraft facilities, payment remittances and foreign exchange transactions. It also upsells bank products [unit investment trust funds (UITFs), etc.] and cross-sells bancassurance products. The segment includes the net assets of the servicing entity, RBSC, and portfolios of Rizal Microbank.

(b) *Corporate* – principally handles distinct customer segments: (i) conglomerates; (ii) large corporations; (iii) emerging corporates, which focus on large middle accounts often referred to as the "Next 500 Corporations"; (iv) Japanese multinationals with a strong presence in the country; (v) Filipino-Chinese businesses; and, (vi) Korean businesses. This segment includes the portfolio of RCBC LFC.

(c) *Small and Medium Enterprises (SME)* – principally handles the financial needs of the country's small businesses or the SMEs and the Commercial Middle Market segments. The SME Banking Group provides a holistic approach serving both the financial (e.g., loans, deposits, investments, insurance, etc.) and non-financial needs (e.g., networking, financial literacy trainings, etc.) of client to help them grow their business. Clients are the entrepreneurs located in different parts of the country and spread in various industry sectors such as manufacturing, wholesale and retail trade, construction, hotels, agriculture, and healthcare, among others.

(d) *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.

(e) *Others* – consists of other subsidiaries except for RBSC and Rizal Microbank, which is presented as part of Retail, and RCBC LFC which is presented under Corporate.

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 to 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 2024 and 2023.

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, 2024, 2023 and 2022 follow:

(Amounts in PHP)	Retail	Corporate	SME	Treasury	Others	Total
2024:						
Revenues						
From external customers						
Interest income	70,451	50,916	17,382	21,441	151	160,341
Interest expense	(39,990)	(30,341)	(11,221)	(17,366)	(1)	(98,919)
Net interest income	30,461	20,575	6,161	4,075	150	61,422
Non-interest income	12,003	6,712	322	3,339	529	22,905
	42,464	27,287	6,483	7,414	679	84,327
Intersegment revenues						
Interest income	-	6	4,959	-	26	4,991
Non-interest income	909	-	-	-	-	909
	909	6	4,959	-	26	5,900
Total Revenues	43,373	27,293	11,442	7,414	705	90,227
Expenses						
Operating expenses excluding impairment, depreciation and amortization	20,636	4,852	1,489	1,275	260	28,512
Impairment losses – net	7,438	464	588	-	1	8,491
Depreciation and amortization	1,585	768	61	25	23	2,462
	29,659	6,084	2,138	1,300	284	39,465
Segment operating income	13,714	21,209	9,304	6,114	421	50,762
Total resources	944,543	299,507	116,725	466,451	4,119	1,831,345
Total liabilities	656,791	353,080	147,739	39,645	675	1,197,930

(Amounts in PHP)	Retail	Corporate	SME	Treasury	Others	Total
2023:						
Revenues						
From external customers						
Interest income	61,183	47,375	10,457	20,894	138	140,047
Interest expense	(35,960)	(25,639)	(9,867)	(16,450)	(9)	(87,925)
Net interest income	25,223	21,736	590	4,444	129	52,122
Non-interest income	9,859	5,647	284	933	1,092	17,815
	35,082	27,383	874	5,377	1,221	69,937
Intersegment revenues						
Interest income	-	4	4,386	-	28	4,418
Non-interest income	742	-	-	-	-	742
	742	4	4,386	-	28	5,160
Total Revenues	35,824	27,387	5,260	5,377	1,249	75,097
Expenses						
Operating expenses excluding impairment, depreciation and amortization	18,000	4,167	1,362	1,493	300	25,322
Impairment losses – net	5,015	1,022	692	11	(1)	6,739
Depreciation and amortization	1,685	800	76	23	24	2,608
	24,700	5,989	2,130	1,527	323	34,669
Segment operating income	11,124	21,398	3,130	3,850	926	40,428
Total resources	767,612	315,840	104,513	468,411	3,973	1,660,349
Total liabilities	701,541	500,825	128,867	90,495	558	1,422,286
2022						
Revenues						
From external customers						
Interest income	33,539	27,865	6,325	12,615	100	80,444
Interest expense	(14,272)	(14,491)	(4,258)	(7,674)	(7)	(40,702)
Net interest income	19,267	13,374	2,067	4,941	93	39,742
Non-interest income	8,152	6,671	240	673	1,075	16,811
	27,419	20,045	2,307	5,614	1,168	56,553
Intersegment revenues						
Interest income	-	5	2,372	-	13	2,390
Non-interest income	650	-	-	-	-	650
	650	5	2,372	-	13	3,040
Total Revenues	28,069	20,050	4,679	5,614	1,181	59,593
Expenses						
Operating expenses excluding impairment, depreciation and amortization	15,436	2,763	1,507	1,053	59	20,818
Impairment losses – net	3,529	1,544	400	19	214	5,706
Depreciation and amortization	1,239	880	27	23	23	2,192
	20,204	5,187	1,934	1,095	296	28,716
Segment operating income	7,865	14,863	2,745	4,519	885	30,877
Total resources	649,238	307,379	88,807	357,684	4,224	1,407,332
Total liabilities	570,994	417,070	107,165	43,284	571	1,139,084

8.3 Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

(Amounts in PHP)	**2024**	2023	2022
Revenues			
Total segment revenues	**90,227**	75,097	59,593
Elimination of intersegment	**(36,819)**	(25,100)	(15,139)
Net revenues as reported in profit or loss	**53,408**	49,997	44,454
Profit or loss			
Total segment operating income	**50,762**	40,428	30,877
Elimination of intersegment	**(41,242)**	(28,211)	(18,797)
Group net profit as reported in profit or loss	**9,520**	12,217	12,080
Resources			
Total segment resources	**1,831,345**	1,660,349	1,407,332
Unallocated resources (elimination of intersegment liabilities)	**(471,192)**	(422,017)	(253,224)
Total resources	**1,360,153**	1,238,332	1,154,108
Liabilities			
Total segment liabilities	**1,197,930**	1,422,286	1,139,084
Unallocated liabilities (elimination of intersegment liabilities)	**3,732**	(336,229)	(101,337)
Total liabilities	**1,201,662**	1,086,057	1,037,747

8.4 Analysis of Secondary Segment Information

Secondary information (by geographical locations) as of and for the years ended December 31, 2024, 2023 and 2022 follow:

(Amounts in PHP)	**Philippines**	**Asia**	**Total**
2024			
Statement of profit or loss			
Total income	**89,978**	**12**	**89,990**
Total expense	**80,447**	**23**	**80,470**
Net profit (loss)	**9,531**	**(11)**	**9,520**
Statement of financial position			
Total resources	**1,360,057**	**96**	**1,360,153**
Total liabilities	**1,201,659**	**3**	**1,201,662**
Other segment information			
Depreciation and amortization	**3,379**	**-**	**3,379**

(Amounts in PHP)	Philippines	Asia and Europe	Total
2023			
Statement of profit or loss			
Total income	82,643	14	82,657
Total expense	70,418	22	70,440
Net profit (loss)	12,225	(8)	12,217
Statement of financial position			
Total resources	1,238,229	103	1,238,332
Total liabilities	1,086,053	4	1,086,057
Other segment information			
Depreciation and amortization	3,365	-	3,365
2022			
Statement of profit or loss			
Total income	59,057	16	59,073
Total expense	46,971	22	46,993
Net profit (loss)	12,086	(6)	12,080
Statement of financial position			
Total resources	1,153,994	114	1,154,108
Total Liabilities	1,037,741	6	1,037,747
Other segment information			
Depreciation and amortization	3,037	-	3,037

9. CASH AND CASH EQUIVALENTS

The components of Cash and Cash Equivalents follow:

	Group		Parent Company	
(Amounts in PHP)	**2024**	2023	**2024**	2023
Cash and other cash items	**23,003**	19,875	**22,907**	19,812
Due from BSP	**115,230**	151,762	**112,763**	150,771
Due from other banks	**14,569**	14,892	**14,433**	14,630
Loans arising from reverse repurchase agreements	**-**	35,799	**-**	34,948
Interbank loans receivables (see Note 11)	**32,567**	27,780	**32,567**	27,780
	185,369	250,108	**182,670**	247,941

Cash consists primarily of funds in the form of Philippine currency notes and coins, and includes foreign currencies acceptable to form part of the international reserves in the Group's vault and those in the possession of tellers, including ATMs. Other cash items include cash items other than currency and coins on hand, such as checks drawn on other banks or other branches after the clearing cut-off time until the close of the regular banking hours.

Due from BSP represents the aggregate balance of deposit accounts maintained with the BSP primarily to meet reserve requirements (see Note 17), to serve as clearing account for interbank claims and to comply with existing trust regulations.
Loans arising from repurchase agreements, which normally mature within 30 days, represent overnight placements with private entities where the underlying securities cannot be sold or repledged to parties other than the contracting party.

Due from BSP includes:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Demand deposit and secured settlement accounts	**57,303**	83,701	**54,963**	82,771
Term deposit	**32,000**	68,000	**32,000**	68,000
Overnight deposit	**25,927**	61	**25,800**	-
	115,230	151,762	**112,763**	150,771

The balance of Due from other banks account represents regular deposits with the following:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Foreign banks	**13,575**	13,626	**13,502**	13,593
Local banks	**994**	1,266	**931**	1,037
	14,569	14,892	**14,433**	14,630

Interest on placements with BSP and other banks, which is presented as Interest Income on Due from BSP and other banks in the statements of profit or loss, consist of:

	Group		
	2024	2023	2022
(Amounts in PHP)			
BSP	**1,622**	3,256	1,037
Other banks	**445**	387	73
	2,067	3,643	1,110

	Parent Company		
	2024	2023	2022
(Amounts in PHP)			
BSP	**1,617**	3,248	1,033
Other banks	**364**	296	44
	1,981	3,544	1,077

The Group’s deposits in other banks and in BSP other than mandatory reserves earn annual interest of 0.46% to 6.89% and 0.46% to 6.71% in 2024, 0.00% to 6.68% and 0.00% to 6.30% in 2023, 0.00% to 1.60% and 1.50% to 4.80% in 2022, respectively.

10. TRADING AND INVESTMENT SECURITIES

This account is comprised of:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Financial assets at FVTPL	**10,234**	11,778	**9,525**	10,954
Financial assets at FVOCI	**158,630**	82,437	**157,954**	81,757
Investment securities at amortized cost	**260,222**	236,527	**259,387**	235,732
	429,086	330,742	**426,866**	328,443

10.1 Financial Assets at Fair Value Through Profit or Loss

Financial assets at FVTPL is composed of the following:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Government securities	**7,257**	9,647	**7,252**	9,615
Derivative financial assets	**2,067**	1,320	**2,067**	1,320
Equity securities	**778**	783	**74**	-
Corporate debt securities	**132**	28	**132**	19
	10,234	11,778	**9,525**	10,954

The carrying amounts of financial assets at FVTPL are classified as follows:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Held-for-trading	**7,389**	10,458	**7,384**	9,634
Derivative financial assets	**2,067**	1,320	**2,067**	1,320
Designated as FVTPL	**778**	-	**74**	-
	10,234	11,778	**9,525**	10,954

Equity securities are composed of listed shares of stock traded at the PSE. Dividend income earned on these equity securities amounted to P3 in 2024, P19 in 2023, and P18 in 2022 for the Group which are included as part of Miscellaneous income under the Other Operating Income account in the statements of profit or loss (see Note 24.1). There were no similar transactions for the Parent Company.

Treasury bills and other debt securities issued by the government and other private corporations earn annual interest as follows:

	2024	2023	2022
Peso denominated	**0.00% - 9.13%**	0.00% - 12.38%	1.41% - 12.38%
Foreign currency denominated	**0.00% - 10.63%**	0.00% - 9.63%	0.28% - 9.63%

Derivative instruments used by the Group include foreign currency short-term forwards, cross-currency swaps, debt warrants and options. The Group enters into derivative contracts mainly to cover hedging of currency risk, liquidity management and funding, and arbitrage and market positioning strategies. These instruments offer opportunities for market participants to manage interest rates or currency pricing between markets thereby optimizing the Bank's funding costs and enhancing returns. Foreign currency forwards represent commitments to purchase/sell on a future date at a specific exchange rate. Foreign currency short-term swaps are simultaneous foreign currency spot and forward deals with tenor of one year.

Debt warrants attached to the bonds and other debt securities allows the Group to purchase additional debt securities from the same contracting issuer at the same price and yield as the initial purchased security. Option is a derivative financial instrument that specifies a contract between two parties for a future transaction on an asset at a reference price.

The aggregate contractual or notional amount of derivative financial instruments and the aggregative fair values of derivative financial assets and financial liabilities as of December 31 both in the Group and Parent Company's financial statements are shown below.

	Notional Amount	**Fair Values**	
		Assets	**Liabilities**
(Amounts in PHP)			
2024			
Currency swaps and forwards	**284,673**	**2,017**	**3,187**
Interest rate swaps and futures	**15,862**	**25**	**210**
Debt warrants	**6,084**	**11**	**-**
Options	**3,425**	**14**	**28**
Credit default swap	**1,967**	**-**	**210**
	312,011	**2,067**	**3,635**
2023			
Currency swaps and forwards	213,972	1,217	1,447
Debt warrants	5,824	10	-
Interest rate swaps and futures	5,199	79	59
Credit default swap	1,827	-	184
Options	560	14	-
	227,382	1,320	1,690

Derivative liabilities are shown as Derivative financial liabilities as part of Other Liabilities account in the statements of financial position (see Note 21). The significant portion of such derivative liabilities have maturity periods of less than a year.

Other information about the fair value measurement of the Group and Parent Company's financial assets at FVTPL are presented in Note 7.2.

10.2 Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at FVOCI as of December 31 consist of:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Government debt securities	**140,397**	65,431	**140,397**	65,431
Corporate debt securities	**14,091**	13,102	**13,979**	12,986
Unquoted equity securities	**2,591**	2,421	**2,568**	2,402
Quoted equity securities	**1,551**	1,483	**1,010**	938
	158,630	82,437	**157,954**	81,757

The reconciliation of the carrying amounts of these financial assets are as follows:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Balance at the beginning of year	**82,437**	114,946	**81,757**	114,265
Additions	**391,742**	442,380	**391,718**	442,360
Disposals	**(315,409)**	(476,584)	**(315,386)**	(476,576)
Fair value gains (losses) - net	**(140)**	1,695	**(135)**	1,708
Balance at end of year	**158,630**	82,437	**157,954**	81,757

Unquoted equity securities include investments in non-marketable equity securities of private companies. The fair value of the Group's unquoted equity securities as of December 31, 2024 and 2023 is determined using the net asset value method, or a market-based approach (price-to-book value method); hence, categorized under Level 3 of the fair value hierarchy (see Note 7.2).

In 2024, 2023 and 2022, dividends recognized on equity securities amounting to P319, P299 and P293 by the Group and, P273, P252 and P227 by the Parent Company, respectively, which are included as part of Miscellaneous income under the Other Operating Income account in the statements of profit or loss (see Note 24.1).

10.3 Investment Securities at Amortized Cost

Investment securities at amortized cost as of December 31 consist of:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Government securities	**230,302**	208,161	**229,377**	207,276
Corporate debt securities	**30,042**	28,527	**30,042**	28,527
	260,344	236,688	**259,419**	235,803
Allowance for impairment	**(122)**	(161)	**(32)**	(71)
	260,222	236,527	**259,387**	235,732

Interest rates per annum on government securities and corporate debt securities range from the following:

	2024	2023	2022
Peso denominated securities	**2.63% - 8.13%**	2.63% - 8.75%	2.90% - 6.87%
Foreign currency-denominated	**0.70% - 10.63%**	0.28% -10.63%	0.28% - 7.65%

There is no disposal of HTC investment in 2024 and 2023. The decrease in the HTC portfolio is attributable to maturities in both years.

Certain government securities are deposited with the BSP as security for the Group's faithful compliance with its fiduciary obligations in connection with its trust operations (see Note 26).

As of December 31, 2024 and 2023, certain investment securities of both the Group and Parent Company were pledged as collateral for bills payable under repurchase agreements (see Note 18).

10.4 Interest Income from Trading and Investment Securities

Interest income from trading and investment securities recognized by the Group and Parent Company in 2024, 2023 and 2022 are shown below.

	Group		
	2024	2023	2022
(Amounts in PHP)			
Financial assets at FVTPL	**396**	227	150
Debt securities at FVOCI	**5,603**	4,375	2,094
Investment securities at amortized cost	**9,966**	8,637	7,511
	15,965	13,239	9,755

	Parent Company		
	2024	2023	2022
(Amounts in PHP)			
Financial assets at FVTPL	**396**	227	150
Debt securities at FVOCI	**5,596**	4,369	2,074
Investment securities at amortized cost	**9,912**	8,575	7,459
	15,904	13,171	9,683

10.5 Trading and Securities Gains (Losses)

The Group and the Parent Company recognized trading and securities gains (losses) in its trading or disposals of investment securities, including their fair value changes, in 2024, 2023, and 2022 are as follows:

	Group		
	2024	2023	2022
(Amounts in PHP)			
Profit or loss:			
Financial assets at FVTPL	**179**	306	(42)
Debt securities at FVOCI	**1,316**	138	5
	1,495	444	(37)

(Amounts in PHP)	Group **2024**	2023	2022
Other comprehensive income (loss):			
Equity securities at FVOCI	**232**	263	191
Debt securities at FVOCI	**(372)**	1,432	(5,446)
	(140)	1,695	(5,255)

(Amounts in PHP)	Parent Company **2024**	2023	2022
Profit or loss:			
Financial assets at FVTPL	**217**	306	34
Debt securities at FVOCI	**1,316**	123	(12)
	1,533	429	22
Other comprehensive income (loss):			
Equity securities at FVOCI	**238**	276	272
Debt securities at FVOCI	**(373)**	1,432	(5,446)
	(135)	1,708	(5,174)

10.6 Hedging Transactions

On January 17, 2024, the Group entered into interest rate swap agreements, with a notional amount of USD200 million to hedge its exposure to changes in fair value arising from changes in benchmark interest rate on bonds payable due to mature on January 18, 2029 (see Note 19). Under this agreement, the Group, on a semi-annual basis, receive floating interest based on the USD notional amount and will pay 5.50% fixed interest based on the same USD notional amount every interest payment date.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the fixed rate bonds match the terms of the interest rate swaps. The Group has established a hedge ratio of 100.12% for the hedging relationships as the underlying risk of the interest rate swaps is identical to the hedged risk component.

The identified source of ineffectiveness is credit valuation adjustment (CVA) and debit valuation adjustment (DVA) which is the incorporation of counterparty credit risk and own credit risk in measuring the fair value of the interest rate swap contract as required by PFRS 13. Hedge ineffectiveness arises because the change in credit risk affecting the fair value of the interest rate swap contract would not be replicated in the hedged item. Moreover, any subsequent changes in the contractual terms of the hedged item or hedging instrument may create potential source of ineffectiveness.

Since there is a source of ineffectiveness in the hedge due to mismatch, the Group uses the hypothetical derivative method to test the hedge effectiveness and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The table below summarizes the derivatives designated as hedging instruments in qualifying fair value hedge relationships as at December 31, 2024.

	Nominal amount of the hedging instrument (in millions)	Carrying amount of the hedging instrument		Changes in fair value used for calculating hedge ineffectiveness
		Assets	Liabilities	
Fair value hedges				
Interest rate risk				
Interest rate swaps (5-year term)	$200	-	$204	-

The hedged items are presented under Bonds Payable in the Group's and Parent Company's statement of financial position as at December 31, 2024. The amounts relating to items designated as hedged items in fair value hedge relationships to manage the Group's exposure to interest rate as at December 31, 2024 are as follows:

	Carrying amount of the hedged item (in millions)		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Changes in fair value used for calculating hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities	
Fair value hedges					
Interest rate risk					
Bonds payable	$200	-	$204	-	-

11. LOANS AND RECEIVABLES

This account consists of the following:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Receivables from customers:				
Loans and discounts	**578,646**	525,041	**574,814**	520,581
Credit card receivables	**110,453**	74,667	**110,453**	74,667
Customers' liabilities on acceptances, import bills and trust receipts	**16,535**	16,345	**16,535**	16,345
Bills purchased	**2,786**	3,894	**2,786**	3,894
Lease contract receivables	**2,700**	2,710	**-**	-
Receivables financed	**98**	91	**-**	-
	711,218	622,748	**704,588**	615,487
Unearned discount	**(584)**	(826)	**(177)**	(247)
Balance forwarded	**710,634**	621,922	**704,411**	615,240

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Balance carried forward	**710,634**	621,922	**704,411**	615,240
Other receivables:				
Interbank loans receivables (see Note 9)	**32,567**	27,780	**32,567**	27,780
Accrued interest receivables	**10,258**	9,519	**10,044**	9,306
Accounts receivables [see Note 27.7(b)]	**6,627**	5,425	**5,742**	4,748
Sales contract receivables	**2,541**	2,678	**2,497**	2,628
	51,993	45,402	**50,850**	44,462
	762,627	667,324	**755,261**	659,702
Allowance for impairment (see Notes 4.4.8 and 16)	**(20,130)**	(17,395)	**(18,730)**	(16,021)
	742,497	649,929	**736,531**	643,681

Receivables from customers' portfolio earn average annual interest or range of interest as follows:

	2024	2023	2022
Loans and discounts:			
Philippine peso	**9.60%**	8.35%	6.12%
Foreign currencies	**6.23%**	6.25%	4.92%
Credit card receivables	**17.86% - 19.89%**	16.10%-21.15%	16.21%-18.12%
Lease contract receivables	**9.00%-26.00%**	8.00%-26.00%	7.25%-26.00%
Receivables financed	**10.00%-24.00%**	11.00%-16.00%	10.00% - 22.00%

Effective November 3, 2020, interest rates and cash advance fees charged by the Parent Company to its credit card holders were updated to comply with BSP Circular No. 1098, *Ceiling on Interest of Finance Charges of Credit Card Receivables*. Interest or finance charges on all credit card transactions are not to exceed an annual interest rate of 24%, except credit card installment loans which shall be subject to monthly add-on rate not exceeding 1%. In addition, the maximum amount that can be charged for Cash Advances is capped at P200 (absolute amount) per transaction. In January 2023, the BSP issued Circular No. 1165, *Amendments to the Ceiling on Interest or Finance Charges for Credit Card Receivables*, amending the cap on interest rate for credit cards back to an annual interest rate of 36%. The Parent Company updated its interest rates and cash advance fees accordingly.

In 2022, the Parent Company wrote off a 10-year UDSCL amounting to P989 bearing 6.44% interest per annum pertaining to an agreement entered into in June 2017 with a third party for the sale of various foreclosed real properties. Write-off amounting to P108 is included as part of Impairment losses in 2022 statement of profit or loss.

Also included in the Parent Company's accounts receivables is the amount due from RCBC JPL which was acquired from Rizal Microbank in 2015 amounting to P222. As of December 31, 2024 and 2023, the outstanding balance amounted to P86 and P92, respectively. The receivable amount is unsecured, noninterest-bearing and payable in cash on demand (see Note 27.2). The receivable has been appropriately provided with allowance for ECL.

Interest income earned by the Bank from its loans and other receivables is broken down as follows:

	Group		
	2024	2023	2022
(Amounts in PHP)			
Loans and discounts	**41,043**	35,088	27,068
Credit card receivables	**16,140**	11,072	6,289
Finance lease receivables [see Note 28.2 (a)]	**226**	323	202
Others	**3,642**	2,924	1,411
	61,051	49,407	34,970

	Parent Company		
	2024	2023	2022
(Amounts in PHP)			
Loans and discounts	**40,714**	34,861	26,889
Credit card receivables	**16,140**	11,072	6,289
Others	**3,416**	2,636	1,189
	60,270	48,569	34,367

The breakdown of the receivables from customers' portfolio as to secured and unsecured follows:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Secured:				
Real estate mortgage	**203,996**	184, 910	**203,103**	183,828
Chattel mortgage	**63,435**	51,280	**61,266**	49,214
Hold-out deposits	**15,089**	8,153	**15,089**	8,152
Other securities	**11,553**	11,119	**8,908**	8,034
	294,073	255,462	**288,366**	249,228
Unsecured	**416,561**	366,460	**416,045**	366,012
	710,634	621,922	**704,411**	615,240

A reconciliation of the allowance for impairment on loans and receivables at the beginning and end of 2024 and 2023 is shown below (see Note 16).

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Balance at beginning of year	**17,395**	16,030	**16,021**	15,088
Impairment losses during the year	**8,281**	6,574	**8,231**	5,759
Accounts written off and others	**(5,546)**	(5,209)	**(5,522)**	(4,826)
Balance at end of year	**20,130**	17,395	**18,730**	16,021

12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The components of the carrying values of investments in and advances to subsidiaries and associates are as follows (refer to Note 1.2 for the effective percentage of ownership, line of business, and country of incorporation of subsidiaries and associates):

	Note	Group and Parent Company 2024	2023
(Amounts in PHP)			
Acquisition costs of associates:			
HCPI		**91**	91
LIPC		**57**	57
RTC	1.1	**40**	40
YCS		**4**	4
		192	192
Accumulated equity in changes in net assets:			
Balance at beginning of year		**317**	227
Share in net earnings for the year		**85**	92
Share in actuarial gains on defined benefit plan		**7**	16
Others		**(1)**	(18)
Balance at end of year		**408**	317
Investments in associates		**600**	509

	Parent Company 2024	2023
(Amounts in PHP)		
Acquisition costs of subsidiaries:		
RCBC Capital	**2,231**	2,231
RCBC LFC	**1,987**	1,987
Rizal Microbank	**1,253**	1,253
RCBC JPL	**403**	403
RCBC Forex	**150**	150
RCBC IFL	**58**	58
RCBC Telemoney	**-**	72
Total acquisition costs	**6,082**	6,154
Accumulated equity in changes in net assets:		
Balance at beginning of year	**(262)**	(158)
Share in net earnings (losses) for the year	**406**	(249)
Cash dividends	**(167)**	(92)
Share in actuarial gains (losses) on defined benefit plan	**6**	(42)
Share in fair value loss on financial assets at FVOCI	**(4)**	(13)
Disposal of subsidiaries	**-**	285
Others	**59**	7
Balance at end of year	**38**	(262)
Investments in subsidiaries	**6,120**	5,892

	Parent Company	
	2024	2023
(Amounts in PHP)		
Investments in subsidiaries	**6,120**	5,892
Investments in associates	**600**	509
	6,720	6,401

On March 27, 2023, the Bank's BOD approved the proposed sale and transfer to FLI of its ownership interest in NPHI and Cajel, subject to completion of FLI's due diligence and compliance with conditions to be agreed by the parties. NPHI and Cajel, as owners of certain parcels of land located in Bacoor, Cavite have joint development agreements with FLI, wherein FLI undertook to develop the land properties into an exclusive residential subdivision, now known as Princeton Heights.

On July 14, 2023, the Bank and FLI executed a Deed of Absolute Sale for the sale and transfer of the Bank's 100% ownership in NPHI and Cajel to FLI. The total consideration for the shares amounted to P544 for NPHI and P89 for Cajel. The sale resulted in a gain amounting to P243 presented as Gain on disposal of subsidiaries under Other Operating Income in the 2023 statement of profit or loss.

At the end of each reporting period, the Group has no material interest in unconsolidated structured entities.

Also, the Parent Company and its subsidiaries did not enter in any contractual arrangements to provide financial support to any entities under the Group.

The Parent Company earned dividends from its subsidiaries amounting to P167 and P92 in 2024 and 2023, respectively. No dividends were earned from associates for 2024 and 2023. Dividends receivable as of December 31, 2024 and 2023 amounted to P160 and nil, respectively.

12.1 Information About Investments in Associates

The Parent Company, under a shareholder's agreement, agreed with another stockholder of HCPI to commit and undertake to vote, as a unit, the shares of stock thereof, which they proportionately own and hold, and to regulate the conduct of the voting and the relationship between them with respect to their exercise of their voting rights. As a result of this agreement, the Parent Company is able to exercise significant influence over the operating and financial policies of HCPI. Thus, HCPI has been considered by the Parent Company as an associate despite holding only 12.88% ownership interest.

The investments in LIPC, RTC and YCS have an aggregate carrying value of P92 and P51 as of December 31, 2024 and 2023, respectively, which are insignificant to the Group.

The table below presents the summary of the unaudited financial information of HCPI as of and for the years ended December 31, 2024 and 2023. HCPI uses a fiscal year ending March 31 as its reporting period.

	2024	2023
(Amounts in PHP)		
Financial position:		
Current assets	**5,941**	10,066
Noncurrent assets	**1,067**	788
Current liabilities	**2,604**	6,822
Noncurrent liabilities	**267**	384
Financial performance:		
Revenues	**18,731**	19,920
Gross income	**1,620**	1,913
Operating income	**639**	835
Net income	**467**	690
Other comprehensive loss	**-**	-
Total comprehensive income	**467**	690
Cash flows:		
Net cash from (used in):		
Operating activities	**(3,677)***	207*
Investing activities	**(13)***	150*
Financing activities	**3,219***	(85)*
Effect of exchange rate	**24***	(37)*
Cash at the beginning	**1,009***	774*
Cash at the end	**562***	1,009*

**Based on the audited financial statements of HCPI for the fiscal year ended March 31, 2024*

The table presented below summarizes the reconciliation of equity interest to HCPI as of December 31, 2024 and 2023.

	2024	2023
(Amounts in PHP)		
Net asset of HCPI	**4,137**	3,648
Proportion of interest	**12.88%**	12.88%
	533	470
Nominal goodwill in equity ownership	**2**	2
Carrying amount of investment	**535**	472

13. BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of bank premises, furniture, fixtures and equipment at the beginning and end of 2024 and 2023 are shown below.

	Group					
(Amounts in PHP)	**Land**	**Buildings**	**Furniture, Fixtures and Equipment**	**Leasehold Rights and Improvements**	**Right-of-use Assets**	**Total**
December, 31, 2024						
Cost	**-**	**-**	**9,023**	**2,833**	**12,017**	**23,873**
Accumulated depreciation and amortization	**-**	**-**	**(5,764)**	**(1,630)**	**(8,446)**	**(15,840)**
Net carrying amount	**-**	**-**	**3,259**	**1,203**	**3,571**	**8,033**
December 31, 2023						
Cost	-	-	12,948	2,381	11,399	26,728
Accumulated depreciation and amortization	-	-	(9,407)	(1,209)	(6,983)	(17,599)
Net carrying amount	-	-	3,541	1,172	4,416	9,129
January 1, 2023						
Cost	918	2,385	12,537	1,900	9,842	27,582
Accumulated depreciation and amortization	-	(1,435)	(8,431)	(899)	(5,553)	(16,318)
Net carrying amount	918	950	4,106	1,001	4,289	11,264

	Parent Company					
(Amounts in PHP)	**Land**	**Buildings**	**Furniture, Fixtures and Equipment**	**Leasehold Rights and Improvements**	**Right-of-use Assets**	**Total**
December, 31, 2024						
Cost	-	-	7,746	2,660	12,026	22,432
Accumulated depreciation and amortization	-	-	(5,650)	(1,487)	(8,235)	(15,372)
Net carrying amount	-	-	2,096	1,173	3,791	7,060
December 31, 2023						
Cost	-	-	7,997	2,212	11,437	21,646
Accumulated depreciation and amortization	-	-	(6,107)	(1,073)	(6,661)	(13,841)
Net carrying amount	-	-	1,890	P 1,139	4,776	7,805
January 1, 2023						
Cost	917	2,385	7,538	1,737	9,831	22,408
Accumulated depreciation and amortization	-	(1,436)	(5,526)	(772)	(5,128)	(12,862)
Net carrying amount	917	949	2,012	965	4,703	9,546

A reconciliation of the carrying amounts of bank premises, furniture, fixtures and equipment at the beginning and end of 2024 and 2023 is shown below.

	Group					
(Amounts in PHP)	**Land**	**Buildings**	**Furniture, Fixtures and Equipment**	**Leasehold Rights and Improvements**	**Right-of-use Assets**	**Total**
Balance at January 1, 2024, net of accumulated depreciation and amortization	**-**	**-**	**3,541**	**1,172**	**4,416**	**9,129**
Additions	**-**	**-**	**877**	**510**	**618**	**2,005**
Disposals	**-**	**-**	**(256)**	**(57)**	**-**	**(313)**
Depreciation and amortization charges for the year	**-**	**-**	**(903)**	**(422)**	**(1,463)**	**(2,788)**
Balance at December 31, 2024, net of accumulated depreciation and amortization	**-**	**-**	**3,259**	**1,203**	**3,571**	**8,033**
Balance at January 1, 2023, net of accumulated depreciation and amortization	918	950	4,106	1,001	4,289	11,264
Additions	-	1,551	1,532	633	1,557	5,273
Disposals	(918)	(2,488)	(1,095)	(152)	-	(4,653)
Depreciation and amortization charges for the year	-	(13)	(1,002)	(310)	(1,430)	(2,755)
Balance at December 31, 2023, net of accumulated depreciation and amortization	-	-	3,541	1,172	4,416	9,129

(Amounts in PHP)	Parent Company Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Right-of-use Assets	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	-	-	1,890	1,139	4,776	7,805
Additions	-	-	786	505	589	1,880
Disposals	-	-	(46)	(57)	-	(103)
Depreciation and amortization charges for the year	-	-	(534)	(414)	(1,574)	(2,522)
Balance at December 31, 2024, net of accumulated depreciation and amortization	**-**	**-**	**2,096**	**1,173**	**3,791**	**7,060**
Balance at January 1, 2023, net of accumulated depreciation and amortization	917	949	2,012	965	4,703	9,546
Additions	-	103	704	625	1,606	3,038
Disposals	(917)	(1,039)	(248)	(150)	-	(2,354)
Depreciation and amortization charges for the year	-	(13)	(578)	(301)	(1,533)	(2,425)
Balance at December 31, 2023, net of accumulated depreciation and amortization	-	-	1,890	1,139	4,776	7,805

Under BSP rules, investments in bank premises, furniture, fixtures and equipment should not exceed 50% of the respective unimpaired capital of the Parent Company and its bank subsidiaries. As of December 31, 2024 and 2023, the Parent Company and its bank subsidiary have satisfactorily complied with this BSP requirement.

The cost of the Group and the Parent Company's fully depreciated bank premises, furniture, fixtures and equipment that are still in use in operations is P9,742 and P8,169, respectively, as of December 31, 2024, and P7,905 and P7,090, respectively, as of December 31, 2023. Moreover, no impairment losses were recognized for the Group and the Parent Company's Bank Premises, Furniture, Fixtures and Equipment in 2024, 2023 and 2022, respectively.

As part of strengthening the Parent Company's capital position, on September 30, 2022, the Parent Company sold and immediately leased back for five years a portion of its bank premises and investment properties pertaining to AT Yuchengco Centre (ATYC), with carrying amount of P1,501 and P1,361, respectively [see Notes 14 and 27.7(a)]. The sale qualified as a sale and leaseback and accounted under the applicable financial reporting standard (see Note 2.9). The total selling price amounted to P6,065, of which P2,426 is still outstanding as part of Loans and discounts under Loans and Receivables – net in the statements of financial position. The loan receivable from ATYCI is secured, bears 6.04% interest and payable in 3 years. The impairment loss recognized on this loan receivable under the Parent Company's ECL model amounted to P1 and P9 in 2024 and 2023, respectively. [see Notes 11 and 27.7(a)].

The gain on sale recognized over the aforementioned sale and leaseback transaction amounted to P2,352 and is reported as part of the Gain on assets sold – net under Other Operating Income in the 2022 statement of profit or loss. Right-of-use asset and lease liability recognized amounted to P760 and P1,611, respectively (see Note 21).

On March 16, 2023, the Bank transferred and leased back certain real estate properties with total net book value of P1,796 to Frame Properties, Inc. in exchange for 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (Notes 23.2 and 27.5). The total fair value of shares received amounted to P6,208 resulting in a gain of P3,051 presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss. The sale qualified as a sale and leaseback and was accounted under the applicable financial reporting standard. Right-of-use asset and lease liability recognized amounted to P554 and P1,915, respectively.

The Group has leases for certain offices and branches. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected as a right-of-use asset and a lease liability as part of Bank Premises, Furniture, Fixtures and Equipment and Other Liabilities, respectively. The total short-term leases and leases of low-value entered into contract by the Parent Company amounted to P33 and P39 in 2024 and 2023, respectively. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The table below describes the nature of the Company's leasing activities at December 31, 2024 and 2023:

	Number of right-of-use assets leased		**Range of remaining lease terms (in years)**		**Average remaining lease terms (in years)**	
	2024	2023	**2024**	2023	**2024**	2023
Buildings	**10**	10	**1 to 3**	2 to 4	**2**	2
Warehouses	**12**	11	**1 to 3**	1 to 2	**2**	3
ATM batches	**21**	21	**1 to 4**	1 to 5	**2**	3
Offsites	**68**	-	**1 to 7**	-	**2**	-
Branches	**505**	433	**1 to 3**	1 to 11	**2**	4

The lease liabilities are secured by the related underlying assets and are presented as part of Other Liabilities in the statements of financial position (see Note 21). The undiscounted maturity analysis of lease liabilities at December 31, 2024 and 2023 are found below.

(Amounts in PHP)	**Within 1 Year**	**Within 2 Years**	**Within 3 Years**	**Within 4 Years**	**Within 5 Years**	**More than 5 Years**	**Total**
2024:							
Group:							
Lease payments	2,163	1,591	1,192	360	227	471	6,004
Finance charges	(274)	(174)	(89)	(45)	(31)	(49)	(662)
Net present value	**1,889**	**1,417**	**1,103**	**315**	**196**	**422**	**5,342**
Parent Company:							
Lease payments	2,287	1,666	1,202	353	218	447	6173
Finance charges	(264)	(167)	(84)	(43)	(29)	(45)	(632)
Net present value	**2,023**	**1,499**	**1,118**	**310**	**189**	**402**	**5,541**
2023:							
Group:							
Lease payments	2,107	2,064	1,470	1,158	228	499	7,526
Finance charges	(316)	(228)	(143)	(69)	(30)	(53)	(839)
Net present value	1,791	1,836	1,327	1,089	198	446	6,687
Parent Company:							
Lease payments	2,217	2,174	1,563	1,215	238	422	7,829
Finance charges	(303)	(218)	(136)	(64)	(28)	(51)	(800)
Net present value	1,914	1,956	1,427	1,151	210	371	7,029

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over branches and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

On January 1, 2021, the Parent Company and RCBC Realty Corporation renewed the terms for the lease of RCBC Plaza's several floors. The amendments in the terms include a new rental rate and extended term of five years based on the mutual agreement of both parties. In addition, the Parent Company has also entered a five-year lease agreement with ATYCI in October 2022 which is effective until September 30, 2027.

The total cash outflow in respect of leases in 2024, 2023 and 2022 amounted to P2,366, P2,131 and P2,265, respectively, for the Group, and P2,283, P2,044 and P2,189, respectively, for the Parent Company. Interest expense in relation to lease liabilities in 2024, 2023 and 2022 amounted to P364, P335 and P189, respectively, for the Group, and P351, P362 and P72, respectively, for the Parent Company and is presented as part of Interest Expense in the statements of profit or loss.

14. INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and impairment losses of investment properties at the beginning and end of 2024 and 2023 are shown below.

	Group			Parent Company		
	Land	**Buildings**	**Total**	**Land**	**Buildings**	**Total**
(Amounts in PHP)						
December 31, 2024						
Cost	-	1,063	1,063	-	1,063	1,063
Accumulated depreciation	-	(366)	(366)	-	(366)	(366)
Accumulated impairment (see Note 16)	-	(2)	(2)	-	(2)	(2)
Net carrying amount	**-**	**695**	**695**	**-**	**695**	**695**
December 31, 2023						
Cost	13	828	841	12	828	840
Accumulated depreciation	-	(294)	(294)	-	(294)	(294)
Accumulated impairment (see Note 16)	(4)	-	(4)	(3)	-	(3)
Net carrying amount	9	534	543	9	534	543
January 1, 2023						
Cost	1,781	1,784	3,565	1,643	1,763	3,406
Accumulated depreciation	-	(675)	(675)	-	(665)	(665)
Accumulated impairment (see Note 16)	(22)	(252)	(274)	(1)	(252)	(253)
Net carrying amount	1,759	857	2,616	1,642	846	2,488

The reconciliations of the carrying amounts of investment properties at the beginning and end of 2024 and 2023 follow:

	Group		Parent Company	
(Amounts in PHP)	**2024**	2023	**2024**	2023
Balance at January 1, net of accumulated depreciation and impairment	**543**	2,616	**543**	2,488
Additions	**255**	689	**251**	677
Disposals	**(16)**	(316)	**(16)**	(293)
Reclassification (see Note 15.1)	**(3)**	(2,341)	**-**	(2,225)
Depreciation charges for the year	**(83)**	(104)	**(83)**	(103)
Impairment losses	**(1)**	(1)	**-**	(1)
Balance at December 31, net of accumulated depreciation and impairment	**695**	543	**695**	543

As of December 31, 2024 and 2023, there is no restriction on the realizability of investment properties or the remittance of income and proceeds of disposal therefrom.

14.1 Additions, Disposals and Reclassification of Investment Properties

The Group and the Parent Company foreclosed real and other properties totaling P255 and P251, respectively, in 2024, and P689 and P677, respectively, in 2023, in settlement of certain loan accounts (see Note 30).

As of December 31, 2024, and 2023, foreclosed investment properties still subject to redemption period by the borrowers amounted to P757 and P487, respectively, for the Group and P734 and P455, respectively, for the Parent Company.

The total gain recognized by the Group and the Parent Company from disposals of investment properties amounted to P438 and P436, respectively, in 2024, and P664 and P660, respectively, in 2023, and P510 and P502, respectively, in 2022, which is presented as part of Gain on assets sold – net under Other Operating Income account in the statements of profit or loss.

14.2 Income and Expenses from Investment Properties Held for Rental

The Group and Parent Company earned rental income from investment properties amounting to nil in 2024, P12 in 2023 and P199 in 2022, and are presented as part of Rentals under Miscellaneous Income account in the statements of profit or loss [see Notes 24.1 and 27.7(b)]. Expenses incurred by the Group and Parent Company in relation to the investment properties include taxes and licenses amounting to P97 in 2024, P98 in 2023 and P48, in 2022.

15. OTHER RESOURCES

Other resources consist of the following:

	Notes	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
(Amounts in PHP)					
Creditable withholding taxes		**4,512**	4,280	**4,482**	4,262
Assets held-for-sale and disposal group	15.1	**3,910**	4,503	**3,459**	4,027
Net defined benefit asset	23.2, 27.5	**2,745**	2,625	**2,746**	2,665
Prepaid expenses	15.2	**1,762**	1,645	**1,533**	1,417
Software – net	15.3	**1,248**	1,237	**1,245**	1,235
Refundable and other deposits		**1,198**	955	**1,179**	953
Branch licenses	15.4	**1,000**	1,000	**1,000**	1,000
Deferred charges		**949**	660	**949**	657
Unused stationery and supplies		**646**	618	**637**	609
Goodwill	15.5	**426**	426	**269**	269
Returned checks and other cash items		**235**	221	**235**	221
Margin deposits	15.6	**214**	243	**214**	243
Miscellaneous	15.7	**2,028**	2,032	**1,978**	1,837
		20,873	20,445	**19,926**	19,395
Allowance for impairment	15.1, 15.5, 16	**(485)**	(1,068)	**(327)**	(890)
		20,388	19,377	**19,599**	18,505

15.1 Assets Held-for-Sale and Disposal Group

Assets held-for-sale represents assets that are approved by management to be immediately sold in its present condition and management believes that the sale is highly probable at the time of reclassification. Asset held-for-sale and disposal group consists of the following:

	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
(Amounts in PHP)				
Equity securities	**519**	1,809	**519**	1,809
Foreclosed automobiles	**689**	713	**382**	380
Foreclosed real properties	**2,702**	1,981	**2,558**	1,838
	3,910	4,503	**3,459**	4,027
Allowance for impairment	**(454)**	(881)	**(450)**	(861)
Balance at end of year	**3,456**	3,622	**3,009**	3,166

On May 29, 2023, the Bank's BOD approved the sale of its consolidated ROPA, recognized as part of Investment properties. The program consists of three phases of execution, namely; (a) the sale of high-end properties; (b) the sale of a property in Tarlac, and (c) the sale of consolidated ROPA nationwide, which includes properties of both the Bank and its subsidiaries. The carrying values of these investment properties which were reclassified to assets held for sale amounted to P831, while the related appraised values amounted to P5,131. Further reclassification of investment properties with carrying value of P1,394 and appraised value of P3,103 was made during the last quarter of 2023 as part of the commitment of the Bank to dispose of the properties to comply with the constitutional requirements on land ownership of the Bank after additional investment of SMBC (see Notes 1.1 and 22.3).

During 2023, the Bank partially disposed of aforementioned properties with a total carrying value of P427 for a gross consideration of P3,236, resulting in a gain amounting to P2,809, which was presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss.

In February 2025, the Bank disposed of the remaining consolidated ROPA with a total carrying amount of P615 for a gross consideration of P495. Accordingly, the carrying amount of the related assets was reduced to the recoverable amount based on the above selling price and recognized loss of P106 in the 2024 profit or loss of the Group.

15.1.1 HHIC Equity Securities

In May 2019, RCBC, together with other local banks, entered into a Detailed Implementing Agreement with Hanjin Heavy Industries and Construction Philippines, Inc. (HHIC-Phil), a subsidiary of HJ Shipbuilding and Construction Ltd. (HJSC), a Korean shipbuilding company, to convert a part of the former's debt into a 20% stake in HJSC (see Note 28.2). Accordingly, in June 2019, the Bank received 7,100,129 common shares representing 8.53% ownership in HJSC in settlement of HHIC-Phil's gross outstanding loan amounting to USD63.5 million or P3,286. In 2024, 2023 and 2022, the Parent Company recognized impairment of the HJSC equity securities amounting to P160, P160 and P516, respectively, which are included as part of Impairment Losses – net in the statements of profit or loss (see Note 16).

During 2024, the Bank has sold its 4,871 HJSC shares with carrying amount of P505. These batches of sale resulted to a gain of P355 which are included as part of Gain on assets sold – net in the statements of profit or loss.

In January 2025, the remaining 2,229 shares with carrying amount of P223 were sold by the Bank for a total selling price of P617. The sale of shares resulted in a net gain of P386 which will be recognized in the Group's 2025 profit or loss.

15.2 Prepaid Expenses

Prepaid expenses include prepayments for insurance, taxes and licenses, and software maintenance.

15.3 Software

A reconciliation of the carrying amounts of software at the beginning and end of 2024 and 2023 is shown below.

	Group		**Parent Company**	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Balance at beginning of year	**1,237**	1,362	**1,235**	1,359
Additions	**519**	381	**518**	362
Amortization	**(508)**	(506)	**(508)**	(486)
Balance at end of year	**1,248**	1,237	**1,245**	1,235

Amortization charges for software are included as part of Depreciation and Amortization account in the statements of profit or loss.

15.4 Branch Licenses

Branch licenses represent the rights granted by the BSP to the Parent Company in 2015 to establish a certain number of branches in the restricted areas in the country. Branch licenses are annually tested for impairment either individually or at the CGU level, as appropriate when circumstances indicate that the intangible asset may be impaired.

Branch licenses is subject to annual impairment testing and whenever is an indication of impairment. The recoverable amount used to determine impairment on the branch licenses was based on Value-in-Use (VIU) calculation computed through discounting the five-year cash flow projections from financial budgets approved by the Parent Company's senior management covering a five-year period. The recoverable amount was computed by determining the excess of the projected interest income from the projected interest expense. The Group also considered key assumptions in determining cash flow projections which includes discount rates and growth rates. Future cash flows and growth rates were based on experience, strategies developed, and prospects. The discount rate applied to cash flow projections is 10.95% and 9.52% in 2024 and 2023, respectively, while the growth rate used to extrapolate cash flows covering a five-year period is 5.81% and 5.64%, in 2024 and 2023, respectively.

15.5 Goodwill

The Parent Company recognized goodwill amounting to P269 which arose from its acquisition of the net assets of another bank in 1998 from which it had expected future economic benefits and synergies that will result from combining the operations of the acquired bank.

Goodwill is subject to annual impairment testing and whenever there is an indication of impairment. In 2024 and 2023, the Parent Company engaged a third party consultant to perform an independent impairment testing of goodwill. The recoverable amount of the CGU has been based on VIU calculation using the cash flow projections from financial budgets approved by the Parent Company's senior management covering a five-year period. The Group also considered key assumptions in determining cash flow projections which includes discount rates and growth rates. Future cash flows and growth rates were based on experience, strategies developed, and prospects.

The discount rate used for the computation of the net present value is the cost of equity and was determined by reference to comparable entities within the industry. In 2024 and 2023, the discount rate applied to cash flow projections is 10.95% and 11.05%, respectively, while the growth rate used to extrapolate cash flows beyond five-year period is 5.81% and 6.18% for 2024 and 2023, respectively. On the basis of the report of the third-party consultant dated February 14, 2025 and February 1, 2024 with valuation date as of the end of 2024 and 2023, respectively, the Group has assessed that the recoverable amount of the goodwill is higher than its carrying value. Accordingly, no impairment loss is required to be recognized in the statements of profit or loss in both years.

In addition, the goodwill pertaining to the acquisition of Rizal Microbank amounting to P157 was fully provided with impairment in 2011.

15.6 Margin Deposits

Margin deposits serve as security for outstanding financial market transactions and other liabilities. These are designed to provide additional credit risk protection for counterparty exposures.

15.7 Miscellaneous

Miscellaneous account includes various deposits, advance rentals, service provider fund, trading right and other assets.

16. ALLOWANCE FOR EXPECTED CREDIT LOSS AND IMPAIRMENT

Changes in the amounts of allowance for impairment are summarized below.

		Group		Parent Company	
(Amounts in PHP)	Notes	**2024**	2023	**2024**	2023
Balance at beginning of year					
Loans and receivables	11	**17,395**	16,030	**16,021**	15,088
Investment securities at amortized cost	10.3	**161**	163	**71**	71
Loan commitments	4.4, 21	**304**	214	**304**	214
Investment properties	14	**4**	274	**3**	253
Other resources - net	15	**1,068**	1,223	**890**	1,066
		18,932	17,904	**17,289**	16,692
Impairment losses – net:					
Loans and receivables	11	**8,281**	6,574	**8,231**	5,759
Investment securities at at amortized cost	10.3	**(10)**	(2)	**(10)**	-
Loan commitments	4.4, 21	**66**	105	**66**	105
Investment properties	14	**1**	1	**-**	1
Other resources - net	15	**281**	210	**277**	209
		8,619	6,888	**8,564**	6,074
Charge-offs and other adjustments during the year		**(6,442)**	(5,860)	**(6,392)**	(5,477)
Balance at end of year					
Loans and receivables	11	**20,130**	17,395	**18,730**	16,021
Investment securities at at amortized cost	10.3	**122**	161	**32**	71
Loan commitments	4.4	**370**	304	**370**	304
Investment properties	14	**2**	4	**2**	3
Other resources - net	15	**485**	1,068	**327**	890
		21,109	18,932	**19,461**	17,289

17. DEPOSIT LIABILITIES

The following is the breakdown of deposit liabilities (see also Note 27.3):

	Group		**Parent Company**	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Demand	**224,988**	214,395	**225,028**	215,284
Savings	**313,478**	287,738	**313,567**	287,776
Time	**484,328**	450,999	**484,142**	450,729
Long-term Negotiable Certificate of Deposits (LTNCD)	**-**	3,580	**-**	3,580
	1,022,794	956,712	**1,022,737**	957,369

As at December 31, 2023, the Parent Company has an outstanding LTNCD amounting to P3,580. Such LTNCD had a coupon interest rate of 5.50% and matured on March 28, 2024. This was used in the expansion of its term deposit base to support long-term asset growth and for other general funding purposes.

The Group's deposit liabilities bear annual interest as follows:

	2024	2023	2022
Demand, Savings and Time deposits	**0.10% - 9.65%**	0.10% - 6.50%	0.07% - 6.13%

The total interest expense incurred by the Group and the Parent Company on deposit liabilities are as follows:

	Group		
	2024	2023	2022
(Amounts in PHP)			
Time	**23,824**	22,389	7,995
Savings	**4,933**	3,388	894
Demand	**2,302**	2,044	868
LTNCD	**49**	214	300
	31,108	28,035	10,057

	Parent Company		
	2024	2023	2022
(Amounts in PHP)			
Time	**23,809**	22,402	7,987
Savings	**4,941**	3,392	895
Demand	**2,305**	2,048	873
LTNCD	**49**	214	300
	31,104	28,056	10,055

Non-FCDU deposit liabilities, including tax exempt LTNCDs, of the Parent Company and Rizal Microbank is subject to reserve requirement of 14% and 4%, respectively, based on BSP regulations effective July 31, 2020. In 2023, BSP reduced the reserve requirements for both the Parent Company and Rizal Microbank effective June 30 by 250 basis points and 100 basis points, respectively. The reserve requirement ratio for the Parent Company is at 7% and 9.5% while 1% and 2% for Rizal Microbank in 2024 and 2023, respectively.

Peso-denominated LTNCDs of the Parent Company are subject to reserve requirement equivalent of 4% in both years. As of December 31, 2024 and 2023, the Group is in compliance with such regulatory reserve requirements.

Under BSP Circular No. 1063, *Reduction in Reserve Requirements*, cash in vault and regular reserve deposit accounts with BSP are excluded as eligible forms of compliance for the reserve requirements. The required reserve shall only be kept in the form of demand deposit accounts with the BSP. Available reserves consist of Due from BSP amounting to P51,303, P83,701, and P76,582 for the Group and P54,963, P82,771, and P75,340 for the Parent Company as of December 31, 2024, 2023 and 2022, respectively (see Note 9).

18. BILLS PAYABLE

This account consists of borrowings from:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Foreign banks	**79,466**	36,653	**79,466**	36,653
Local banks	**7,150**	14,165	**1,462**	7,304
Others	**-**	40	**-**	-
	86,616	50,858	**80,928**	43,957

Borrowings from foreign and local banks are subject to annual fixed interest rates as follows:

	2024	2023	2022
Group			
Peso denominated	**2.50% - 8.50%**	3.00% - 8.00%	4.66% - 8.00%
Foreign currency denominated	**0.40% - 6.43%**	2.50% - 6.42%	0.0001% - 0.725%
Parent Company			
Peso denominated	**5.30%-6.34%**	6.31%	4.66% - 4.96%
Foreign currency denominated	**0.40%-6.43%**	2.50% - 6.42%	0.0001% - 0.725%

The total interest expense incurred by the Group on the bills payable amounted to P2,951 in 2024, P2,449 in 2023, and P824 in 2022. The total interest expense incurred by the Parent Company on the bills payable amounted to P2,552 in 2024, P2,042 in 2023, and P420 in 2022.

As of December 31, 2024 and 2023, bills payable availed under repurchase agreements amounting to P66,056 and P29,797, respectively, are secured by the Group and Parent Company's investment securities (see Note 10.3). Investment securities used as collateral to the bills payable are government securities and corporate debt securities that are measured at amortized cost. The average interest rate is 2.53% in 2024, 2.80% in 2023, and 4.05% in 2022 for government securities, and 3.81% in 2024 and 3.70% in 2022 for corporate debt securities. Average remaining terms before maturity of these investment securities as of 2024, 2023, and 2022 is 9 years, 13 years, and 3 years, respectively, for government securities, and 6 years and 7 years for corporate debt securities in 2024 and 2022, respectively. There are no corporate debt securities collaterals in 2023.

19. BONDS PAYABLE

The composition of this account for the Group and the Parent Company follows:

(Amounts in PHP)				Outstanding Balance	
Issuance Date	Maturity Date	Coupon Interest	Face Value (in millions)	2024	2023
January 7, 2024	January 18, 2029	5.50%	$400	**22,805**	-
February 21, 2022	May 21, 2024	3.00%	P14,756	**-**	14,756
March 31, 2021	June 30, 2026	4.18%	P4,130	**4,130**	4,130
September 11, 2019	September 11, 2024	3.05%	$293	**-**	16,053
				26,935	34,939

On January 7, 2024, the Group issued a USD400 5-year Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its USD3,000 Medium Term Note Program. The net proceeds from the issue of the Notes will be applied by the Group to support and finance its loans to customers or its own operating activities in eligible green and social categories as defined in the Group's Sustainable Finance Framework.

Out of the USD400 senior notes issued on January 7, 2024, USD200 are designated as liability under fair value hedge accounting (see Note 3). As of December 31, 2024, the Group has four outstanding interest rate swaps designated as fair value hedges of the interest rate risk arising from 50% of the Group's USD400 fixed rate bonds payable.

On February 21, 2022, the Parent Company issued unsecured Peso-denominated Senior Notes with principal amount and outstanding balance as of December 31, 2023 of P14,756 bearing an interest of 3.00% per annum. The senior notes matured last May 21, 2024.

On March 31, 2021, the Parent Company issued unsecured Peso-denominated Senior Notes with outstanding balance as of December 31, 2023 of P4,130 bearing an interest of 4.18% per annum, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The senior notes will mature on June 30, 2026.

In September 2019, the Parent Company issued unsecured USD-denominated Senior Notes with principal amount of USD300 bearing an interest of 3.05% per annum, payable semi-annually in arrears every March 11 and September 1 of each year. The senior notes matured last September 11, 2024.

The debt issue cost incurred in 2024 and 2023 is P41 and P104, respectively. The unamortized debt issue cost as of December 31, 2024 and 2023 amounted to P129 and P15, respectively. The related amortization of unamortized debt issue cost is recorded as part of Interest Expense in the statements of profit or loss.

The interest expense incurred on these bonds payable amounted to P1,957 in 2024, P1,768 in 2023, and P3,397 in 2022. The Group and Parent Company recognized foreign currency exchange gains related to these bonds payable amounting to P718 and P3,567 in 2024 and 2022, respectively, while P450 foreign currency exchange losses in 2023. Foreign currency exchange losses are netted against foreign exchange gains presented under Other Operating Income account in the statements of profit or loss.

20. ACCRUED INTEREST, TAXES AND OTHER EXPENSES

The composition of this account follows:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Accrued expenses	**5,222**	5,550	**4,931**	5,286
Accrued interest	**5,144**	5,195	**5,135**	5,187
Taxes payable	**1,301**	1,337	**1,253**	1,313
	11,667	12,082	**11,319**	11,786

Accrued expenses represent mainly the accruals for utilities, employee benefits and other operating expenses. Accrued interest primarily includes unpaid interest on deposit liabilities, bills payable and bonds payable at the end of each reporting period.

21. OTHER LIABILITIES

Other liabilities consist of the following:

		Group		Parent Company	
	Notes	**2024**	2023	**2024**	2023
(Amounts in PHP)					
Accounts payable	27.7 (c)	**35,080**	10,197	**34,595**	9,769
Lease liabilities	13	**5,342**	6,687	**5,541**	7,029
Derivative financial liabilities	10.1	**3,635**	1,690	**3,635**	1,690
Manager's checks		**2,147**	1,878	**2,147**	1,878
Bills purchased – contra		**1,868**	2,673	**1,868**	2,673
Withholding taxes payable		**1,107**	1,108	**1,105**	1,101
Unclaimed balances-deposit		**900**	1,398	**900**	1,320
Unearned income		**730**	824	**723**	819
Deposit on lease contracts		**596**	796	**9**	18
Sundry credits		**403**	269	**403**	268
Other credits		**400**	381	**400**	381
ECL provisions on loan commitments	4.4.8 (c)	**370**	304	**370**	304
Guaranty deposits		**204**	6	**204**	6
Payment orders payable		**130**	147	**130**	147
Outstanding acceptances payable		**116**	1,467	**116**	1,467
Post-employment defined benefit obligation		**-**	40	**-**	-
Miscellaneous		**622**	1,601	**605**	1,703
		53,650	31,466	**52,751**	30,573

Accounts payable is mainly composed of settlement billing from credit card operations and the Group's expenditure purchases which are to be settled within the next reporting period.

Miscellaneous liabilities include due to treasury, government-related contributions, and other miscellaneous liabilities.

Interest expense incurred on other liabilities for 2024, 2023 and 2022 amounted to P137, P80 and P11 for the Group and Parent Company.

22. EQUITY

22.1 Capital Stock

Preferred and common stock represent the nominal value of shares of stock that have been issued (see Notes 22.2 and 22.3).

Capital paid in excess of par includes any premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares of stock are deducted from capital paid in excess of par, net of any related income tax benefits (see Note 22.2).

The movements in the outstanding capital stock of the Parent Company are as follows:

	Number of Shares		
	2024	2023	2022
Preferred stock – voting, non-cumulative non-redeemable, participating, convertible into common stock – P10 par value			
Authorized – 200,000,000 shares			
Issued and outstanding			
Balance at beginning of year	**267,410**	267,410	267,410
Conversion of preferred stock	**(1,216)**	-	-
Balance at end of year	**266,194**	267,410	267,410
Common stock – P10 par value			
Authorized:			
Balance at beginning and end of year	**2,600,000,000**	2,600,000,000	2,600,000,000
Issued and outstanding:			
Balance at beginning of year	**2,419,536,120**	2,037,478,896	2,037,478,896
Conversion of preferred stock	**239**	-	-
Issuance of new shares	**-**	168,619,976	-
Reissuance of shares during the year	**-**	213,437,248	-
Balance at end of year	**2,419,536,359**	2,419,536,120	2,037,478,896

As of December 31, 2024, and 2023, there are 742 and 746 holders of the Parent Company's listed shares holding an equivalent of 93.00% of the Parent Company's total issued and outstanding shares, respectively. Such listed shares closed at P24.85 and P23.00 per share for years December 31, 2024 and 2023, respectively.

In 1986, the Parent Company listed its common shares with the PSE. The historical information on the Parent Company's issuance of common shares arising from the initial and subsequent public offerings, including private placements is presented below.

Issuance	Subscriber	Issuance Date	Number of Shares Issued
Initial public offering	Various	November 1986	1,410,579
Stock rights offering	Various	April 1997	44,492,908
Stock rights offering	Various	July 1997	5,308,721
Stock rights offering	Various	August 1997	830,345
Stock rights offering	Various	January 2002	167,035,982
Stock rights offering	Various	June 2002	32,964,018
Follow-on offering	Various	March 2007	210,000,000
Private placement	International Finance Corporation (IFC)	March 2011	73,448,275
Private placement	Hexagon Investments B.V.	September 2011	126,551,725
Private placement	PMMIC	March 2013	63,650,000
Private placement	IFC Capitalization Fund	April 2013	71,151,505
Private placement	Cathay	April 2015	124,242,272
Stock rights offering	Various	July 2018	535,710,378
Private placement	SMBC	July 2021	101,850,000
Private placement	SMBC	July 2023	382,057,224

On May 29, 2006, the Parent Company's stockholders approved the issuance of up to 200,000,000 convertible preferred shares with a par value of P10 per share, subject to the approval, among others, by the PSE. The purpose of the issuance of the convertible preferred shares is to raise the Tier 1 capital pursuant to BSP regulations, thereby strengthening the capital base of the Parent Company and allowing it to expand its operations. On February 13, 2007, the PSE approved the listing application of the underlying common shares for the 105,000 convertible preferred shares, subject to the compliance of certain conditions of the PSE.

Preferred shares have the following features:

(a) Entitled to dividends at floating rate equivalent to the three-month LIBOR plus a spread of 2.0% per annum, calculated quarterly;

(b) Convertible to common shares at any time after the issue date at the option of the Parent Company at a conversion price using the adjusted net book value per share of the Parent Company based on the latest available financial statements prepared in accordance with PFRS, adjusted by local regulations;

(c) Non-redeemable; and,

(d) Participating as to dividends on a pro rata basis with the common stockholders in the surplus of the Parent Company after dividend payments had been made to the preferred shareholders.

On June 28, 2010, the Parent Company's stockholders owning or representing more than two-thirds of the outstanding capital stock confirmed and ratified the approval by the majority of the BOD on their Executive Session held on May 21, 2010, the proposed increase in Parent Company's authorized capital stock and removal of pre-emptive rights from holders of capital stock, whether common or preferred, to subscribe for or to purchase any shares of stock of any class, by amending the Parent Company's Articles of Incorporation.

The proposed P16,000 authorized capital stock is divided into the following classes of stocks:

(a) 1,400,000,000 common shares with a par value of ten pesos (P10.00) per share.

(b) 200,000,000 preferred shares with a par value of ten pesos (P10.00) per share.

The removal of pre-emptive rights was approved by the BSP and SEC on October 20, 2010 and November 4, 2010, respectively. On the other hand, the increase in authorized capital stock of the Parent Company was approved by the BSP and SEC on August 24, 2011 and September 16, 2011, respectively.

On June 27, 2022, the Bank amended its AOI to delete Articles four and seven of the AOI stating the term of existence of the Bank and transfer of voting stocks to foreign nationals, respectively to allow foreign ownership of the bank to exceed 40% and to be consistent with R.A. No. 11232, which grants perpetual corporate terms. The amendment of AOI was approved by BSP and SEC on August 26, 2022 and September 30, 2022, respectively (see Note 1.1).

On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share for a total consideration amounting to P27,125. The additional capital infusion was made on July 31, 2023 [see Notes 22.2 and 27.7(d)].

22.2 Issuance of Common Shares

The capital infusion from SMBC on July 31, 2023 involved issuance of common shares amounting to P1,686 and reissuance of the treasury at cost amounting to P9,287 [see Notes 22.3 and 27.7(d)]. This resulted in a net increase of the additional paid in capital account of the Bank amounting to P15,735, coming from the excess of the consideration received over the par value of common stock and cost of treasury shares amounting to P16,152 and directly attributable transaction costs amounting to P417.

On July 22, 2019, the effective date of merger, the Parent Company issued 315,287,248 common shares in exchange of the transfer of net assets of RSB at carrying value. The Parent Company recognized P10,507 as additional paid-in capital, which pertains to the difference between the par value of the shares issued and the carrying value of the net assets of RSB.

On November 27, 2017, the BOD of the Parent Company approved the increase in the Parent Company's authorized capital through the increase in the authorized common stock from 1,400,000,000 shares to 2,600,000,000 shares at P10 par value per share or for a total capital stock of P14,000 to P26,000. The BOD also approved the amendment of the Parent Company's Articles of Incorporation for the principal purpose of reflecting the said increase in authorized capital. These resolutions were approved by the Parent Company's stockholders representing at least two-thirds of its outstanding capital stock in a special meeting held on January 29, 2018. In the same meeting, the Parent Company's BOD approved the stock rights offering (Rights Offer) to be subscribed out of the increase in the authorized capital. The increase in authorized capital stock and the Rights Offer were approved by the BSP and SEC on June 29, 2018 and July 4, 2018, respectively. The offering of the stock rights representing 535,710,378 common shares (with equivalent amount of P5,357) occurred from June 25 to June 29, 2018 and the shares were listed at the PSE on July 16, 2018. The Rights Offer and issuance generated P15,000 proceeds, reduced by P217 issue costs; hence, resulting in P9,426 excess of consideration received over par value recognized in Capital Paid in Excess of Par account.

In 2015, the Parent Company issued common shares to Cathay at P64 per share for a total issue price of P7,951. This issuance resulted in the recognition of Capital Paid in Excess of Par amounting to P6,709 reduced by the total issuance cost of P222. The acquisition involves Cathay: (i) acquiring from Hexagon Investments B.V., an entity controlled by funds managed by CVC Asia Pacific Limited, 118,935,590 secondary shares at P64 per share, pursuant to a Sale and Purchase Agreement; (ii) acquiring 36,724,138 secondary common shares from IFC Capitalization Fund also at P64 per share, pursuant to a Sale and Purchase Agreement; and, (iii) entering into a shareholders agreement with PMMIC and the Parent Company.

In 2013, the Parent Company issued common shares to PMMIC and IFC Capitalization Fund at P64 and P58 per share for a total issue price of P4,074 and P4,127, respectively. These issuances resulted in the recognition of Capital Paid in Excess of Par amounting to P3,437 and P3,415, respectively, reduced by total issuance costs of P101.

22.3 Treasury Shares

Treasury shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Parent Company's equity holder until the shares are cancelled, reissued or disposed of.

On July 31, 2023, as a result of the capital infusion of SMBC, the Bank reissued 213,437,248 treasury shares at cost of P43.51 per share or P9,287 (see Notes 22.1 and 22.2).

On July 23, 2021, the Parent Company sold 101,850,000 shares to SMBC at P44.00 per share. This came from the treasury shares resulting from the merger of Parent Company and RSB. The sale of shares held by the Parent Company in treasury is equivalent to 4.999% of the total outstanding Common Stock. The issuance resulted in a recognition of additional Capital Paid in Excess of Par amounting to P50. In 2021, the Parent Company incurred expenses related to the issuance amounting to P113 which was charged to equity resulting in a P63 net decrease in the Capital Paid in Excess of Par. In 2022, the Parent Company incurred additional expenses amounting to P12 in relation to this treasury shares reissuance and this was charged against the 2022 Capital Paid in Excess of Par account.

In 2019, subsequent to the effective date of the merger, the Parent Company acquired the 315,287,248 common shares issued in exchange of the net assets of RSB equal to the Parent Company's investment in RSB as at December 31, 2018.

On September 23, 2011, the Parent Company issued 5,821,548 common shares (equivalent of 18,082,311 preferred shares and with total par value of P58) from the treasury account reissuance (with total cost of P182) and an additional 120,730,177 common stock (with total par value of P1,207) from unissued portion of the increase in authorized capital stock on September 23, 2011 to Hexagon Investments B.V. that is equivalent to approximately 15.00% of the outstanding common shares. The issuance resulted in the recognition of additional Capital Paid in Excess of Par amounting to P2,264.

On March 17, 2011, the Parent Company issued 73,448,275 common shares, comprising of 50,427,931 treasury shares reissuance (with total cost of P771) and 23,020,344 unissued stock (with total par value of P230), to IFC Capitalization Fund for a total consideration of P2,130 representing 7.20% ownership interest. The issuance resulted in the recognition of additional Capital Paid in Excess of Par amounting to P1,078.

22.4 Hybrid Perpetual Securities

Hybrid perpetual securities are non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards.

In August 27, 2020, the Parent Company issued USD300 non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards. As of December 31, 2024 and 2023, the hybrid perpetual securities amounted to P14,463, net of issuance costs.

The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

The proceeds of the hybrid perpetual securities are used to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

22.5 Surplus and Dividend Declarations

The details of the cash dividend distributions follow:

Date Declared	Dividend Per Share	Dividend Total Amount	Record Date	Date Approved by BOD	Date Paid/Payable
January 31, 2022*	-	500.57	February 28, 2022	January 31, 2022	February 28, 2022
February 28, 2022	0.0553	0.01	March 21, 2022	February 28, 2022	March 23, 2022
March 28, 2022	0.6180	1,259.16	April 11, 2022	March 28, 2022	April 27, 2022
March 28, 2022	0.6180	0.17	April 11, 2022	March 28, 2022	April 27, 2022
May 30, 2022	0.0748	0.02	June 21, 2022	May 30, 2022	June 23, 2022
July 25, 2022*	-	547.59	August 26, 2022	July 25, 2022	August 26, 2022
August 30, 2022	0.1047	0.03	September 21, 2022	August 30, 2022	September 22, 2022
November 28, 2022	0.1407	0.04	December 21, 2022	November 28, 2022	December 27, 2022
January 30, 2023*	-	534.98	February 27, 2023	January 30, 2023	February 27, 2023
February 27, 2023	0.1685	0.05	March 21, 2023	February 27, 2023	March 23, 2023
March 27, 2023	1.0800	2,200.48	April 13, 2023	March 27, 2023	April 27, 2023
March 27, 2023	1.0800	0.29	April 13, 2023	March 27, 2023	April 27, 2023
May 29, 2023	0.1789	0.05	June 21, 2023	May 29, 2023	June 26, 2023
July 31, 2023*	-	553.41	August 27, 2023	July 31, 2023	August 27, 2023
August 29, 2023	0.1920	0.05	September 21, 2023	August 29, 2023	September 25, 2023
November 29, 2023	0.1870	0.05	December 21, 2023	November 29, 2023	December 29, 2023
January 29, 2024*	-	546.53	February 27, 2024	January 29, 2024	February 27, 2024
February 26, 2024	0.1864	0.05	March 21, 2024	February 26, 2024	March 21, 2024
March 25, 2024	1.0140	2,453.11	April 13, 2024	March 25, 2024	April 26, 2024
March 25, 2024	1.0140	0.27	April 13, 2024	March 25, 2024	April 26, 2024
May 27, 2024	0.1854	0.05	June 21, 2024	May 27, 2024	June 26, 2024
July 29, 2024*	-	548.24	August 26, 2024	July 29, 2024	August 26, 2024
August 29, 2024	0.1857	0.05	September 21, 2024	August 29, 2024	September 25, 2024
November 25, 2024	0.1707	0.05	December 21, 2024	November 25, 2024	December 26, 2024

**Dividends for Hybrid Perpetual Securities*

In 2015, the BSP, through the MB, approved the liberalized rules for banks and quasi-banks on dividend declaration. The policy requires that dividend declaration be immediately recognized as a liability upon the approval of the BOD and that it be disclosed in the statement of changes in equity.

A portion of the Parent Company's surplus corresponding to the equity in net earnings of certain subsidiaries and associates totaling P5,975 and P5,727 as of December 31, 2024 and 2023, respectively, is not currently available for distribution as dividends.

22.6 Revaluation Reserves

The components and reconciliation of items of other comprehensive income presented in the statements of changes in equity of the Group and Parent Company at their aggregate amount under Revaluation Reserves account are shown below.

(Amounts in PHP)	**Revaluation of Financial Assets at FVOCI**	**Accumulated Translation Adjustments on Foreign Operations**	**Actuarial Gains (Losses) on Defined Benefit Plan**	**Total**
Balance as of January 1, 2024	(3,168)	54	(2,930)	(6,044)
Actuarial gains on defined benefit plan	-	-	378	378
Fair value loss on financial assets at FVOCI	(140)	-	-	(140)
Translation adjustment	-	6	-	6
Other comprehensive income (loss)	(140)	6	378	244
Transfers of fair value gain on financial assets at FVOCI to surplus	2	-	-	2
Balance as of December 31, 2024	**(3,306)**	**60**	**(2,552)**	**(5,798)**

(Amounts in PHP)	Revaluation of Financial Assets at FVOCI	Accumulated Translation Adjustments on Foreign Operations	Actuarial Gains (Losses) on Defined Benefit Plan	Total
Balance as of January 1, 2023	(4,866)	54	(1,580)	(6,392)
Actuarial gains on defined benefit plan	-	-	(1,350)	(1,350)
Fair value gain on financial assets at FVOCI	1,695	-	-	1,695
Other comprehensive income (loss)	1,695	-	(1,350)	345
Transfers of fair value gain on financial assets at FVOCI to surplus	3	-	-	3
Balance as of December 31, 2023	(3,168)	54	(2,930)	(6,044)
Balance as of January 1, 2022	389	54	(2,366)	(1,923)
Actuarial gains on defined benefit plan	-	-	786	786
Fair value loss on financial assets at FVOCI	(5,255)	-	-	(5,255)
Other comprehensive income (loss)	(5,255)	-	786	(4,469)
Balance as of December 31, 2022	(4,866)	54	(1,580)	(6,392)

22.7 Appropriation for General Loan Loss Reserves

Pursuant to the requirements of the BSP under Circular No. 1011, the Group shall recognize general loan loss provisions equivalent to one percent of all outstanding loans as of the end of the reporting period, except for accounts considered as credit risk-free under the existing BSP regulations. In cases when the computed allowance for ECL on those exposures is less than one percent of the general loan loss provisions required, the deficiency is recognized through appropriation from the Group's available Surplus. Such appropriation is considered as Tier 2 capital subject to the limit provided under the CAR framework. The outstanding balance of appropriation for General Loan Loss Reserves as of December 31, 2024 and 2023 amounted to P5,564 and P4,599 for the Group, and P5,537 and P4,589 for the Parent Company, respectively. The additional appropriations made in 2024 amounted to P965 and P948 and in 2023 amounted to P775 and P766 respectively, for the Group and Parent Company, respectively.

22.8 Reserve for Trust Business

Reserve for trust business represents the accumulated amount set aside by the Group under existing regulations requiring the Parent Company to appropriate and transfer to surplus 10% of its net profits accruing from their trust business until the surplus shall amount to 20% of the regulatory capital. The reserve shall not be paid out in dividends, but losses accruing in the course of the trust business may be charged against this account.

In 2024, the reserves for trust business was reclassified to Surplus account under Equity as a result of the spin-off of the trust operations of the Group into RTC (see Note 1.1).

22.9 Other Reserves

Other reserves refer to the amount attributable to the Parent Company arising from the changes in the ownership of the Non-controlling Interest (NCI) in the Group.

As of December 31, 2024 and 2023, this account consists of reserves arising from the acquisition of RCBC LFC amounting to P86 for both years.

In 2022, the Parent Company has acquired remaining interest to Rizal Microbank making it a wholly-owned subsidiary of the Parent Company (see Note 1.2). This acquisition resulted in the reduction of Other Reserves and NCI accounts amounting to P11 and P10, respectively. There is no similar transaction in 2024 and 2023.

23. EMPLOYEE BENEFITS

23.1 Short-Term Employee Benefits

Expenses recognized for salaries and other employee benefits are shown below.

	Group		
	2024	2023	2022
(Amounts in PHP)			
Short-term employee benefits	**7,559**	6,732	6,100
Post-employment defined benefits	**500**	418	463
	8,059	7,150	6,563

	Parent Company		
	2024	2023	2022
(Amounts in PHP)			
Short-term employee benefits	**6,604**	5,938	5,368
Post-employment defined benefits	**457**	383	426
	7,061	6,321	5,794

23.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Parent Company and certain subsidiaries maintain a funded, tax-qualified, non-contributory post-employment benefit plan that is being administered by RTC, an associate of the Group, covering all regular full-time employees. RTC manages the fund in coordination with the Parent Company's Retirement Plan Committee (RPC), Trust Committee and the respective committees of the subsidiaries which act in the best interest of the plan assets and are responsible for setting the investment policies.

The normal retirement age of the Group's employees ranges between 55 to 60 but the plan also provides for an early retirement at age 50 to 55 with a minimum of 10 to 20 years of credited service. The maximum retirement benefit is the lump sum equivalent to two months pay per year of continuous employment based on the employees' salary at retirement. Any fraction of a year shall be computed proportionately.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation reports obtained from independent actuaries in 2024 and 2023.

The amounts of post-employment benefit assets recognized in the financial statements are determined as follows:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Present value of the obligation	**(6,004)**	(5,932)	**(5,645)**	(5,603)
Fair value of plan assets	**9,511**	9,697	**9,151**	9,407
Effect of asset ceiling test	**(762)**	(1,140)	**(760)**	(1,139)
Excess of plan assets	**2,745**	2,625	**2,746**	2,665

The Group and Parent Company's post-employment defined benefit plan is included under Other Resources as of December 31, 2024 and 2023 (see Note 15).

The movements in the present value of the defined benefit obligation follow:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Balance at beginning of year	**5,932**	5,130	**5,603**	4,857
Current and past service cost	**500**	418	**457**	383
Interest expense	**407**	382	**386**	361
Remeasurements – actuarial				
Gains arising from changes in:				
– demographic assumptions	**(543)**	(1)	**(535)**	-
– financial assumptions	**284**	301	**276**	271
– experience adjustments	**97**	201	**93**	207
Benefits paid by the plan	**(673)**	(499)	**(635)**	(476)
Balance at end of year	**6,004**	5,932	**5,645**	5,603

The movements in the fair value of plan assets are presented below.

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Balance at beginning of year	**9,697**	3,145	**9,407**	2,885
Interest income	**643**	451	**625**	430
Gains on plan assets (excluding amounts included in net interest)	**(249)**	275	**(246)**	293
Contributions paid into the plan	**93**	6,326	**-**	6,275
Business combination	**-**	(1)	**-**	-
Benefits paid by the plan	**(673)**	(499)	**(635)**	(476)
Balance at end of year	**9,511**	9,697	**9,151**	9,407

On March 16, 2023, the Bank transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (see Notes 13 and 27.5).

On April 8, 2024, the Bank executed a Deed of Donation and Acceptance where the Bank donated and transferred ownership of 36,612,373 Preferred C shares representing 19.41% of the outstanding capital of RCBC JPL to RCBC Retirement Fund which is managed by RTC. Subsequent to the donation, the Bank's ownership interest over RCBC JPL is now reduced to 80% (see Note 1.1).

The composition of the fair value of plan assets at the end of each reporting period by category and risk characteristics is shown below.

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Cash and cash equivalents	**68**	701	**26**	644
Debt securities:				
Government bonds	**236**	243	**185**	230
Corporate debt securities	**488**	208	**369**	62
Equity securities:				
Transportation and communication	**562**	514	**562**	514
Financial intermediaries	**421**	420	**418**	418
Diversified holding companies	**235**	201	**234**	200
Electricity, gas and water	**100**	138	**100**	137
Quoted equity securities	**78**	23	**-**	-
Others	**63**	50	**-**	-
Unquoted long-term equity Investments	**6,961**	6,929	**6,961**	6,927
UITF	**276**	260	**276**	260
Investment properties	**10**	7	**10**	7
Loans and receivables	**10**	8	**10**	8
Others	**3**	(5)	**-**	-
Balance at end of year	**9,511**	9,697	**9,151**	9,407

The fair values of the above debt securities and quoted equity securities are determined based on market prices in active markets. Long-term equity investments represent investment in corporations not listed in active and organized markets. Fair values are determined based on the book value per share based on latest audited financial statements of the investee company. The fair value of the UITF is determined based on the net asset value per unit of investment held in the fund.

The fair value of the plan assets is at Level 1 in the fair value hierarchy except for UITF which are at Level 2 and unquoted long-term equity investments, loans and receivables, investment properties and other investments which are at Level 3.

The net gains on plan assets are as follows:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Interest income	**643**	451	**625**	430
Fair value gains (losses) - net	**(249)**	275	**(246)**	293
Actual gains - net	**394**	726	**379**	723

The amounts of post-employment benefit expense recognized in the profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are determined below as follows:

	Group		
	2024	2023	2022
(Amounts in PHP)			
Reported in profit or loss:			
Current and past service cost	**500**	418	463
Net interest expense (income)	**(236)**	(69)	141
Interest on the effect of asset ceiling	**80**	-	-
	344	349	604
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Demographic assumptions	**543**	1	1
– Financial assumptions	**(284)**	(301)	730
– Experience adjustments	**(97)**	(201)	44
Effect of asset ceiling test	**458**	(1,140)	-
Gains on plan assets (excluding amounts included in net interest)	**(249)**	275	7
	371	(1,366)	782

	Parent Company		
	2024	2023	2022
(Amounts in PHP)			
Reported in profit or loss:			
Current and past service cost	**457**	383	426
Net interest expense (income)	**(239)**	(69)	127
Interest on the effect of asset ceiling	**78**	-	-
	296	314	553
Reported in other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
– Demographic assumptions	**535**	-	-
– Financial assumptions	**(276)**	(271)	700
– Experience adjustments	**(93)**	(207)	57
Effect of asset ceiling test	**457**	(1,139)	-
Gains on plan assets (excluding amounts included in net interest)	**(246)**	293	25
	377	(1,324)	782

Current service costs, including the effect of curtailment and past service cost, form part of Employee Benefits under the Other Operating Expenses account, while net interest expense or income is presented as part of Interest Expense on Bills payable and other borrowings in the statements of profit or loss.

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of post-employment obligation, the following ranges of actuarial assumptions were used:

	2024	2023	2022
Group			
Discount rates	**6.06% - 6.13%**	6.28% - 7.00%	7.22% - 7.56%
Expected rate of salary increases	**3.50% - 6.00%**	4.00% - 8.00%	5.00% - 8.00%
Parent Company			
Discount rates	**6.09%**	6.88%	7.44%
Expected rate of salary increases	**5.00%**	5.00%	5.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average life expectancy of an individual retiring at the Group's normal retiring age of 60 is based on the 2017 Philippine Intercompany Mortality table. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group and Parent Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Rate Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Currently, the plan assets of the Group and Parent Company are significantly invested in equity and debt securities, while the Group and Parent Company also invests in cash and cash equivalents and other investments. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group and Parent Company's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the post-employment plan are described in the succeeding pages.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2024 and 2023:

	Group		
	Impact on Post-employment Defined Benefit Obligation		
(Amounts in PHP)	**Change in Assumption**	**Increase in Assumption**	**Decrease in Assumption**
2024:			
Discount rate	+/-1 %	**(379)**	**427**
Salary growth rate	+/-1 %	**428**	**(385)**
2023:			
Discount rate	+/-1 %	(462)	537
Salary growth rate	+/-1 %	565	(495)

	Parent Company		
	Impact on Post-employment Defined Benefit Obligation		
(Amounts in PHP)	**Change in Assumption**	**Increase in Assumption**	**Decrease in Assumption**
2024:			
Discount rate	+/-1 %	**(346)**	**388**
Salary growth rate	+/-1 %	**388**	**(352)**
2023:			
Discount rate	+/-1 %	(469)	543
Salary growth rate	+/-1 %	548	(481)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation at the end of each reporting period has been calculated using the projected unit credit method, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Parent Company through its RPC in coordination with the fund manager or RTC, ensures that the investment positions are managed considering the computed retirement obligations under the retirement plan. This strategy aims to match the plan assets to the retirement obligations due by investing in assets that are easy to liquidate (i.e., government securities, corporate bonds, equities with high value turnover).

As the Group's retirement obligations are in Philippine peso, all assets are invested in the same currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, various investments are made in a portfolio that may be liquidated within a reasonable period of time.

A large portion of the plan assets as of December 31, 2024 and 2023 consists of equity securities with the balance invested in fixed income securities and cash and cash equivalents. The Group believes that equity securities offer the best returns over the long term with an acceptable level of risk.

(iii) Funding Arrangements and Expected Contributions

The plan is currently overfunded by P2,629 and P2,639 in 2024 for the Group and Parent Company, respectively, based on the latest funding actuarial valuations in 2024.

The maturity profile of undiscounted expected benefit payments from the end of each reporting period follows:

	Group		**Parent Company**	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Less than one year	**655**	416	**638**	405
More than one year to five years	**3,093**	1,966	**2,957**	1,850
More than five years to ten years	**4,587**	4,906	**4,331**	4,683
More than ten to fifteen years	**22**	23	**-**	-
More than fifteen years	**20**	22	**-**	-
	8,377	7,333	**7,926**	6,938

The Group and Parent Company expect to contribute P21 and nil, respectively, to the plan in 2025.

24. MISCELLANEOUS INCOME AND EXPENSES

These accounts consist of the following:

24.1 Miscellaneous Income

		Group		
(Amounts in PHP)	Notes	**2024**	2023	2022
Recoveries from written off assets		**651**	600	486
Dividend income	10.1,10.2	**322**	318	311
Rentals	14.2, 28.2(b)	**283**	424	872
Gain on extinguishment of loan		**-**	390	890
Others		**210**	77	145
		1,466	1,809	2,704

		Parent Company		
(Amounts in PHP)	Notes	**2024**	2023	2022
Recoveries from written off assets		**651**	600	486
Dividend income	10.2	**273**	252	227
Rentals	14.2			
	27.7 (b)	**62**	57	261
Gain on extinguishment of loan		**-**	390	890
Others		**175**	74	148
		1,161	1,373	2,012

In 2023, the Bank recovered settlement-related fees from HHIC-Phil, Inc. related to the full collection of its outstanding receivables and was recognized as Gain on extinguishment of loan under Miscellaneous Income in the 2023 statement of profit or loss.

Miscellaneous income classified as Others includes rebates, penalty charges and other income items that cannot be appropriately classified under any of the foregoing income accounts.

24.2 Miscellaneous Expenses

	Group		
(Amounts in PHP)	**2024**	2023	2022
Credit card-related expenses	**2,361**	1,756	1,302
Insurance	**1,978**	1,821	1,543
Service and processing fees	**1,168**	845	776
Litigation/assets acquired expenses	**830**	823	600
Advertising and publicity	**629**	501	322
Communication and information services	**616**	631	582
Management and other professional fees	**553**	539	505
Employee activities	**282**	302	315
Banking fees	**226**	417	376
Stationery and office supplies	**191**	208	140
Information services	**179**	204	111
Other outside services	**154**	132	122
Donation and charitable contribution	**130**	182	107
Transportation and travel	**102**	167	225
Christmas expenses	**35**	14	13
Representation and entertainment	**23**	51	55
Membership fees	**20**	22	21
Fines and penalties	**4**	33	137
Others	**454**	635	695
	9,935	9,283	7,947

	Parent Company		
(Amounts in PHP)	**2024**	2023	2022
Credit card-related expenses	**2,347**	1,744	1,279
Insurance	**1,976**	1,819	1,541
Service and processing fees	**1,950**	1,581	1,418
Litigation/assets acquired expenses	**827**	818	589
Advertising and publicity	**625**	495	465
Communication and information services	**586**	604	552
Management and other professional fees	**504**	499	318
Employee activities	**278**	300	314
Banking fees	**218**	412	370
Stationery and office supplies	**186**	204	135
Information services	**178**	204	110
Other outside services	**155**	108	106
Donation and charitable contribution	**129**	151	213
Transportation and travel	**85**	132	122
Christmas expenses	**35**	14	13
Membership fees	**18**	20	19
Representation and entertainment	**11**	42	48
Fines and penalties	**1**	31	136
Others	**552**	613	660
	10,661	9,791	8,408

The Group's other expenses are composed of freight, various processing fees, fines and penalties, and seasonal giveaways. The Group and Parent Company's other expenses also include fees for records, facilities and management services to a related party under common control amounting to P540, P728, and P688 in 2024, 2023 and 2022, respectively (see Note 27).

25. INCOME AND OTHER TAXES

Under Philippine tax laws, the regular banking unit (RBU) of the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as Taxes and Licenses in the statements of profit or loss), as well as income taxes. Percentage and other taxes paid consist principally of the gross receipts tax (GRT) and documentary stamp tax (DST).

RA No. 9238, which was enacted on February 10, 2004, provides for the reimposition of GRT on banks and non-bank financial intermediaries performing quasi-banking functions and other non-bank financial intermediaries beginning January 1, 2004.

The recognition of liability of the Parent Company and certain subsidiaries for GRT is based on the related regulations issued by the tax authorities.

Income taxes include the regular corporate income tax (RCIT), and final tax paid at the rate of 20%, which represents the final withholding tax on gross interest income from government securities and other deposit substitutes.

Interest allowed as a deductible expense is reduced by an amount equivalent to certain percentage of interest income subjected to final tax. Minimum corporate income tax (MCIT) of 1% or 2% on modified gross income is computed and compared with the RCIT. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against regular income tax liability in the next three consecutive years. In addition, ordinarily, the Group's net operating loss carry over (NOLCO) is allowed as a deduction from taxable income in the next three consecutive years.

However, pursuant to Section 4 (bbb) of Bayanihan to Recover as One (BARO) Act and as implemented under Revenue Regulation 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2021 and 2022 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Effective May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10% gross income tax.

Interest income on deposits with other FCDUs and offshore banking units is subject to 15.0% final tax effective January 1, 2018.

In 2024, 2023 and 2022, the Group opted to continue claiming itemized deductions for income tax purposes.

The Parent Company's foreign subsidiaries are subject to income and other taxes based on the enacted tax laws of the countries and/or jurisdictions where they operate.

25.1 Current and Deferred Taxes

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Parent Company.

- RCIT was reduced from 30% to 25% starting July 1, 2020;
- MCIT was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- The allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

Starting July 1, 2023, corporations, excluding non-profit proprietary educational institutions and hospitals, and non-resident foreign corporations, will be subject to the original 2% MCIT rate based on their gross income.

The tax expense as reported in the statements of profit or loss consists of:

	Group		
	2024	2023	2022
(Amounts in PHP)			
Current tax expense:			
Final tax	**2,971**	2,659	1,564
RCIT at 25%	**979**	222	286
Excess MCIT over RCIT	**6**	452	252
	3,956	3,333	2,102
Application of MCIT	**(226)**	-	-
	3,730	3,333	2,102
Deferred tax income arising from origination and reversal of temporary differences	**(262)**	(2,035)	(534)
	3,468	1,298	1,568

	Parent Company		
	2024	2023	2022
(Amounts in PHP)			
Current tax expense:			
Final tax	**2,968**	2,578	1,553
RCIT at 25%	**829**	117	209
Excess MCIT over RCIT	**-**	431	251
	3,797	3,126	2,013
Application of MCIT	**(226)**	-	-
	3,571	3,126	2,013
Deferred tax income arising from origination and reversal of temporary differences	**(227)**	(1,843)	(495)
	3,344	1,283	1,518

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit or loss is as follows:

	Group		
(Amounts in PHP)	**2024**	2023	2022
Tax on pretax profit at 25%	**3,247**	3,379	3,412
Adjustments for income subjected to lower income tax rates	**(1,111)**	(2,702)	(399)
Tax effects of:			
Non-deductible expenses	**1,691**	1,268	504
FCDU income	**1,119**	296	(780)
Non-taxable income	**(1,014)**	(699)	(562)
Unrecognized temporary differences	**(29)**	(692)	(852)
Excess MCIT over RCIT	**11**	431	252
Recognition of previously unrecognized deferred tax asset	**(441)**	-	-
Utilization of NOLCO	**(35)**	-	-
Others	**30**	17	(7)
	3,468	1,298	1,568

	Parent Company		
(Amounts in PHP)	**2024**	2023	2022
Tax on pretax profit at at 25%	**3,216**	3,375	3,399
Adjustments for income subjected to lower income tax rates	**(1,284)**	(2,757)	(397)
Tax effects of:			
Non-deductible expenses	**1,642**	1,227	481
FCDU income	**1,119**	296	(780)
Non-taxable income	**(908)**	(605)	(511)
Recognition of previously unrecognized deferred tax asset	**(441)**	-	-
Unrecognized temporary difference	**-**	(684)	(925)
Excess MCIT over RCIT	**-**	431	251
	3,344	1,283	1,518

The deferred tax assets of the Group recognized in the consolidated statements of financial position as of December 31, 2024 and 2023 relate to the operations of the Parent Company and certain subsidiaries as shown below.

	Statements of Financial Position		**Statements of Profit or Loss**		
(Amounts in PHP)	**2024**	2023	**2024**	2023	2022
Allowance for impairment	**3,935**	3,360	**560**	435	140
Post-employment benefit obligation	**1,260**	1,387	**(127)**	1,304	(19)
Excess MCIT over RCIT	**689**	990	**(301)**	452	252
NOLCO	**167**	38	**129**	(156)	161
Others	**1**	-	**1**	-	-
Deferred tax assets – net	**6,052**	5,775			
Deferred tax income – net			**262**	2,035	534

The deferred tax assets of the Parent Company recognized in its statements of financial position as of December 31, 2024 and 2023 is shown below.

	Statements of Financial Position		Statements of Profit or Loss		
	2024	2023	**2024**	2023	2022
(Amounts in PHP)					
Allowance for impairment	**3,631**	3,018	**613**	271	99
Post-employment benefit obligation	**1,227**	1,387	**(160)**	1,296	(15)
Excess MCIT over RCIT	**682**	908	**(226)**	431	251
NOLCO	**38**	38	**-**	(155)	160
Deferred tax assets – net	**5,578**	5,351			
Deferred tax income – net			**227**	1,843	495

The Parent Company and certain subsidiaries have not recognized deferred tax assets on certain temporary differences since management believes that the Parent Company and certain subsidiaries may not be able to generate sufficient taxable profit in the future against which the tax benefits arising from those deductible temporary differences, NOLCO and other tax credits can be utilized.

The unrecognized deferred tax assets relate to the following:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Allowance for impairment	**1,009**	1,551	**985**	759
NOLCO	**24**	221	**-**	-
Excess MCIT over RCIT	**10**	33	**-**	-
Post-employment benefit obligation	**-**	406	**-**	-
Others	**5**	-	**-**	-
	1,048	2,211	**985**	759

Consequently, deferred tax liabilities were also not recognized on certain taxable temporary differences as the settlement of those can be offset by the available deductible temporary differences in the future.

In addition, deferred tax liabilities on accumulated translation adjustments, relating to its foreign subsidiaries were not recognized since their reversal can be led, and it is probable that the temporary difference will not reverse in the foreseeable future.

NOLCO can be claimed as deduction from future taxable income within three and five years from the year the taxable loss was incurred. In accordance with BARO Act, NOLCO incurred in 2020 and 2021 can be claimed as a deduction from the gross income until 2025 and 2026, respectively.

The details of the Group's NOLCO are shown below.

(Amounts in PHP)

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2024	257	-	-	257	2027
2023	210	-	-	210	2026
2022	749	494	-	255	2025
2021	140	139	-	1	2026
2020	249	208	-	41	2025
	1,605	841	-	764	

The details of the Parent Company's NOLCO are shown below:

(Amounts in PHP)

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2022	640	490	-	150	2025
2021	132	132	-	-	2026
	772	622	-	150	

The breakdown of the Group's excess MCIT over RCIT with the corresponding validity periods follows:

(Amounts in PHP)

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2024	10	-	-	10	2027
2023	435	-	-	435	2026
2022	254	-	-	254	2025
2021	231	226	5	-	2024
2020	7	1	6	-	2023
	937	227	11	699	

The breakdown of the Parent Company's excess MCIT over RCIT with the corresponding validity periods follows:

(Amounts in PHP)

Inception Year	Amount	Utilized	Expired	Balance	Expiry Year
2023	431	-	-	431	2026
2022	251	-	-	251	2025
2021	226	226	-	-	2026
	908	226	-	682	

25.2 Supplementary Information Required Under Revenue Regulation No. 15-2010

The Bureau of Internal Revenue (BIR) issued RR 15-2010 on November 25, 2010 which require certain tax information to be disclosed as part of the notes to financial statements. Such supplementary information is, however, not a required part of the basic financial statements prepared in accordance with PFRS; it is neither a required disclosure under the SEC rules and regulations covering form and content of financial statements under the Revised Securities Regulation Code Rule 68.

The Parent Company presented this tax information required by the BIR as a supplemental schedule filed separately from the basic financial statements.

26. TRUST OPERATIONS

In 2023 and prior years, the Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The resources, liabilities and income or loss arising thereon are excluded from these financial statements, as these are neither resources nor income of the Group.

Securities and properties (other than deposits) held by the Parent Company in fiduciary or agency capacity for its customers are not included in the financial statements, since these are not resources of the Parent Company. The Group and Parent Company's total trust resources amounted to P155,705 as of December 31, 2023 (see Note 33).

Investment in government securities which are shown as part of Investment securities at amortized cost (see Note 10.3) with a total face value of P1,324 as of December 31, 2023, for both the Group and the Parent Company are deposited with the BSP as security for faithful compliance with fiduciary obligations.

Income from trust operations, shown as Trust fees under Other Operating Income account, amounted to P423 and P415 in 2023 and 2022, respectively, in the Group and Parent Company's statements of profit or loss.

On November 28, 2022, the Parent Company's BOD approved the spin-off of the Bank's Trust operations into a separate corporate entity, which materialized on March 27, 2023 when RTC was incorporated to become a separate trust corporation, which commenced operations in January 2, 2024 (see Note 1.1).

27. RELATED PARTY TRANSACTIONS

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

The RPT Committee, which meet monthly and as necessary, review proposed RPT within the materiality threshold to determine whether or not the transaction is on terms no less favorable to the Group than terms available to any unconnected third party under the same or similar circumstances. On favorable review, the RPT Committee endorse transactions to the BOD for approval.

All material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Transactions amounting to 10% or more of the consolidated total resources based on the latest audited consolidated financial statements entered into with related parties are considered material.

A summary of the Group and Parent Company's transactions and outstanding balances of such transactions with related parties as of and for the years ended December 31, 2024, 2023 and 2022 is presented below.

		Group					
		2024		2023		2022	
	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
(Amounts in PHP)							
Stockholders							
Due from other banks	27.1	**113**	**2,009**	1,860	1,896	(2,299)	36
Loans and receivables	27.2	**-**	**-**	-	-	(96)	-
Deposit liabilities	27.3	**(239)**	**3,277**	846	3,516	670	2,670
Bills payable	27.6	**710**	**14,870**	14,160	14,160	-	-
Interest expense on deposits	27.3	**216**	**-**	60	-	46	-
Cash received from issuance of shares of stock	22.2	**-**	**-**	9,287	-	-	-
Associates							
Loans and receivables	27.2	**(104)**	**-**	104	104	-	-
Deposit liabilities	27.3	**6,236**	**6,905**	553	669	33	116
Interest expense on deposits	27.3	**83**	**-**	12	-	2	-
Sale of investment securities	27.4	**3,678**	**-**	-	-	-	-
Purchase of investment securities	27.4	**1,186**	**-**	-	-	-	-
Service processing fees	27.5	**45**	**45**	-	-	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**2,432**	**5,605**	(424)	3,173	2,782	3,597
Deposit liabilities	27.3	**5,953**	**19,182**	6,204	13,229	4,009	7,025
Interest income from loans and receivables	27.2	**326**	**-**	176	-	98	-
Interest expense on deposits	27.3	**1,035**	**-**	105	-	56	-
Gain on assets sold	27.7 (f)	**-**	**2,139**	2,288	2,139	2,352	-
Occupancy and equipment-related expenses	27.7 (b)	**1,446**	**-**	1,421	-	1,061	-
Miscellaneous expenses – others	24.2	**540**	**-**	728	-	688	-

(Amounts in PHP)	Notes	**Group**					
		2024		2023		2022	
		Amount of Transaction	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	(3)	35	4	38	14	34
Deposit liabilities	27.3	(33)	729	337	762	106	425
Interest expense on deposits	27.3	53	-	7	-	4	-
Salaries and employee benefits	27.7 (g)	572	-	582	-	565	-
Interest income from loans and receivables	27.2	2	-	-	-	-	-
Other Related Interests							
Loans and receivables	27.2	(221)	23,205	2,511	23,426	1,903	20,915
Deposit liabilities	27.3	(3,917)	9,835	(54)	13,752	8,372	13,806
Interest income from loans and receivables	27.2	1,590	-	856	-	824	-
Interest expense on deposits	27.3	149	-	133	-	137	-
Occupancy and equipment-related expenses	27.7 (b)	403	-	524	-	12	-
Gain on assets sold	13	-	-	3,051	-	-	-

(Amounts in PHP)	Notes	**Parent Company**					
		2024		2023		2022	
		Amount of Transaction	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Stockholders							
Due from other banks	27.1	113	2,009	1,860	1,896	(2,299)	36
Loans and receivables	27.2	-	-	-	-	(96)	-
Deposit liabilities	27.3	(241)	3,269	840	3,510	670	2,670
Bills payable	27.6	710	14,870	14,160	14,160	-	-
Interest expense on deposits	27.3	215	-	60	-	46	-
Cash received from issuance of shares of stock	22.2	-	-	9,287	-	-	-

		Parent Company					
		2024		2023		2022	
(Amounts in PHP)	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Subsidiaries							
Loans and receivables	27.2	**(40)**	**-**	40	40	-	-
Deposit liabilities	27.3	**(1,031)**	**888**	426	1,919	(1,159)	1,493
Interest expense on deposits	27.3	**34**	**-**	8	-	6	-
Dividend	12	**167**	**160**	92	-	71	-
Rental income	27.7 (a)	**223**	**-**	221	-	199	-
Occupancy and equipment-related expenses	27.7 (a)	**169**	**-**	176	-	162	-
Service and processing fees	27.7 (b)	**909**	**-**	744	-	650	-
Sale of investment securities	27.4	**-**	**-**	828	-	1,780	-
Purchase of investment securities	27.4	**520**	**-**	2	-	620	-
Assignment of receivables	11	**(18)**	**87**	(22)	105	-	127
Associates							
Loans and receivables	27.2	**(104)**	**-**	104	104	-	-
Deposit liabilities	27.3	**6,236**	**6,905**	553	669	15	116
Interest expense on deposits	27.3	**83**	**-**	12	-	2	-
Sale of investment securities	27.4	**3,678**	**-**	-	-	-	-
Purchase of investment securities	27.4	**1,186**	**-**	-	-	-	-
Service processing fees	27.5	**45**	**45**	-	-	-	-
Related Parties Under Common Ownership							
Loans and receivables	27.2	**2,432**	**5,605**	(424)	3,173	2,782	3,597
Deposit liabilities	27.3	**5,953**	**19,182**	6,204	13,229	2,112	7,025
Interest income from loans and receivables	27.2	**326**	**-**	176	-	98	-
Interest expense on deposits	27.3	**1,035**	**-**	105	-	56	-
Gain on assets sold	27.7 (f)	**-**	**2,139**	2,288	2,139	2,352	-
Occupancy and equipment-related expenses	27.7 (b)	**1,445**	**-**	1,418	-	1,061	-
Miscellaneous expenses – others	24.2	**539**	**-**	728	-	688	-

		Parent Company					
		2024		2023		2022	
(Amounts in PHP)	Notes	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Key Management Personnel							
Loans and receivables	27.2	**1**	**31**	4	30	25	26
Deposit liabilities	27.3	**(31)**	**727**	345	758	107	413
Interest income from loans and receivables	27.2	**2**	**-**	-	-	-	-
Interest expense on deposits	27.3	**53**	**-**	7	-	4	-
Salaries and employee benefits	27.7 (g)	**358**	**-**	395	-	334	-
Other Related Interests							
Loans and receivables	27.2	**(249)**	**23,150**	2,501	23,399	2,368	20,898
Deposit liabilities	27.3	**(3,915)**	**9,834**	(49)	13,749	5,794	13,798
Interest income from loans and receivables	27.2	**1,587**	**-**	854	-	823	-
Interest expense on deposits	27.3	**149**	**-**	133	-	137	-
Occupancy and equipment-related expenses	27.7 (b)	**367**	**-**	489	-	12	-
Gain on assets sold	13	**-**	**-**	3,051	-	-	-

27.1 Due from Other Banks

The outstanding balances for due from other banks with certain Directors, Officers, Stockholders and Related Interests (DOSRIs) as of and for the periods ended December 31, 2024, 2023 and 2022 amounted to P2,009, P1,896, and P36, respectively.

27.2 Loans and Receivables

The summary of the Group and Parent Company's significant transactions and the related outstanding balances for loans and receivables with its related parties as of and for the years ended December 31, 2024, 2023 and 2022 are as follows:

	Group			
Related Party Category	**Issuances**	**Repayments**	**Interest Income**	**Loans Outstanding**
(Amounts in PHP)				
2024:				
Associates	-	104	-	-
Related parties under common ownership	3,566	1,134	326	5,605
Key management personnel	6	9	2	35
Other related interests	4,338	4,559	1,590	23,205
	7,910	**5,806**	**1,918**	**28,845**
2023:				
Associates	104	-	-	104
Related parties under common ownership	700	1,124	176	3,173
Key management personnel	20	16	-	38
Other related interests	7,822	5,311	856	23,426
	8,646	6,451	1,032	26,741
2022:				
Stockholders	-	96	-	-
Related parties under common ownership	5,360	2,578	98	3,597
Key management personnel	26	1	-	34
Other related interests	4,276	2,373	824	20,915
	9,662	5,048	922	24,546

Related Party Category	Parent Company Issuances	Repayments	Interest Income	Loans Outstanding
(Amounts in PHP)				
2024:				
Subsidiaries	-	40	-	-
Associates	-	104	-	-
Related parties under common ownership	3,566	1,134	326	5,605
Key management personnel	3	2	2	31
Other related interests	4,294	4,543	1,587	23,150
	7,863	**5,823**	**1,915**	**28,786**
2023:				
Subsidiaries	40	-	-	40
Associates	104	-	-	104
Related parties under common ownership	700	1,124	176	3,173
Key management personnel	4	-	-	30
Other related interests	7,797	5,296	854	23,399
	8,645	6,420	1,030	26,746
2022:				
Stockholders	-	96	-	-
Related parties under common ownership	5,360	2,578	98	3,597
Key management personnel	26	1	-	26
Other related interests	4,729	2,361	823	20,898
	10,115	5,036	921	24,521

In the ordinary course of business, the Group has loan transactions with each other, their other affiliates, and with certain DOSRIs. Under existing policies of the Group, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

As of December 31, 2024, 2023 and 2022, the Group and Parent Company is in compliance with these regulatory requirements.

As of December 31, 2024, 2023 and 2022, the Group has not recognized impairment loss on loans and receivables from DOSRI.

27.3 Deposit Liabilities

The summary of the Group and Parent Company's significant transactions and the related outstanding balances for deposit liabilities with its related parties as of and for the years ended December 31, 2024, 2023 and 2022 are as follows (see Note 17):

	Group			
Related Party Category	**Deposits**	**Withdrawals**	**Interest Expense**	**Outstanding Balance**
(Amounts in PHP)				
2024:				
Stockholders	8,414	8,653	216	3,277
Associates	394,155	387,919	83	6,905
Related parties under common ownership	488,561	482,608	1,035	19,182
Key management personnel	16,524	16,557	53	729
Other related interests	213,328	217,245	149	9,835
	1,120,982	**1,112,982**	**1,536**	**39,928**
2023:				
Stockholders	10,511	9,665	60	3,516
Associates	49,646	49,093	12	669
Related parties under common ownership	200,946	194,742	105	13,229
Key management personnel	862	525	7	762
Other related interests	192,634	192,688	133	13,752
	454,599	446,713	317	31,928
2022:				
Stockholders	10,299	9,629	46	2,670
Associates	48,691	48,658	2	116
Related parties under common ownership	198,903	194,894	56	7,025
Key management personnel	844	738	4	425
Other related interests	191,435	183,063	137	13,806
	450,172	436,982	245	24,042

Related Party Category	Parent Company Deposits	Withdrawals	Interest Expense	Outstanding Balance
(Amounts in PHP)				
2024:				
Stockholders	8,412	8,653	215	3,269
Subsidiaries	150,483	151,514	34	888
Associates	394,155	387,919	83	6,905
Related parties under common ownership	488,561	482,608	1,035	19,182
Key management personnel	16,526	16,557	53	727
Other related interests	213,330	217,245	149	9,834
	1,271,467	**1,264,496**	**1,569**	**40,805**
2023:				
Stockholders	10,505	9,665	60	3,510
Subsidiaries	144,725	144,299	8	1,919
Associates	49,646	49,093	12	669
Related parties under common ownership	200,946	194,742	105	13,229
Key management personnel	862	517	7	758
Other related interests	192,634	192,683	133	13,749
	599,318	590,999	325	33,834
2022:				
Stockholders	10,299	9,629	46	2,670
Subsidiaries	141,887	143,046	6	1,493
Associates	48,673	48,658	2	116
Related parties under common ownership	197,006	194,894	56	7,025
Key management personnel	845	738	4	413
Other related interests	188,857	183,063	137	13,798
	587,567	580,028	251	25,515

Deposit liabilities transactions with related parties have similar terms with third party depositors.

27.4 Sale and Purchase of Securities

The Parent Company and certain subsidiaries engage in the trading 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.

27.5 Retirement Fund

The Parent Company and certain subsidiaries' retirement funds covered under their post-employment plan maintained for qualified employees are administered and managed by RTC in accordance with the respective trust agreements covering the plan.

The retirement funds have transactions with the Group and Parent Company as of December 31, 2024, 2023 and 2022 as follows:

	Group		Parent Company	
Nature of Transactions	Net Amount Transaction	Outstanding Balance	Net Amount Transaction	Outstanding Balance
(Amounts in PHP)				
2024:				
Investment in common shares of Parent Company	**32**	**425**	**31**	**418**
Deposits with the Parent Company	**2**	**40**	**-**	**-**
Fair value gains	**32**	**-**	**31**	**-**
Post-employment benefit asset	**120**	**2,745**	**81**	**2,746**
2023:				
Investment in common shares of Parent Company	(862)	393	(862)	387
Investments in corporate debt securities of Parent Company	(2)	-	-	-
Deposits with the Parent Company	4	38	(4)	-
Fair value gains	(12)	-	(12)	-
Interest income	2	-	-	-
Post-employment benefit asset	3,127	2,625	3,127	2,665
2022:				
Investment in common shares of Parent Company	215	1,255	214	1,249
Investments in corporate debt securities of Parent Company	(2)	2	-	-
Deposits with the Parent Company	(49)	34	(49)	4
Fair value gains	1	-	191	-
Interest income	1	-	-	-

On March 16, 2023, the Bank transferred and leased back certain real estate properties to Frame Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to the post-employment defined benefit plan as contribution to the plan assets (see Notes 13 and 23.2). The sale qualified as a sale and leaseback and was accounted under PFRS 16. Right-of-use asset and lease liability recognized amounted to P554 and P1,915, respectively. Lease payments made on the lease amounted to P361 and P321 during 2024 and 2023, respectively.

The carrying amount and the composition of the plan assets as of December 31, 2024, 2023 and 2022 are disclosed in Note 23.2. Investments in corporate debt securities include LTNCD issued by the Parent Company.

The information on the Group and Parent Company's contributions to the retirement fund and benefit payments through the fund are disclosed in Note 23.2.

The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments in its own shares of stock covered by any restriction and liens.

27.6 Bills Payable

The outstanding balances for bills payable with its related parties as of December 31, 2024 and 2023 amounted to P14,870 and P14,160, respectively.

27.7 Other Related Party Transactions

(a) Sale of ATYC to ATYCI

In 2022, the Parent Company sold to ATYCI and immediately leased back from the later a portion of its bank premises and investment properties pertaining to ATYC (see Notes 13 and 14).

(b) Lease Contracts with ATYCI and RRC and Sublease Agreement with Subsidiaries

The Parent Company and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RRC [see Note 28.2(b)]. In October 2022, the Parent Company entered into a five-year lease agreement with ATYCI [see Notes 13 and 27.7 (a)]. Amortization of right-of-use of asset amounted to P553, P719 and P400 for the years ended December 31, 2024, 2023 and 2022, respectively, and are presented as part of Depreciation and Amortization account in the statements of profit or loss. The Parent Company's lease contract with RRC and ATYCI is effective until December 31, 2025 and September 30, 2027, respectively.

The Parent Company entered into sublease agreements with certain subsidiaries which occupy several floors of RCBC Plaza. Rental income by Parent Company related to these sublease arrangements is included as part of Rentals under the Miscellaneous Income account in the statements of profit or loss (see Notes 14.2 and 24.1). The outstanding receivable on the lease contracts, if any, is presented as part of Accounts receivable under Loans and Receivables account in the statements of financial position (see Note 11). 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.

(c) Service Agreement with RBSC

The Parent Company has Service Agreement (the Agreement) with RBSC, wherein RBSC shall provide the Parent Company with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operation of the Parent Company's credit card, and personal and salary loans business. The total service processing fees incurred by the Parent Company is recognized as part of the Service and processing fees under the Miscellaneous expenses account in the statements of profit or loss (see Note 24.2). 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 (see Note 21). The related outstanding payable is unsecured, noninterest-bearing and payable in cash on demand.

(d) *Increase in Shareholding of SMBC*

On November 2, 2022, the Bank's BOD approved the increase in shareholding of SMBC, an existing shareholder of 4.99% of the total outstanding common stock of the Bank, to 20% through the combined sale of subscription of an aggregate of 382 common stock to SMBC, partly coming from the reissuance of treasury shares and issuance of new common stock, at the price of P71 per share. The additional capital infusion was made on July 31, 2023 (see Notes 22.1 and 22.2).

(e) *Donation of Properties from NPHI to RCBC*

On July 7, 2023, NPHI executed a deed of donation transferring to the Parent Bank certain real estate properties with a carrying amount of P2. On November 6, 2023, these properties were subsequently sold by the Parent Bank to PMMIC for a total consideration amounting to P57.

(f) *Sale of Tarlac Property to a Subsidiary of HOI*

On December 29, 2023, the Parent Company sold a property located in Tarlac with a selling price of P2,673 and a carrying amount of P385 resulting to a P2,288 gain, presented as part of Gain on assets sold – net under Other Operating Income in the 2023 statement of profit or loss (see Notes 15.1 and 30).

(g) *Key Management Personnel Compensation*

The breakdown of key management personnel compensation follows:

	Group		
	2024	2023	2022
(Amounts in PHP)			
Short-term employee benefits	**546**	566	555
Post-employment defined benefits	**26**	16	10
	572	582	565

	Parent Company		
	2024	2023	2022
Short-term employee benefits	**358**	395	334

(h) *Lease Contracts with Frame Properties, Inc.*

The Parent Company and certain subsidiaries leases office spaces and parking space from Frame Properties, Inc. In March 31, 2023, the Parent Company entered into a five-year lease agreement with Frame Properties, Inc.

In 2024, the Bank amended its lease contract with Frame Properties, Inc. to revise area occupied and lease rate for selected properties resulting in a reduction in right-of-use asset and lease liability amounting to P9 and P41, respectively.

Amortization of right-of-use of asset amounted to P227 and P199 for the years ended December 31, 2024 and 2023, respectively, and are presented as part of Depreciation and Amortization account in the statements of profit or loss. The Parent Company's lease contract with Frame Properties, Inc. is effective until March 30, 2028.

28. COMMITMENTS AND CONTINGENCIES

In the normal course of operations of the Group and Parent Company, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, tax assessments, claims from customers and third parties, etc., with amounts not reflected in the financial statements. Management does not anticipate losses from these transactions that will adversely affect the Group's and Parent Company's operations.

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

28.1 Alleged Unauthorized Transfer of Funds – Bank of Bangladesh

In February 2016, four (4) allegedly unauthorized fund transfers were made into four (4) accounts with the Bank from Bangladesh Bank's account with the Federal Reserve Bank of New York (NY Fed), before being further dispersed to other banks and casinos.
In August 2016, the MB imposed a P1,000 fine upon the Bank, which it paid in full, without any effect on its ability to perform its existing obligations or its operations.

28.1.1 U.S. Litigation Relating to the Bangladesh Bank Incident

Failing to prosecute the Bank under the Federal Racketeer Influence and Corrupt Organizations Act, Bangladesh Bank initiated a second complaint before the New York State Court (NY State Court) on May 27, 2020. The Bank has since sought the dismissal of this second case, citing (a) New York's lack of personal jurisdiction over it; (b) the impropriety of New York as a forum, given the ongoing related proceedings in the Philippines and the location of material witnesses/evidence; and (c) the untenable nature of the fraud charge against the Bank due to the lack of any fiduciary duty to Bangladesh Bank.

In a Decision/Order dated January 13, 2023, the NY State Court denied the Bank's Motion to Dismiss, ruling, among others, that (a) it has jurisdiction over the case, as the Bank's mere act of maintaining correspondent accounts in New York is purportedly tantamount to conducting business in the said jurisdiction; (b) it is irrelevant that the Bank was not the entity which initiated the transfer of funds; (c) the NY State Court will properly focus on the theft which occurred in New York and not the laundering of the funds stolen; and (c) the location of the witnesses/documents favor New York.

The Bank timely filed its Answer within the extension period granted by the NY State Court. The Bank likewise participated in the May 16, 2023 court-mandated mediation; which, however, failed and was terminated. The parties are currently availing of the different modes of discovery as directed by the NY State Court, the deadline of which is now on May 7, 2025. Thereafter, Depositions are expected to commence on May 12, 2025.

28.1.2 U.S. Appellate Litigation at the Supreme Court of the State of New York Appellate Division, First Judicial Department (the NY Appellate Division, First Judicial Department) relating to the Bangladesh Bank Incident

The Bank filed its appeal on the aforecited January 13, 2023 Decision/Order of the NY State Court, and timely filed its Appellant's Brief on July 19, 2023. The Bank argued that, in denying its Motion to Dismiss, the NY State Court practically reversed its earlier Decision/rulings on the very same issues which had resulted in the dismissal of the case against the Philippine casinos.

The Bank further pointed out that (a) the NY Appellate Division, First Judicial Department in Bangladesh Bank v. Rizal Commercial Banking Corp. 216 AD 3d590 (the Bloomberry case) has affirmed (1) the correctness of the aforesaid dismissal, as with the NY State Court's ruling that New York does not have a substantial nexus to the action; and (2) that the Philippines is a viable alternate forum; and (b) given the lack of material distinction between the facts/circumstances of the now-final Decision in the Bloomberry case and the Bank's case, the assailed NY State Court's Decision/Order dated January 13, 2023 violates the said judicial precedent and must be set aside.

Bangladesh Bank, on the other hand, (a) made it appear that the NY Fed was the target of the supposed conspirators when (1) its Complaint states otherwise; and (2) the NY Fed, in the Bloomberry case, stated that there was no evidence of any attempt to actually penetrate the Federal Reserve System or that the same was compromised; (b) now claimed that it is a quasi in rem resident of New York via its ownership of a bank account in New York with hundreds of millions of dollars; and (c) tried to downplay the significance of the Bloomberry case Decision, claiming that the Philippine casinos were involved in money laundering while the Bank was involved in the conspiracy and theft of funds.

In a Decision and Order dated 29 February 2024, the Appellate Division, First Judicial Department of the Supreme Court of the State of New York (the "Appellate Court") dismissed three (3) causes of action (i.e., conversion aiding and abetting conversion, and conspiracy to commit conversion) against the Bank and its impleaded officers.

The Appellate Court likewise dismissed the case against four of the Bank's officers. It was held, however, that the case can proceed against the Bank and the remaining defendants on the other causes of action.

Appeals were file but all were denied. No further development is expected in this case. This appeal is now considered closed.

28.1.3 Philippine Litigation Relating to the Bangladesh Bank Incident

After initially issuing differing rulings on whether Bangladesh Bank was properly served with summons and even dismissing the case, the Makati Trial Court, in its Resolution dated May 31, 2023, (a) reinstated the same; and (b) deputized Bangladesh Bank's Philippine counsel to serve summons upon its client, citing Sec. 13, Rule 14 of the 2019 Amendments to the 1997 Rules of Civil Procedure. The Makati Trial Court reiterated this ruling in its Resolution dated October 11, 2023, which denied Bangladesh Bank's Motion for Reconsideration. Instead of appealing the resolution of the Makati Trial Court, Bangladesh Bank filed a Memorandum of Authorities dated 7 December 2023. In an Order dated 27 February 2024, the Makati Trial Court held that the matter regarding Bangladesh Bank's state immunity is deemed submitted for resolution.

RCBC continues to deny liability and is vigorously defending itself against Bangladesh Bank's claims. As discussed above, the Court has dismissed several causes of action asserted against RCBC. Discovery is ongoing and the parties will continue to exchange documents and proceed to depositions over the next several months. To date, document discovery by the parties does not clearly establish that RCBC officers or directors engaged in or had knowledge of the intentional wrongdoing alleged by Bangladesh Bank.

Except for the matters discussed above, 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.

28.2 Lease Commitments – Group as a Lessor

a. Finance Lease

The Group, as a lessor, enters into finance leases covering various equipment and vehicles with lease term ranging one to more than five years. To manage its risks over these finance leases, the Group retains its legal title over the underlying assets and are used as securities over the finance lease receivables. The Group's future minimum lease payments receivable (MLPR) under this finance lease together with the present value of net minimum lease payments receivable (NMLPR) are shown below:

	2024		2023	
(Amounts in PHP)	**Future MLPR**	**PV of NMLPR**	Future MLPR	PV of NMLPR
Within one year	**145**	**138**	244	233
After one year but not more than two years	**741**	**641**	521	474
After two years but not more than three years	**268**	**231**	622	531
After three years but not more than four years	**15**	**12**	143	117
After four years but not more than five years	**190**	**151**	289	222
More than five years	**39**	**29**	13	10
Total MLPR	**1,398**	**1,202**	1,832	1,587
Unearned lease income	**(196)**	**-**	(245)	-
Present value of MLPR	**1,202**	**1,202**	1,587	1,587

The only change in the carrying amount of the net investment in finance leases during the year is the amortization of finance income. The net investment relating to this finance lease is presented as Lease contract receivables under Loans and Receivables account in the statements of financial position (see Note 11). The interest income from the finance leases amount to P226, P323, and P202 in 2024, 2023 and 2022, respectively, and is presented as part of is recognized as part of Interest Income in the statements of profit or loss (see Note 11).

b. Operating Lease

Prior to the sale of the ATYC, the Group and Parent Company has entered into various lease contracts related to this property, with lease terms ranging from one to five years and with monthly rent depending on market price with 6% escalation rate every year. Moreover, RRC entered into several lease agreements for lease of machineries and equipment for a period of one to more than five years. Total rent income earned from these leases amounted to P283, P424, and P872 in 2024, 2023, and 2022, respectively, which are presented as Rentals under the Miscellaneous Income account in the statements of profit or loss (see Note 24.1).

The Group is subject to risk incidental to the leasing operations which include, among others, changes in the market rental rates, inability to renew leases upon lease expiration and inability to collect rent from lessees due to bankruptcy or insolvency of lessees. To mitigate these risks, lessees pay guarantee deposit ranging from 10% to 20% of the value of the leased assets, which is forfeited in case a lessee pre-terminates without prior notice or before the expiry of lease terminate without cause.

There are no variable lease rentals as of December 31, 2024, 2023, and 2022. The Group's and Parent Company's future minimum rental receivables under this non-cancellable operating lease arrangement are as follows:

	Group		
	2024	2023	2022
(Amounts in PHP)			
Within one year	**326**	338	598
After one year but not more than two years	**140**	312	444
After two years but not more three five years	**45**	126	392
After three years but not more than four years	**16**	31	173
After four years but not more than five years	**3**	7	13
	530	814	1,620

28.3 Capital Commitments

As of December 31, 2024 and 2023, the Group and Parent bank has no contractual commitment for the acquisition of Bank premises, furniture, fixtures and equipment, Intangible assets, and Investment properties (see Notes 13, 14 and 15).

29. EARNINGS PER SHARE

The following shows the Group's profit and per share data used in the basic and diluted EPS computations for the three years presented:

	2024	2023	2022
(Amounts in PHP)			
Net profit attributable to Parent Company's shareholders	**9,520**	12,218	12,080
Dividends paid to preferred shareholders and distributions allocated to holders of hybrid perpetual securities	**(1,096)**	(1,068)	(1,037)
	8,424	11,150	11,043
Weighted average number of outstanding common shares of stock	**2,420**	2,198	2,037
Basic and diluted EPS	**3.48**	5.07	5.42

The convertible preferred shares did not have a significant impact on the EPS for each of the periods presented. The Group and the Parent Company has no potential dilutive shares as of the end of each reporting period.

30. SUPPLEMENTARY INFORMATION TO STATEMENTS OF CASH FLOWS

Significant non-cash transactions of the Group and the Parent Company include additional leases under PFRS 16 as discussed in Notes 13 and 27; disposals of bank premises and investment properties as discussed in Notes 13 and 14; sale and leaseback of properties to Frame Properties, Inc. for a 100% ownership which was subsequently transferred to retirement fund as discussed in Notes 13 and 27.4; reclassifications between investment properties to NCAHS as discussed in Notes 14 and 15; additions of real properties, chattel properties and other assets through foreclosures, dacion in payment and repossessions as discussed in Notes 14.1 and 15; and, partial settlement of certain loan in exchange of equity securities as discussed in Note 15.

In 2023, the Parent Company sold a property located in Tarlac with a total selling price of P2,673, which is paid partly in cash and through issuance of sales contract receivables [see Notes 15.1 and 27.7 (f)]. In 2022, the Parent Company disposed of a portion of its bank premises and investment properties with total selling price P6,065, which is paid partly in cash and through issuance of notes receivables [see Notes 11, 13, 14 and 27.7(a)].

On July 14, 2023, the Parent Company sold NPHI and Cajel to FLI for a total consideration price of P544, broken down into cash amounting to P190 and loans receivable amounting to P364 (see Note 12).

Presented below is the reconciliation of the Group and Parent Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Group				
	Bills Payable (see Note 18)	**Bonds Payable** (see Note 19)	**Lease Liability** (see Note 21)	**Hybrid Perpetual Securities** (see Note 22.4)	**Total Financing Activities**
(Amounts in PHP)					
Balance at January 1, 2024	50,858	34,939	6,687	14,463	106,947
Cash flow from financing activities:					
Availments/proceeds from issuance	43,948	23,138	-	-	67,086
Payments/redemption	(10,232)	(31,542)	(2,366)	-	(44,140)
Non-cash financing activities:					
Additional lease liabilities	-	-	669	-	669
Lease termination	-	-	(12)	-	(12)
Foreign exchange gains	2,042	718	-	-	2,760
Amortization of discount and interest	-	(114)	364	-	250
FV Hedge – bonds payable	-	(204)	-	-	(204)
Balance at December 31, 2024	**86,616**	**26,935**	**5,342**	**14,463**	**133,356**
Balance at January 1, 2023	66,660	74,411	5,500	14,463	161,034
Cash flow from financing activities:					
Availments/proceeds from issuance	15,333	-	-	-	15,333
Payments/redemption	(29,767)	(39,041)	(2,131)	-	(70,939)
Non-cash financing activities:					
Additional lease liabilities	-	-	2,983	-	2,983
Foreign exchange losses	(1,368)	(450)	-	-	(1,818)
Amortization of discount and interest	-	19	335	-	354
Balance at December 31, 2023	50,858	34,939	6,687	14,463	106,947
Balance at January 1, 2022	55,904	87,215	4,050	14,463	161,632
Cash flow from financing activities:					
Availments/proceeds from issuance	62,142	14,756	-	-	76,898
Payments/redemption	(52,865)	(31,170)	(2,265)	-	(86,300)
Non-cash financing activities:					
Additional lease liabilities	-	-	3,526	-	3,526
Foreign exchange gains	1,479	3,567	-	-	5,046
Amortization of discount and interest	-	43	189	-	232
Balance at December 31, 2022	66,660	74,411	5,500	14,463	161,034

	Parent Company				
	Bills Payable (see Note 18)	**Bonds Payable** (see Note 19)	**Lease Liability** (see Note 21)	**Hybrid Perpetual Securities** (see Note 22.4)	**Total Financing Activities**
(Amounts in PHP)					
Balance at January 1, 2024	43,957	34,939	7,029	14,463	100,388
Cash flow from financing activities:					
Availments/proceeds from issuance	41,100	23,138	-	-	64,238
Payments/redemption	(6,171)	(31,542)	(2,283)	-	(39,996)
Non-cash financing activities:					
Additional lease liabilities	-	-	456	-	456
Lease termination	-	-	(12)	-	(12)
Foreign exchange gains	2,042	718	-	-	2,760
Amortization of discount and interest	-	(114)	351	-	237
FV Hedge – bonds payable	-	(204)	-	-	(204)
Balance at December 31, 2024	**80,928**	**26,935**	**5,541**	**14,463**	**127,867**
Balance at January 1, 2023	58,391	74,411	5,913	14,463	153,178
Cash flow from financing activities:					
Availments/proceeds from issuance	15,333	-	-	-	15,333
Payments/redemption	(28,399)	(39,041)	(2,044)	-	(69,484)
Non-cash financing activities:					
Additional lease liabilities	-	-	2,976	-	2,976
Lease termination	-	-	(178)	-	(178)
Foreign exchange losses	(1,368)	(450)	-	-	(1,818)
Amortization of discount and interest	-	19	362	-	381
Balance at December 31, 2023	43,957	34,939	7,029	14,463	100,388
Balance at January 1, 2022	46,399	87,215	4,479	14,463	152,556
Cash flow from financing activities:					
Availments/proceeds from issuance	55,380	14,756	-	-	70,136
Payments/redemption	(44,867)	(31,170)	(2,189)	-	(78,226)
Non-cash financing activities:					
Additional lease liabilities	-	-	3,551	-	3,551
Foreign exchange gains	1,479	3,567	-	-	5,046
Amortization of discount and interest	-	43	72	-	115
Balance at December 31, 2022	58,391	74,411	5,913	14,463	153,178

31. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below and in the succeeding page shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	2024					
	Group			Parent Company		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
(Amounts in PHP)						
Financial Assets						
Cash and other cash items	23,003	-	23,003	22,907	-	22,907
Due from BSP	71,235	43,995	115,230	69,459	43,304	112,763
Due from other banks	14,569	-	14,569	14,433	-	14,433
Interbank loans receivables	32,567	-	32,567	32,567	-	32,567
Financial assets at FVTPL	10,234	-	10,234	9,525	-	9,525
Financial assets at FVOCI - net	95,890	62,740	158,630	95,215	62,739	157,954
Investments at amortized cost - net	18,349	241,873	260,222	17,515	241,872	259,387
Loans and other receivables - net	70,547	639,383	709,930	69,330	634,634	703,964
Other resources - net	1,688	-	1,688	1,669	-	1,669
	338,082	987,991	1,326,073	332,620	982,549	1,315,169
Non-financial Assets						
Investment in subsidiaries and associates - net	-	600	600	-	6,720	6,720
Bank premises, furniture, fixtures and equipment - net	-	8,033	8,033	-	7,060	7,060
Investment properties - net	-	695	695	-	695	695
Deferred tax asset - net	-	6,052	6,052	-	5,578	5,578
Other resources - net	16,419	2,281	18,700	15,305	2,625	17,930
	16,419	17,661	34,080	15,305	22,678	37,983
	354,501	1,005,652	1,360,153	347,925	1,005,227	1,353,152
Financial Liabilities						
Deposit liabilities	239,203	783,591	1,022,794	238,557	784,180	1,022,737
Bills payable	66,874	19,742	86,616	65,412	15,516	80,928
Bonds payable	-	26,935	26,935	-	26,935	26,935
Accrued interest and other expenses	8,342	2,024	10,366	9,431	1,881	11,312
Other liabilities	11,360	38,952	50,312	11,360	38,077	49,437
	325,779	871,244	1,197,023	324,760	866,589	1,191,349
Non-financial Liabilities						
Accrued interest and other expenses	1,294	-	1,294	7	-	7
Other liabilities	3,338	-	3,338	3,314	-	3,314
	4,632	-	4,632	3,321	-	3,321
	330,411	871,244	1,201,655	328,081	866,589	1,194,670

(Amounts in PHP)	2023 Group Within One Year	Group Beyond One Year	Group Total	Parent Company Within One Year	Parent Company Beyond One Year	Parent Company Total
Financial Assets						
Cash and other cash items	19,875	-	19,875	19,812	-	19,812
Due from BSP	94,369	57,393	151,762	93,714	57,057	150,771
Due from other banks	14,526	366	14,892	14,630	-	14,630
Loans and receivables arising from reverse repurchase agreements	35,799	-	35,799	34,948	-	34,948
Interbank loans receivables	27,780	-	27,780	27,780	-	27,780
Financial assets at FVTPL	7,166	4,612	11,778	6,342	4,612	10,954
Financial assets at FVOCI - net	2,256	80,181	82,437	3,814	77,943	81,757
Investments at amortized cost - net	4,385	232,142	236,527	386	235,346	235,732
Loans and other receivables - net	68,481	553,668	622,149	67,251	548,650	615,901
Other resources - net	1,459	-	1,459	1,457	-	1,457
	276,096	928,362	1,204,458	270,134	923,608	1,193,742
Non-financial Assets						
Investment in subsidiaries and associates - net	-	509	509	-	6,401	6,401
Bank premises, furniture, fixtures and equipment - net	-	9,129	9,129	-	7,805	7,805
Investment properties - net	-	543	543	-	543	543
Deferred tax asset - net	-	5,775	5,775	-	5,351	5,351
Other resources - net	12,764	5,154	17,918	12,523	4,525	17,048
	12,764	21,110	33,874	12,523	24,625	37,148
	288,860	949,472	1,238,332	282,657	948,233	1,230,890
Financial Liabilities						
Deposit liabilities	199,862	756,850	956,712	199,179	758,190	957,369
Bills payable	44,991	5,867	50,858	42,314	1,643	43,957
Bonds payable	30,809	4,130	34,939	30,809	4,130	34,939
Accrued interest and other expenses	5,985	4,760	10,745	5,695	4,780	10,475
Other liabilities	19,252	9,428	28,680	18,665	9,243	27,908
	300,899	781,035	1,081,934	296,662	777,986	1,074,648
Non-financial Liabilities						
Accrued interest and other expenses	1,337	-	1,337	1,311	-	1,311
Other liabilities	2,747	39	2,786	2,665	-	2,665
	4,084	39	4,123	3,976	-	3,976
	304,983	781,074	1,086,057	300,638	777,986	1,078,624

32. OTHER MATTERS

32.1 Impact of Global Conflicts

The ongoing Russia-Ukraine war since February 24, 2022 led to higher global crude oil and other commodity prices in 2022 which partly bloated the Philippines' imports and trade deficit to record levels. This resulted in elevated inflation worldwide which triggered aggressive Federal rate hikes that supported a strong U.S. dollar earlier in 2022.

This event prompted BSP to implement local policy rate hikes totaling 350 basis points in 2022 and another 50 bps this February 2023 to temper the high domestic inflation and be in sync with US Federal hikes to help manage the peso exchange rate. Further, the BSP also made a surprise 25 basis points off-cycle rate hike effective October 27, 2023, after the Israel-Hamas war started on October 7, 2023; for a total of rate hikes of 450 basis points since May 2022.

The increase in BSP policy rates resulted in higher cost of deposits. It has also led to unrealized mark-to-market losses in FVOCI portfolio which fluctuates according to market condition; unless sold, these losses are recorded as part of the other comprehensive income or loss under Statement of comprehensive income.

The Group has implemented strategies to mitigate the increase in cost by issuances of loans with higher rates and growing low-cost deposits. BSP has already cut policy rates by 75 basis points in 2024 and is seen to continue rate cuts in 2025, although at a slower pace.

32.2 Issuance of Sustainability Bonds

On January 22, 2025, the Group priced a USD350 5-year and 1-day Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its USD4,000 Medium Term Note Program.

The net proceeds from the issue of the Notes will be applied by the Group to support and finance its loans to customers or its own operating activities in eligible green and social categories as defined in the Group's Sustainable Finance Framework.

32.3 Dividend Declaration on Hybrid Perpetual Securities

On January 27, 2025, the BOD approved the dividend declaration amounting to USD9.75 payable on February 27, 2025. This dividend declaration is relative to the Bank's USD300 non-cumulative hybrid perpetual securities payable on a semi-annual basis.

33. SUPPLEMENTARY INFORMATION REQUIRED BY THE BSP

Presented below are the supplementary information required by the BSP under Section 174 (Appendix 55) of the BSP MORB to be disclosed as part of the notes to financial statements based on BSP Circular No. 1074, *Amendments to Regulations on Financial Audit of Banks*.

(a) *Selected Financial Performance Indicators*

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Group		
	2024	2023	2022
Return on average equity			
Net profit / Average total equity	**6.03%**	9.53%	11.24%
Return on average resources			
Net profit / Average total resources	**0.75%**	1.06%	1.20%
Net interest margin			
Net interest income / Average interest earning resources	**3.88%**	3.43%	3.70%

	Parent Company		
	2024	2023	2022
Return on average equity			
Net profit / Average total equity	**6.03%**	9.52%	11.24%
Return on average resources			
Net profit / Average total resources	**0.76%**	1.07%	1.21%
Net interest margin			
Net interest income / Average interest earning resources	**3.85%**	3.39%	3.70%

(b) Capital Instruments Issued

(i) Common Stock

As of December 31, 2024, the Parent Company's common stock amounted to P24,195 representing 2,419,536,359 issued common shares as compared to December 31, 2023 common stock amounted to P24,195 representing 2,419,536,120 common shares.

On July 31, 2023, the Bank received a total consideration amount of P27,125 as a capital infusion coming from SMBC which involved issuance of common shares amounting to P1,686 and reissuance of the treasury at cost amounting to P9,287 (see Note 22.3). The investment of SMBC resulted in a net increase of the additional paid in capital account of the Bank amounting to P15,735, coming from the excess of the consideration received over the par value of common stock and cost of treasury shares amounting to P16,152 and directly attributable transaction costs amounting to P417.

(ii) Preferred Stock

As of December 31, 2024 and 2023, the Parent Company's issued and outstanding preferred stock amounted to P3 representing 266,194 preferred shares. These preferred shares are voting, non-cumulative, non-redeemable, participating and convertible into common stock.

(iii) Hybrid Perpetual Securities

In August 27, 2020, the Parent Company issued USD300 non-cumulative, unsecured, subordinated AT1 capital securities. The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

(c) Significant Credit Exposures for Loans

The Group and Bank's concentration of credit as to industry for its receivables from customers gross of allowance for ECL is reflected below and in the succeeding page. This table also includes the industry groups above the 10% of Tier 1 capital of the Group and the Parent Bank amounting to P13,315 and P12,943, respectively, as of December 31, 2024, and P12,943 and P12,608, respectively, as of December 31, 2023.

	Group			
	2024		2023	
	Amount	**Share**	Amount	Share
(Amounts in PHP)				
Credit cards	**110,453**	**16%**	74,667	12%
Housing	**98,954**	**14%**	80,864	13%
Real estate, renting and other related activities	**93,193**	**13%**	100,969	16%
Financial intermediaries	**72,473**	**10%**	49,479	8%
Wholesale and retail trade	**72,324**	**10%**	63,963	10%
Electricity, gas and water	**69,851**	**10%**	70,407	11%
Auto	**62,472**	**9%**	43,257	7%
Manufacturing (various industries)	**47,839**	**7%**	58,061	9%
Transportation and communication	**47,554**	**7%**	53,146	9%
Consumer*	**10,090**	**1%**	3,117	1%
Mining and quarrying	**4,581**	**1%**	2,243	-
Agriculture, fishing, and forestry	**4,075**	**1%**	5,076	1%
Hotels and restaurants	**3,972**	**-**	4,079	1%
Other community, social and personal activities	**2,461**	**-**	2,847	0%
Others	**10,342**	**1%**	9,747	2%
	710,634	**100%**	621,922	100%

	Parent Company			
	2024		2023	
	Amount	**Share**	Amount	Share
(Amounts in PHP)				
Credit cards	**110,453**	**16%**	74,667	12%
Housing	**98,940**	**14%**	80,855	13%
Real estate, renting and other related activities	**92,202**	**13%**	99,982	16%
Financial intermediaries	**72,467**	**10%**	49,477	8%
Wholesale and retail trade	**71,297**	**10%**	69,363	11%
Electricity, gas and water	**69,827**	**10%**	63,905	10%
Auto	**62,411**	**9%**	43,232	7%
Manufacturing (various industries)	**46,892**	**7%**	56,972	9%
Transportation and communication	**44,952**	**6%**	50,524	8%
Consumer*	**10,077**	**1%**	3,106	1%
Mining and quarrying	**4,485**	**1%**	2,077	1%
Hotels and restaurants	**3,878**	**1%**	3,997	1%
Agriculture, fishing, and forestry	**3,867**	**1%**	4,726	1%
Other community, social and personal activities	**2,340**	**-**	2,838	-
Others	**10,323**	**1%**	9,519	2%
	704,411	**100%**	615,240	100%

**Includes personal and salary loans*

The BSP considers that loan concentration exists when the total loan exposure to a particular industry exceeds 30% of the total loan portfolio plus the outstanding interbank loans receivable or 10% of Tier 1 capital.

(d) *Credit Status of Loans*

The breakdown of receivable from customers as to status is shown below.

	Group		
(Amounts in PHP)	**Performing**	**Non-performing**	**Total Loan Portfolio**
2024			
Gross carrying amount:			
Corporate	404,765	19,380	424,145
Consumer	273,857	12,632	286,489
	678,622	32,012	710,634
Allowance for ECL	**(4,441)**	**(13,875)**	**(18,316)**
Net carrying amount	**674,181**	**18,137**	**692,318**
2023			
Gross carrying amount:			
Corporate	404,158	12,954	417,112
Consumer	194,878	9,932	204,810
	599,036	22,886	621,922
Allowance for ECL	(3,856)	(11,976)	(15,832)
Net carrying amount	595,180	10,910	606,090

(Amounts in PHP)	Parent Company Performing	 Non-performing	 Total Loan Portfolio
2024			
Gross carrying amount:			
Corporate	**402,506**	**16,579**	**419,085**
Consumer	**272,781**	**12,545**	**285,326**
	675,287	**29,124**	**704,411**
Allowance for ECL	**(4,415)**	**(12,797)**	**(17,212)**
Net carrying amount	**670,872**	**16,327**	**687,199**
2023			
Gross carrying amount:			
Corporate	399,965	11,741	411,706
Consumer	193,949	9,585	203,534
	593,914	21,326	615,240
Allowance for ECL	(3,687)	(11,024)	(14,711)
Net carrying amount	590,227	10,302	600,529

NPLs included in the total loan portfolio of the Group and the Parent Company as of December 31 as reported to the BSP are presented below.

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Gross NPLs	**32,012**	22,886	**29,124**	21,326
Allowance for impairment	**(13,875)**	(11,976)	**(12,797)**	(11,024)
	18,137	10,910	**16,327**	10,302

Under banking regulations, loan accounts shall be considered non-performing, even without any missed contractual payments, when they are considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal or interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Moreover, NPLs shall remain classified as such until (a) there is sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least 6 months; or (b) written-off. Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

As of December 31, 2024, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 4.31% and 2.44%, and 3.95% and 2.22%, respectively. As of December 31, 2023, gross and net NPL ratios of the Group and the Parent Company as reported to BSP were 3.34% and 1.59%, and 3.15% and 1.52%, respectively. Most of the NPLs are secured by real estate or chattel mortgages.

As of December 31, 2024 and 2023, the amount of restructured receivables from customer were P4,930 and P4,786 for the Group and P2,636 and P2,383 for the Parent Company.

Interest income from restructured receivables from customers amounted P147, P112, and P18 in 2024, 2023, 2022, respectively, for both the Group and the Parent Company.

(e) *Analysis of Loan Portfolio as to Type of Security*

The breakdown of the receivables from customers' portfolio as to secured and unsecured follows:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Secured:				
Real estate mortgage	**203,996**	184,910	**203,103**	183,828
Chattel mortgage	**63,435**	51,280	**61,266**	49,214
Hold-out deposits	**15,089**	8,153	**15,089**	8,152
Other securities	**11,553**	11,119	**8,908**	8,034
	294,073	255,462	**288,366**	249,228
Unsecured	**416,561**	366,460	**416,045**	366,012
	710,634	621,922	**704,411**	615,240

(f) *Information on Related Party Loans*

In the ordinary course of business, the Bank has loan transactions with each other, their other affiliates, and with certain DOSRI. Under existing policies of the Bank, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

Under the current BSP regulations, the amount of individual loans to a DOSRI, 70% of which must be secured, should not exceed the amount of the encumbered deposit and book value of the investment in the Bank and/or any of its lending and nonbank financial subsidiaries. In the aggregate, loans to DOSRIs, generally, should not exceed the total equity or 15% of the total loan portfolio of the Bank. However, non-risk loans are excluded in both individual and aggregate ceiling computation.

The following table shows the information relating to the loans, credit accommodations and guarantees to DOSRI, excluding loans granted as fringe benefits to officers which are excluded from the individual ceiling as of December 31 in accordance with BSP reporting guidelines:

	Group		Parent Company	
	2024	2023	**2024**	2023
Total outstanding DOSRI loans	**-**	-	**-**	-
Unsecured DOSRI	**-**	-	**-**	-
Past due DOSRI	**-**	-	**-**	-
Non-accruing DOSRI	**-**	-	**-**	-
Percent of DOSRI loans to total loan portfolio	**0.00%**	0.00%	**0.00%**	0.00%
Percent of unsecured DOSRI loans to total DOSRI loans	**0.00%**	0.00%	**0.00%**	0.00%
Percent of past due DOSRI Loans to total DOSRI	**0.00%**	0.00%	**0.00%**	0.00%
Percent of non-accruing DOSRI loans to total DOSRI loans	**0.00%**	0.00%	**0.00%**	0.00%

The following table shows the other information relating to the loans, other credit accommodations and guarantees granted to related parties (inclusive of DOSRI) as of December 31 as reported to the BSP:

	Group		Parent Company	
	2024	2023	**2024**	2023
(Amounts in PHP)				
Total outstanding related party loans	**28,846**	26,739	**28,786**	26,746
Unsecured related party	**19,827**	19,268	**19,800**	19,257
Past due related party	**19**	1	**19**	1
Percent of related party loans to total loan portfolio	**4.06%**	4.30%	**4.09%**	4.35%
Percent of unsecured related party loans to total related party loans	**68.73%**	72.06%	**68.78%**	72.00%
Percent of past due related party loans to total related party loans	**0.07%**	0.00%	**0.07%**	0.00%
Percent of non-accruing related party loans to total related party loans	**0.00%**	0.00%	**0.00%**	0.00%

In accordance with existing BSP regulations, the reported DOSRI performing loans exclude loans extended to certain borrowers before these borrowers became DOSRI. Under BSP regulations, total outstanding exposures to each of the Parent Company's subsidiaries and affiliates shall not exceed 10.0% of the Group's net worth, the unsecured portion of which shall not exceed 5.0% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.0% of the net worth of the Parent Company.

As of December 31, 2024, 2023 and 2022, the Group and Parent Company is in compliance with these regulatory requirements.

As of December 31, 2024, 2023 and 2022, the Group has not recognized impairment loss on loans and receivables from DOSRI.

(g) *Secured Liabilities and Assets Pledged as Security*

Assets pledged as security for liabilities of the Group and Parent Company are shown below.

(Amounts in PHP)	**2024**	2023
Aggregate amount of secured liabilities	**66,056**	29,797
Aggregate amount of resources pledged as security	**80,523**	41,597

(h) *Contingencies and Commitments Arising from Off-balance Sheet Items*

The following is a summary of contingencies and commitments arising from transactions not given recognition in the statement of financial position, expressed at their equivalent peso contractual amounts as of December 31, 2024 and 2023:

(Amounts in PHP)	**2024**	2023
Outstanding guarantees issued	**268,149**	205,268
Derivative assets	**206,527**	142,921
Derivative liabilities	**105,484**	84,461
Unused commercial letters of credit	**23,098**	25,079
Inward bills for collection	**10,677**	8,061
Spot exchange sold	**10,617**	16,985
Spot exchange bought	**10,613**	16,980
Late deposits/payments received	**859**	872
Outward bills for collection	**28**	1
Trust Investment Group accounts	**-**	155,705
Others	**63**	64

Annex "B-1"

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and the Stockholders
Rizal Commercial Banking Corporation
Yuchengco Tower, RCBC Plaza
6819 Ayala Avenue cor. Sen. Gil Puyat Avenue
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rizal Commercial Banking Corporation and subsidiaries (together hereinafter referred to as the Group) for the year ended December 31, 2024, on which we have rendered our report dated February 24, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Maria Isabel E. Comedia
Partner

[redacted]

February 24, 2025

Rizal Commercial Banking Corporation and Subsidiaries
List of Supplementary Information
December 31, 2024

**Information therein are based on the separate financial statements of the Parent Company.*

Rizal Commercial Banking Corporation and Subsidiaries
Schedule A - Financial Assets
December 31, 2024
(Amount in Millions of Philippine Pesos, Except Share Data)

Name of issuing entity and association of cash issue	*Number of shares or principal amount of bonds or notes*	*Amount shown on the balance sheet*	*Value based on the market quotation at balance sheet date*	*Income received and accrued*
Financial Asset at Fair Value Through Profit or Loss				
Government securities	P 7,239	P 7,257	P 7,257	P 282
Corporate debt securities	P 132	132	132	1
Equity securities	72,986,753	778	778	-
Derivative financial assets	P 2,067	2,067	2,067	113
		10,234	10,234	396
Financial Asset at Fair Value Through Other Comprehensive Income				
Quoted equity securities	84	1,551	1,551	-
Unquoted equity securities	63,103	2,591	2,591	-
Government securities	P 142,196	140,397	140,397	5,408
Corporate debt securities	P 15,560	14,091	14,091	195
		158,630	158,630	5,603
Investment Securities at Amortized Cost				
Government securities	P 227,221	230,302	208,395	9,073
Corporate debt securities	P 30,378	30,042	27,872	893
		260,344	236,267	9,966
Allowance for impairment		(122)	-	-
		260,222	236,267	9,966
		P 429,086	**P 405,131**	**P 15,965**

Rizal Commercial Banking Corporation and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2024
(Amount in Millions of Philippine Pesos)

Name and Designation of debtor	*Balance at beginning of period*	*Additions*	*Amounts collected*	*Amounts written off*	*Current*	*Not Current*	*Balance at end of period*
Rizal Commercial Banking Corporation							
Loans Receivable							
House of Investments Inc.	51	-	51	-	-	-	-
Petrogreen Energy Corporation	160	-	80	-	80	-	80
RCBC Realty Corporation	536	-	65	-	65	406	471
ATYC, Inc.	2,426	-	-	-	2,426	-	2,426
San Lorenzo Ruiz Investment Holdings and Services Inc.	-	1,089	200	-	889	-	889
Malayan Colleges Mindanao (a Mapua School) Inc	-	500	-	-	500	-	500
Isuzu Philippines Corporation	-	-	-	-	-	-	-
HI Cars, Inc.	-	522	112	-	410	-	410
Petroenergy Resources Corporation	-	558	279	-	-	279	279
Tarlac Terra Ventures Inc.	-	550	-	-	550	-	550
Credit Card Receivables							
Bankard (Officers)	114	454	429	-	138	1	139
Due from Other Banks							
Sumitomo Mitsui Banking Corporation (SMBC)	1,886	106	-	-	1,992	-	1,992
Cathay United Bank Co. Ltd.	10	7	-	-	17	-	17
RCBC Capital Corporation							
Loans Receivable							
Employee Loans - RCAP	-	1	1	-	-	-	-
Employee Loans- RSEC	3	1	3	-	1	-	1
RCBC Leasing and Finance Corp.							
Loans Receivable							
Employee Loans	-	2	1	-	1	-	1
RCBC Bankard Services Corporation							
Loans Receivable							
Employee Loans	23	12	11	-	11	13	24
Accounts Receivables	66	1,016	986	-	96	-	96
Rizal Microbank Inc., - A Thrift Bank of RCBC							
Loans Receivable							
Employee Loans	7	19	19	-	2	5	7

Rizal Commercial Banking Corporation and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2024
(Amount in Millions of Philippine Pesos)

Name and Designation of debtor	*Balance at beginning of period*	*Additions*	*Deductions*		*Classification*		*Balance at end of period*
			Amounts collected	*Amounts written off*	*Current*	*Not Current*	
Rizal Microbank, Inc.							
Due from other banks - RCBC	93	5,662	(5,675)	-	80	-	80
RCBC Capital Corporation							
Due from other banks	96	147	(96)	-	147	-	147
Accounts Receivable - RBSC	66	19	(66)	-	19	-	19
RCBC Leasing and Finance Corp.							
Due from other banks - RCBC	871	62	(726)	-	207	-	207
RCBC International Finance, Ltd.							
Due from other banks - RCBC	19	946	(891)	-	74	-	74
RCBC Forex Brokers Corp.							
Due from other banks - RCBC	27	7	-	-	34	-	34
RCBC - JPL Holding Company							
Assignment of receivables	92	-	(6)	-	86	-	86

Rizal Commercial Banking Corporation and Subsidiaries
Schedule D - Long Term Debt
December 31, 2024
(Amount in Millions)

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Rizal Commercial Banking Corporation			
P 4,130,000,000 Senior Notes	P4,130		P 4,130
Interest Rate: 4.18% Fixed Rate			
Maturity Date: 6/30/2026			
Number of periodic installments: Not applicable			
US$ 400,000,000 Senior Notes			
Interest Rate: 5.5% Fixed Rate			
Maturity Date: 1/18/2029			
Number of periodic installments: Not applicable	US$ 400		P 22,805

Rizal Commercial Banking Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2024
(Amount in Millions of Philippine Pesos)

Name of related party	*Balance at beginning of period*	*Balance at end of period*

Not applicable

Rizal Commercial Banking Corporation and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2024
(Amount in Millions of Philippine Pesos)

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

Not applicable

Rizal Commercial Banking Corporation and Subsidiaries
Schedule G - Capital Stock
December 31, 2024
(Amount in Millions of Philippine Pesos, Except Share Data)

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under related statement of financial position caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of shares held by related parties*	*Directors, officers and employees*	*Others*
Preferred Shares *voting, non-cumulative, non-redeemable, participating convertible into common shares*	200,000,000	266,194	266,194	-	-	-
Common Shares	2,600,000,000	2,419,536,359	-	1,961,340,614	2,004,546	456,191,199

RIZAL COMMERCIAL BANKING CORPORATION
Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen Gil Puyat Avenue, Makati City
Parent Company Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024
(Amounts in Millions of Philippine Pesos)

Unappropriated Retained Earnings at Beginning of Year		P 50,707
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Transfer of trust reserves to surplus	P 551	
Effect of restatements or prior-period adjustments	-	
Others	-	551
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(3,548)	
Appropriation for general loan loss provisions	(948)	
Effect of restatements or prior-period adjustments	-	
Transfer of fair value gain on financial asset at fair value through other comprehensive income (FVOCI) to surplus	(2)	
Others	(78)	(4,576)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		46,682
Add: Net Income for the Current Year		9,520
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associates, net of dividends declared	(64)	
Equity in net income of subsidiaries, net of dividends declared	(179)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-	
Sub-total		(243)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		-
Adjusted Net Income/Loss		9,277
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(227)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		(227)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 55,732**

Supplementary information —

The Company's investments in subsidiaries are initially recognized at cost and subsequently accounted for using the equity method.

Rizal Commercial Banking Corporation and Subsidiaries
Schedule of Recent Public Offerings
December 31, 2024

2017 - P2,502,000,000 Long Term Negotiable Certificate of Deposit

Gross Proceeds: P2,502,000,000 (Issue Price: P2,502,000,000 @ 100.00%)
Related Expenses: P15,703,828
Use of Proceeds: To be used for general funding purposes.

2018- P3,580,000,000 Long Term Negotiable Certificate of Deposit

Gross Proceeds: P3,580,000,000 (Issue Price: P3,580,000,000 @ 100.00%)
Related Expenses: P30,915,597.18
Use of Proceeds: To be used for general funding purposes.

2018 - US$ 450,000,000 Senior Note

Gross Proceeds: US$450,000,000 (Issue Price: US$ 420,000,000 @ 100.00%)
Related Expenses: US$885,914.99
Use of Proceeds: To be used for general banking and re-lending purposes.

2018 - P15,000,000,000 Stock Rights Offering (535,710,378 shares)

Gross Proceeds: P15,000,000,000 (Issue Price: P28 per share)
Related Expenses: P217,262,589
Use of Proceeds: To strengthen the Bank's capital ratio and fund its business expansion (i.e. loan growth).

2019 - US$ 300,000,000 Senior Note

Gross Proceeds: US$300,000,000 (Issue Price: US$ 300,000,000 @ 99.751%)
Related Expenses: US$862,031.65

2020 - US$ 300,000,000 Hybrid Perpetual Securities

Gross Proceeds: US$ 300,000,000 (Issue Price: US$ 300,000,000 @ 100.00%)
Related Expenses: US$796,991.93
Use of Proceeds: To to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

2021 - P13,742,840,000 Senior Note

Gross Proceeds: P13,742,840,000 (Issue Price: P13,742,840,000 @ 100.00%)
Related Expenses: P103,071,300
Use of Proceeds: To be used for general banking and re-lending purposes.

2021 - P4,129,730,000 Senior Note

Gross Proceeds: P4,129,730,000 (Issue Price: P4,129,730,000 @ 100.00%)
Related Expenses: P30,972,975
Use of Proceeds: To be used for general banking and re-lending purposes.

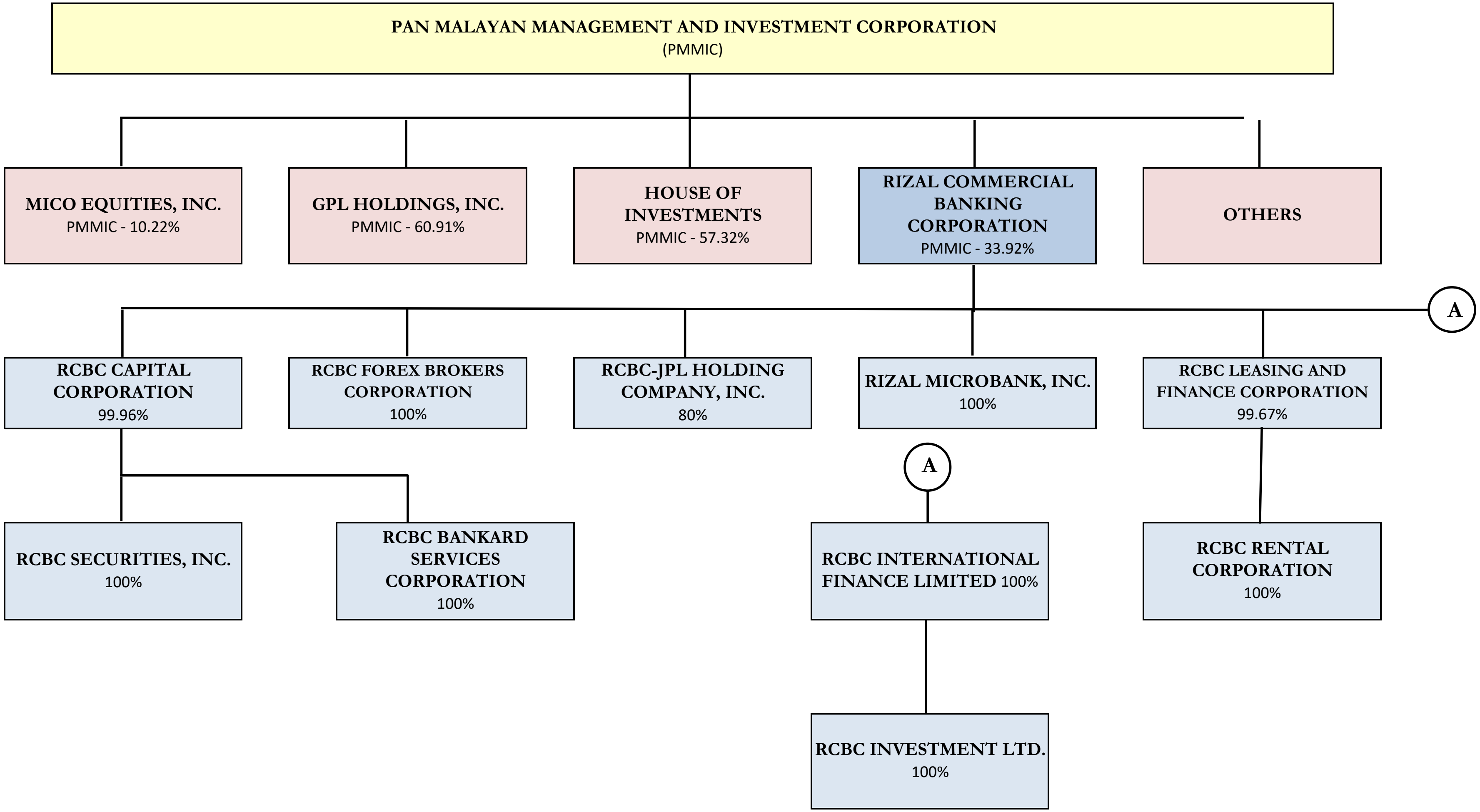
2022 - P14,756,260,000 Senior Note

Gross Proceeds: P14,756,260,000(Issue Price: P P14,756,260,000 @ 100.00%)
Related Expenses: P110,671,950
Use of Proceeds: To be used for general banking and re-lending purposes.

2024 - USD400,000,000 Senior Note

Gross Proceeds: USD400,000,000(Issue Price: USD 400,000,000 @ 99.543%)
Related Expenses: USD849,799.85 and P4,790,398.66
Use of Proceeds: To be used for general banking and re-lending purposes.

Rizal Commercial Banking Corporation and Subsidiaries
Map Showing the Relationships Between and Among the RCBC and Its Related Parties
December 31, 2024



Rizal Commercial Banking Corporation and Subsidiaries
Supplemental Schedule of Financial Soundness Indicators
(Amount in Millions of Philippine Pesos, Except Share Data)
December 31, 2024 and 2023

Ratio	Formula	2024	Ratio 2024	2023	Ratio 2023
Current ratio	Total current assets	**354,501**	**1.07**	288,860	0.95
	Total current liabilities	**330,411**		304,983	
Acid test ratio	Quick assets	**195,603**	**0.59**	261,886	0.86
	Total current liabilities	**330,411**		304,983	
Solvency ratio	Total liabilities	**1,201,662**	**88.35%**	1,086,057	87.70%
	Total resources	**1,360,153**		1,238,332	
Debt-to-equity ratio	Total liabilities	**1,201,662**	**7.58**	1,086,057	7.13
	Total equity	**158,491**		152,275	
Resources-to-equity ratio	Total resources	**1,360,153**	**8.58**	1,238,332	8.13
	Total equity	**158,491**		152,275	
Interest rate coverage ratio	Earnings before interest and taxes	**49,570**	**1.36**	46,175	1.41
	Interest expense	**36,582**		32,660	
Return on equity	Net profit (net of AT1)	**8,398**	**6.03%**	11,150	9.53%
	Average total equity	**139,296**		117,046	
Return on resources	Net profit	**9,520**	**0.75%**	12,217	1.06%
	Average total resources	**1,262,951**		1,153,713	
Net profit margin	Net profit	**9,520**	**17.83%**	12,217	24.44%
	Revenues	**53,408**		49,997	
Other ratios:					
Net interest margin	Net interest income	**42,363**	**3.88%**	33,744	3.43%
	Average interest earning resources	**1,092,519**		983,672	
Cost-to-income ratio	Total other operating expenses	**31,801**	**59.54%**	29,594	59.19%
	Gross income	**53,408**		49,997	
Capital adequacy ratio	Total qualifying capital	**141,071**	**16.08%**	136,098	17.37%
	Total risk-weighted assets	**877,395**		783,300	

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023

		2024		2023
Total Audit Fees	**P**	**11,718,000**	P	13,656,000
Non-audit service fees:				
Other assurance service		**1,900,000**		3,200,000
Review of financial statements		**2,595,000**		2,339,000
Total Non-Audit Fees		**4,495,000**		5,539,000
Total Audit and Non-audit Fees	**P**	**16,213,000**	P	19,195,000

Annex "C"

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, none of the directors and officers listed in the Information Statement work in government. Dr. Erika Fille T. Legara (Independent Director) currently serves as the Managing Director and Chief AI and Data Officer for the Department of Education Center (DepEd) for AI Research (E-CAIR, previously CAIR under the DTI), but she does so only on a consultancy basis through SEAMEO INNOTECH, a non-profit organization and DepEd partner.

IN WITNESS WHEREOF, I have hereunto signed this Certification this MAY 0 5 2025 at Makati City, Philippines.

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 0 5 2025 at Makati City, affiant **GEORGE GILBERT G. DELA CUESTA** who is personally known to me exhibiting to me his I[redacted]

ATTY. CATALINO VICENTE L. ARABIT
[redacted]

Doc. No. 167
Page No. 23
Book No. 880
Series of 2025.

Annex "D"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, JUAN B. SANTOS, Filipino, of legal age and a resident of [redacted] 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 November 2, 2016.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
St. Luke's Medical Center	Trustee	August 2005 to present
Allamanda Management Corp.	Director	January 2010 to present
House of Investments, Inc.	Independent Director*	October 2014 to present
PHINMA Corporation	Independent Director*	April 2016 to present
RCBC Trust Corporation	Chairperson / Ind. Director	June 2023 to present
Marsman Drysdale Foundation, Inc.	Trustee	July 2024 to present
Marsman Drysdale Agribusiness Holdings, Inc.	Director	July 2024 to present
Marsman-Drysdale Group	Consultant	September 2007 to present
East-West Seed Co. Inc. (Phils.)	Advisory Board	January 2008 to present
Mitsubishi Motor Phil. Corp.	Advisory Board	January 2015 to present

*Recently appointed as Lead Independent Director.

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 APR 2 9 2025 at Makati City.

JUAN B. SANTOS
Affiant

SUBSCRIBED AND SWORN to before me this APR 2 9 2025 at Makati City, affiant who is personally known to me, appeared before me and exhibited to me his [redacted]

Doc. No. 165
Page No. 58
Book No. I
Series of 2025.

ATTY. MA. LORENA B. GALANG
Notary Public for Makati City
[redacted]

Annex "D-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, GABRIEL S. CLAUDIO, Filipino, of legal age and a resident of [redacted] 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
Conflict Resolution Group Foundation (CORE)	Director	Oct 2010 to present
Toby's Youth Sports Foundation	Director	Jan 2010 to present
Ginebra San Miguel, Incorporated	Director	Jan 2011 to present
Risk & Opportunities Assessment Management	Director/Vice Chairperson	Jan 2011 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 APR 2 9 2025 at Makati City

GABRIEL S. CLAUDIO
Affiant

SUBSCRIBED AND SWORN to before me this APR 2 9 2025 at Makati City, affiant, who is personally known to me, appeared before me and exhibited to me his [redacted]

Doc. No. 199
Page No. 59
Book No. II
Series of 2025.

ATTY. MA. LO[illegible] GALANG
[redacted]

Annex "D-2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, VAUGHN F. MONTES, Filipino, of legal age and a resident o[redacted] 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
Center for Excellence in Governance	Director	March 2016 to present
Foundation for Economic Freedom	Trustee	July 2020 to present
RCBC Trust Corporation	Independent Director	June 2023 to present
Southridge Afternoon School Foundation	Trustee	August 2023 to present
Institute for Corporate Directors	Teaching Fellow - Corporate Governance	March 2016 to present
Asian Institute of Management	Adjunct Professor	March 2021 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. 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
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)	Pending. There has been no action on the case by the Ombudaman ever since the complaint was filed in 2015.

6. I am not in government service/affiliated with a government agency or GOCC. I was, however, a national consultant on Public Private Partnerships (PPP) Risk Management to Department of Finance/Bureau of Treasury (from December 2011 to November 2016) and was a national consultant on PPP Risk Management to the National Economic Development Authority/PPP Center (from February 2012 to October 2023), 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 APR 2 9 2025 at Makati City.

VAUGHN F. MONTES
Affiant

SUBSCRIBED AND SWORN to before me this day of APR 2 9 2025 at Makati City, affiant, who is personally known to me appeared before me, and exhibited to me his [redacted]

Doc. No. 187
Page No. 39
Book No. II
Series of 2025.

ATTY. MA. LORENZA S. GALANG
Notary Public for Makati City
[redacted]

Documentary Stamp Tax Paid
2918 7283 (SERIAL NUMBER)
APR 2 9 2025 (DATE OF PAYMENT)

Annex "D-3"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LAURITO E. SERRANO**, Filipino, of legal age and a resident of [redacted] 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 March 20, 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
MRT Development Corporation	Director	July 2013 to present
Axelum Resources Corp.	Independent Director	April 2017 to present
Anglo Philippine Holdings Inc	Independent Director	July 2021 to present
Premium Leisure Corporation	Independent Director	April 2023 to present
RCBC Trust Corporation	Independent Director	June 2023 to present
Belle Corporation	Independent Director	August 2024 to present
Century Peak Holdings Corporation	Independent Director	December 2024 to present
Malayan Insurance Company, Inc.	Independent Director	January 2025 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 APR 2 9 2025 at Makati City.

LAURITO E. SERRANO
Affiant

SUBSCRIBED AND SWORN to before me this APR 2 9 2025 at Makati City, affiant who is personally known to me appeared before me and exhibited to me his [redacted]

Doc. No. 188
Page No. 59
Book No. III
Series of 2025.

ATTY. MA. LO[illegible] S. GALANG
Notary Public for Makati City
[redacted]

Annex "D-4"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ERIKA FILLE T. LEGARA, Filipino, of legal age and a resident of [redacted], 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, 2022.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Asian Institute of Management	Adjunct Professor (on leave)	July 2024 to present
	Aboitiz Chair in Data Science	May 2019 to present
Cortex Innovations Corporation	Director	May 2023 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. I serve as the Managing Director and Chief AI and Data Officer for the Department of Education Center (DepEd) for AI Research (E-CAIR, previously CAIR under the DTI), on a consultancy basis through non-profit organization SEAMEO INNOTECH, a DepEd partner.

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 APR 2 9 2025 at Makati City.

ERIKA FILLE T. LEGARA
Affiant

SUBSCRIBED AND SWORN to before me this APR 2 9 2025 at Makati City, affiant, who is personally known to me, appeared before me and exhibited to me her [redacted]

Doc. No. 286
Page No. 59
Book No. III
Series of 2025.

ATTY. MA. L[illegible] GALANG
Notary Public for Makati City
[redacted]

Documentary Stamp Tax Paid
2918 7277 APR 2 9 2025
(SERIAL NUMBER) (DATE OF PAYMENT)

Annex "E"

RCBC

RIZAL COMMERCIAL BANKING CORPORATION

Minutes of the Annual Stockholders' Meeting

(For approval of the Stockholders at the 2025 Annual Stockholders' Meeting)

Date	:	**24 June 2024**
Time	:	**4:00 PM**
Place	:	Virtual Meeting https://www.rcbc.com/ASM2024

Pursuant to notices served to all stockholders, the Annual Stockholders' Meeting of Rizal Commercial Banking Corporation (the "Bank") was held on June 24, 2024 at 4:00 PM and conducted virtually via https://www.rcbc.com/ASM2024.

Chairperson Helen Y. Dee presided over the meeting, while the Corporate Secretary, Atty. George dela Cuesta, recorded the proceedings. The Chairperson welcomed and thanked the shareholders who joined the live webcast. She then introduced those who are joining her in the meeting in person, Mr. Eugene Acevedo, President and CEO, and Atty. dela Cuesta.

The other members of the Board of Directors and other officers of the Bank and representatives of Punongbayan & Araullo were in attendance through the live webcast. (The list of directors and officers of the Bank present is hereto attached as *Annex "A"* and made an integral part of the minutes.)

The Chairperson asked the Corporate Secretary whether the stockholders have been duly notified and whether there was quorum for the transaction of business.

I. **Proof of Notice** — The Corporate Secretary explained that notices for the meeting were duly served to all stockholders of record as of May 23, 2024 in three ways as allowed by prevailing SEC Rules and Circulars: (a) by posting on the Bank's website, (b) by disclosure in the Philippine Stock Exchange (PSE), and (c) by publication for 2 consecutive days on May 24 and May 25, 2024 in the print and online business section of two newspapers of general circulation, namely The Philippine Star and Manila Bulletin. (The list of stockholders as of Record Date May 23, 2024 is hereto attached as *Annex "B"* and made an integral part of the minutes.)

II. **Quorum** — The Corporate Secretary reported that stockholders owning a total of 2,083,030,349 common and preferred shares representing 86.08% of the total outstanding common and preferred shares entitled to vote were present. (The list of stockholders who were present is hereto attached as *Annex "C"* and made an integral part of the minutes.)

The Corporate Secretary certified the presence of a quorum and the Chairperson declared the agenda open for deliberation.

III. **Instructions on Rules of Conduct and Procedures** — The Chairperson said that while the meeting is being held in a virtual format, the Bank endeavored to provide the shareholders the opportunity to participate in the meeting.

The Corporate Secretary reported that the rules of conduct and voting procedures are set forth in the Notice of the Annual Stockholders' Meeting. He highlighted the following points:

1. Only Stockholders who notified the Bank by email at RCBC-ASM-2024@rcbc.com until 5:00 p.m. of June 16, 2024 and who duly registered by email are allowed to access the virtual meeting at https://www.rcbc.com/ASM2024.

2. Only those who registered were allowed to send their questions or comments on the agenda items to CorSecRCBC@rcbc.com. And only those questions the Bank received by 5:00 pm of June 21, 2024 were considered for the open forum at the stockholders' meeting.

3. The Bank will reply by email to questions and comments it received, if any, after June 21 up to 4 p.m. of June 24, 2024.

The process for stockholders to ask questions was provided in the Procedure for the Annual Stockholders' Meeting attached to the Definitive Information Statement.

4. As indicated in the ballot for the voting of shareholders, there are six resolutions proposed for approval by the stockholders in the meeting. Each proposed resolution will be shown on the screen as the same is being taken up.

5. Stockholders or their representative cast their votes on the proposed resolutions by completing, dating, signing and sending the form to the Bank via RCBC-ASM-2024@rcbc.com together with the stockholder's registration mail by 5:00 P.M. of June 16, 2024. If the name of the proxy is not specified, the stockholder shall be deemed as having appointed the Chairperson as proxy.

6. The Bank has tabulated the votes cast after the end of the proxy validation process. These votes are from stockholders representing 88.08% of the total outstanding shares.

To count and/or validate the votes of the meeting, the Bank has engaged an independent party, Punongbayan & Araullo.

The Definitive Information Statement and the Explanation of Agenda Items also provide that (1) only stockholders of record at close of business on May 23, 2024 will be entitled to participate and vote at the meeting or any adjournment thereof; (2) only duly registered stockholders shall be counted for purposes of quorum; and (3) where no specific instruction is clearly indicated in any, some or all of the items specified in the proxy form/ballot form, the vote shall be deemed as a vote "FOR" with respect to proposal 1 to 6 (*i.e.*, Items IV to VII and IX hereof) in the forms and "FOR ALL" with respect to proposal 7 (*i.e.*, Item VIII hereof) in the forms.

IV. **Approval of the Minutes** — The Chairperson explained that an electronic copy of the minutes is available on the website of the Bank and was attached to the Definitive Information Statement.

The Corporate Secretary reported that Management is proposing the adoption of Resolution No. 24-01 (as shown below) and that stockholders representing 2,083,030,347 shares or 100% of the votes cast, voted in favor of approval of the minutes of the Annual Stockholders' Meeting held on July 3, 2023.[1] Accordingly, the following resolution was approved:

[1] Approve – 2,083,030,347 shares; Against – 0; Abstain – 2 shares

Resolution No. 24-01

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve, confirm and ratify the Minutes of the Annual Stockholders' Meeting held on July 3, 2023, copies of which are posted on the Bank's website, and attached to the Definitive Information Statement."

V. <u>Approval of the Annual Report and Audited Financial Statements for 2023</u> — The Annual Report and the 2023 Audited Financial Statements of the Bank, copies of which are available at the Bank's website, the PSE Edge and which were also attached to the Definitive Information Statement, were explained and submitted to the stockholders for approval.

The Annual Report together with the Definitive Information Statement includes, among others, the following matters: (a) an explanation of the dividend policy and dividend payments; (b) material information on the current stockholders and their voting rights; and (c) a detailed, descriptive and balanced assessment of the Bank's performance. The duly signed and certified Audited Financial Statements also includes a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees.

Mr. Acevedo presented his report to the stockholders. He started by saying that the global economic recovery may have remained elusive in 2023, but the Bank is in a much better shape than it is during the COVID-19 pandemic.

Mr. Acevedo said that to future-proof the Bank's business and to avoid guesswork, the Bank turns to science and technology. He shared that this has led the Bank to unleash a plethora of tools — from automation, data analytics, and cybersecurity, to artificial intelligence (AI) and machine learning.

He highlighted that Tech helps the Bank achieve greater operational efficiency, scalability, and deeper insights into customer behavior but stressed that the Bank cannot thrive with tech alone. He stressed that the Bank must also know how to forge human connections to create amazing customer experiences.

In 2023, the Bank solidified its position as the fifth largest private bank in the country, with total assets of over P1.2 Trillion. The Bank's consolidated net income reached P12.22 Billion in 2023. This was boosted by a 17% year-on-year growth in customer loans which reached P622.0 Billion, faster than the industry average. The Bank's consumer loans grew double digit, as credit cards' 48% growth consistently outperformed industry, while auto and housing loans recorded an 18% increase. RCBC's total deposits reached P857.0 Billion, spurred by the 19% increase in CASA deposits across all segments. Its cash management and payroll solutions, alongside extensive business relationships, provided the double-digit lift in the Bank's low-cost deposits.

The Bank's capital rose 31% on the back of the capital infusion from Sumitomo Mitsui Banking Corporation in July 2023. Both the Bank's capital adequacy ratio (CAR) and Common Equity Tier 1 (CET1) ratios remained well above regulatory requirements at 17.37% and 14.69%, respectively.

On the asset quality side, tighter credit policies and prudent remedial management kept RCBC's nonperforming loans low at 3.34% from 3.75% in 2022.

He emphasized that Tech plays a huge supporting role in producing the abovementioned numbers as the Bank turns to tech to know its customers better, and learn how best to serve them.

RCBC's elite team of data scientists has developed 55 machine learning models to help the Bank come up with curated products that address the needs of its customers, as well as to further improve its workforce productivity. Using Robotic Process Automation, the Bank deployed 45 business intelligence dashboards across the organization so the Bank's people can serve RCBC customers better. As a result, the Bank was able to increase its throughput without increasing headcount.

He said that RCBC treats its tagline, "Partners through Generations," as a serious commitment to keep its relationship with its clients and their families strong and enduring. He stated that for the Bank to cater to and anticipate the needs of different generations, RCBC must continuously innovate and future-proof its organization.

Mr. Acevedo highlighted that this commitment extends to RCBC's employees. He disclosed that majority of RCBC Bankers are first-generation graduates in their families and come from modest economic backgrounds. Many have taken over the role of a breadwinner in the family.

The Bank bears the significant responsibility to do well in its business so it can uplift the lives of its employees and their families.

Mr. Acevedo stressed that banking is all about people. The better the Bank serves its own, the more they deliver exceptional customer experience. AI-driven chatbots can guide customers through their journey, but they can't replace the Bank's branch tellers' welcoming smile over the counter, the human-written thank-you notes, and the friendly voice on the other end of the customer hotline.

The proof that the Bank is doing things right is that the Bank turned 2023 as another "award-sweeping" year. He shared that the Bank garnered a total of 50 awards and recognitions from various prestigious international award giving bodies in 2023, including "Best in Customer Service" in the 2023 survey of the Philippine Daily Inquirer and Statista, the world's leading data and business intelligence portal; "Best Bank for Digital" from AsiaMoney for the fourth consecutive year; "Digital Bank of the Year" from The Asset; and "Credit Card of the Year," "Best Cash Management Bank," "Best SME Bank," and "Best Retail Bank."

All these accolades may lull the Bank into complacency, but Mr. Acevedo challenged RCBC to go after its ambition to be the primary bank of its customers. To be the No. 1 bank for every single customer relationship, the Bank must be superior on all these: product bundles, reliable systems, and customer service ratings. He added that the capital infusion, knowledge and technology transfer from SMBC give the Bank greater confidence in the strength of its franchise.

He acknowledged that the world rapidly evolves and so the Bank must always anticipate changes, and brace itself for the headwinds. He said that even if the wind keeps blowing against where the Bank wants to go, it should not deter it from moving forward, and instead, it should steel its nerves, sharpen its focus, and embolden it to realize its ambition. He declared that with skill and science, the Bank can navigate its way to being the primary bank of its customers.

We must never be afraid to sail against the wind, Mr. Acevedo ended.

The Chairperson thanked Mr. Acevedo for his report.

The Corporate Secretary reported that Management is proposing the adoption of Resolution No. 24-02 (as shown below) and that the stockholders representing 2,082,283,914 shares or 99.96% of the votes cast, voted in favor of the approval of the Bank's Annual

Report and its Audited Financial Statements for the year 2023.[6] Accordingly, the following resolution was approved:

Resolution No. 24-02

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve the Annual Report and Audited Financial Statements of the Bank for the year 2023."

VI. <u>Ratification of actions of the Board of Directors, different Committees and Management</u> — The next item considered was the ratification of the actions of the Board of Directors, the different Committees and Management of the Bank from July 3, 2023 to the date of the meeting. The Corporate Secretary described the transactions subject of the ratification.

Thereafter, he presented Resolution No. 24-03 (as shown below) and reported that stockholders representing 1,974,408,272 shares or 94.79% of the votes cast voted in favor of the approval, confirmation and ratification of the actions of the Board of Directors, the different Committees and the Management from July 3, 2023 to June 24, 2024.[7] Accordingly, the following resolution was approved:

Resolution No. 24-03

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve, confirm and ratify, the actions of the Board of Directors, different Committees and Management from July 3, 2023 to June 24, 2024."

VII. <u>Confirmation of Significant Transactions with DOSRI and Related Parties</u> — The confirmation of significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management of the Bank from July 3, 2023 to June 24, 2024 was then considered.

The Corporate Secretary reported that significant transactions with DOSRI and related parties for the year 2022 include: loans/receivables and deposit liabilities; trading of investment securities; sale and leaseback of properties to Fransa Properties, Inc. for a 100% ownership in the latter, which was subsequently transferred to post-employment defined benefit plan as contribution to the plan assets; sale of a portion of ATYC bank premises and investment properties to ATYCI and immediately leased back from the latter under a five-year lease effective until September 30, 2027; lease contracts with RCBC Realty Corporation and sub-lease agreements with subsidiaries for occupancy in the RCBC Plaza; increase in shareholding of SMBC, the capital infusion for which was made on July 31, 2021; donation of Properties from Niyog Property Holdings, Inc. to RCBC, which properties were subsequently sold to PMMIC; sale of Tarlac Property to Tarlac Terra Ventures, Inc.; various service agreements with RCBC Bankard Services Corporation, RCBC Forex Brokers Corporation, RCBC Capital Corporation, RCBC Securities, Inc., Rizal Microbank – A Thrift Bank of RCBC, RCBC Leasing and Finance Corporation, Niyog Property Holdings, Inc., and RCBC International Finance Limited; agreement with RCBC Rental Corporation for the financing of 1,000 new ATMs with a term of 60 months.

The subject transactions include the administration and management of some of the subsidiaries' retirement funds. The Bank's other transactions with affiliates include service

[6] Approve – 2,082,283,914 shares; Against – 0; Abstain – 798,435 shares
[7] Approve – 1,974,408,272 shares; Against – 0; Abstain – 108,672,877 shares

agreements, leasing office premises to subsidiaries, accreditation of RCBC Trust agent and of insurance companies, and regular banking transactions (including purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances). The Corporate Secretary stressed that all transactions are at arms' length.

Details of said related party transactions were disclosed in the Bank's SEC 17-A Report which is also available on the Bank's website. These were also provided in the Annual Report together with the Definitive Information Statement.

The Corporate Secretary then presented Resolution No. 24-04 (as shown below) and reported that stockholders representing 2,083,030,349 shares or 100% of the votes cast, voted in favor of the approval, confirmation and ratification of the significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management from July 3, 2023 to June 24, 2024.[4] Accordingly, the following resolution was approved:

Resolution No. 24-04

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders hereby approve, confirm and ratify, the significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management from July 3, 2023 to June 24, 2024."

VIII. <u>**Election of Directors**</u> — The next item in the Agenda was the election of Directors of the Bank for the year 2024-2025. Before the election, the Corporate Secretary reported to the stockholders the annual compensation of each of the directors. He explained that the Bank is sharing the information in compliance with Corporate Governance Regulations of the SEC and the Revised Corporation Code.

Thereafter, the Corporate Secretary presented the names of the following stockholders duly nominated as members of the Board of Directors for the ensuing term:

As Regular Directors

1. Ms. Helen Y. Dee
2. Mr. Cesar E.A. Virata
3. Mr. Eugene S. Acevedo
4. Mr. Gil A. Buenaventura
5. Mr. Armando M. Medina
6. Mr. John Law
7. Mr. Shih-Chiao (Joe) Lin
8. Ms. Gayatri P. Bery
9. Mr. Hiroki Nakatsuka, and
10. Mr. Katsufumi Uchida

As Independent Directors

1. Mr. Juan B. Santos
2. Mr. Gabriel S. Claudio
3. Mr. Vaughn F. Montes
4. Mr. Laurito E. Serrano, and
5. Ms. Erika Fille T. Legara

[4] Approve – 2,083,030,349 shares; Against – 0; Abstain – 0

The Corporate Secretary reported that the Bank's Corporate Governance Committee has ascertained that all the nominees for directors are qualified to serve as directors of the Bank, and that all the nominees have given their consent to their respective nominations.

The Corporate Secretary reported that each of the fifteen nominees for director has garnered at 100% of the votes cast and consequently certified that each of the nominees has received sufficient votes for election to the Board of Directors of the Bank.

As verified and tabulated by independent third party Punongbayan & Araullo, the votes for the directors were as follows:

	FOR	PERCENTAGE
1. Ms. Helen Y. Dee	2,083,030,349	100.00%
2. Mr. Cesar E.A. Virata	2,083,030,349	100.00%
3. Mr. Eugene S. Acevedo	2,083,030,349	100.00%
4. Mr. Gil A. Buenaventura	2,083,030,349	100.00%
5. Mr. Armando M. Medina	2,083,030,349	100.00%
6. Mr. John Law	2,083,030,349	100.00%
7. Mr. Shih-Chiao (Joe) Lin	2,083,030,349	100.00%
8. Ms. Gayatri P. Bery	2,083,030,349	100.00%
9. Mr. Hiroki Nakatsuka	2,083,030,349	100.00%
10. Mr. Katsufumi Uchida	2,083,030,349	100.00%
11. Mr. Juan B. Santos	2,083,030,349	100.00%
12. Mr. Gabriel S. Claudio	2,083,030,349	100.00%
13. Mr. Vaughn F. Montes	2,083,030,349	100.00%
14. Mr. Laurito E. Serrano	2,083,030,349	100.00%
15. Ms. Erika Fille T. Legara	2,083,030,349	100.00%

Accordingly, the following resolution was approved:

Resolution No. 24-05

"BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders duly elected the members of the Board of Directors of the Bank as named hereunder, to hold office for a term of one year until their successors shall have been duly elected and qualified:

As Regular Directors:

1. Ms. Helen Y. Dee
2. Mr. Cesar E.A. Virata
3. Mr. Eugene S. Acevedo
4. Mr. Gil A. Buenaventura
5. Mr. Armando M. Medina
6. Mr. John Law
7. Mr. Shih-Chiao (Joe) Lin
8. Ms. Gayatri P. Bery
9. Mr. Hiroki Nakatsuka, and
10. Mr. Katsufumi Uchida

As Independent Directors:

11. Mr. Juan B. Santos
12. Mr. Gabriel S. Claudio
13. Mr. Vaughn F. Montes
14. Mr. Laurito E. Serrano, and
15. Ms. Erika Fille T. Legara"

IX. **Appointment of External Auditor** — Punongbayan & Araullo was proposed to be re-appointed as auditor of the Bank for the year ending December 31, 2024.

Management is proposing the adoption of Resolution No. 24-06 (as shown below). The Corporate Secretary reported that stockholders representing 2,083,030,349 shares or 100% of the votes cast, voted in favor of the approval of the re-appointment of Punongbayan & Araullo as auditor of the Bank for the fiscal year 2024. Accordingly, the following resolution was approved:

Resolution No. 24-06

> "BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That the stockholders approve that the services of Punongbayan & Araullo be retained as External Auditor of the Bank for the fiscal year 2024."

X. **Other Matters** - The Chairperson asked if there were questions or comments received from the stockholders. The Corporate Secretary informed the Chairperson that there were no questions received.

XI. **Adjournment** — There being no other business to transact, the meeting was adjourned at 04:29 P.M.

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

A T T E S T:

HELEN Y. DEE
Chairperson of the Meeting

ANNEX "A"

LIST OF DIRECTORS and OFFICERS PRESENT
RIZAL COMMERCIAL BANKING CORPORATION
ANNUAL STOCKHOLDERS MEETING: JUNE 24, 2024

Helen Y. Dee
Cesar E.A. Virata
Eugene S. Acevedo
Gil A. Buenaventura
Armando M. Medina
John Law
Shih-Chiao (Joe) Lin
Gayatri P. Bery
Hiroki Nakatsuka
Katsufumi Uchida
Juan B. Santos
Gabriel S. Claudio
Vaughn F. Montes
Laurito E. Serrano
Erika Fille T. Legara
Yvonne Yuchengco (Advisory Board)
Lilia B. De Lima (Advisory Board)
Masayuki Sasakawa (Advisory Board)
Ma. Christina P. Alvarez
Ma. Pamela Katrina M. Cabullo
Elizabeth E. Coronel
Ramil M. De Villa
George Gilbert G. Dela Cuesta
Sheila Rica G. Diosa
Brent C. Estrella
Richard C. Lim
Florentino M. Madonza
Alberto N. Pedrosa
Rowena F. Subido
Marlon Roberto A. Tiral
Juan Gabriel R. Tomas IV
Angelica B. Torres-Garcon
Angelito M. Villanueva
Nilo C. Zantua
Xavier V. Zialcita
Arnel Vincent B. Ong (Head of subsidiary)
Raymundo C. Roxas (Head of subsidiary)
Arsenio Kenneth M. Ona (Head of subsidiary)
Evelyn Nolasco (consultant)
Lisa Marie G. Vergeire
Jahziel M. Sotillo-Buenaventura
Mary Jill Myla B. Ong-Tuan
Dino B. Nazon
Joyce Connie R. Lazaro
Maria Cecilia V. Chavez-Limson

Annex "B"

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
TOTAL OUTSTANDING SHARES	[illegible]	

PREFERRED SH NAME	OUTSTANDING SHARES	PERCENTAGE
ABACUS SECURITIES CORP	6,021.00	2.350288
MANDARIN SECURITIES CORPORATION	7,083.00	2.888884
MONTANTE, CONCHITA I.	75.00	0.029276
AQUINO, ROSARIO	122.00	0.046928
ARAMBULO, GUADALUPE A.	575.00	0.213083
BIGO, LORETA	8,000.00	3.123446
BDO SECURITIES CORP	8,264.00	3.402728
OCCIDENTAL, VERNADITA	29.00	0.012129
BERNARDO, MARISSA	244.00	0.091597
BUENAVILA, ALLAN	285.00	[illegible]
OPTIMUM SECURITIES CORP	16,686.00	6.799425
CAMPOS LANUZA & CO. INC.	3,570.00	1.327342
CASELA, PETRONILA	19.00	0.008086
CHENG SIO BIN	128.00	0.048051
CHENG, SUSAN	2,685.00	1.000443
CHUA, JEANIE A.	50.00	0.018770
PANTALEON, VIRGINIA	487.00	0.182820
CHUA, VICENTE	110.00	0.041294
PASCUAL, CAROLYN &/OR JACINTO	1,295.00	0.485144
CO, ANTONIA SY	3,258.00	1.223035
PASCUAL, CAROLYN OR JACINTO	570.00	0.213978
CO, KIAN CHAY	110.00	0.041294
TUGANNIEE, PAUL G.	369.00	0.138522
CONCEPCION CHUA, CHENG	300.00	0.112598
CONCEPCION, CARMENCITA	31,842.00	11.953910
CUBILLAN, JACINTO CU	153.00	0.057436
CUBILLAN, ROSALINA C.	123.00	0.046925
PENA, NELIA A.	59.00	0.022047
PIMENTEL, ALBERT CHUA	85.00	0.031758
ROSARIO, RODOLFO P. DEL	81,521.00	30.603048
DIAZ, AIDA GARCIA	59.00	0.022047
PO, ERNANDO T.	109.00	0.040842
PO, JOSE	87.00	0.032660
KER SECURITIES INC.	60.00	0.021158
RAMIREZ, EVA	60.00	0.022560
ESTANILLO, MARIE T.	17.00	0.006382
ROXAS, RAYMOND U.	114.00	0.042920
LAO, GINA A.	418.00	0.156917
SALES, MERLYN A.	49.00	0.021869
ULOMBARRIO SEC. & STOCKS	3,408.00	1.297131
SO, PACITA TAN	51.00	0.019145
SALOM, E. JOHN CHRISTOPHER J.	872.00	0.312708
SO, ROBERTO CHAN	1,367.00	0.513172
SALOM, H.J. ASELDEN FRANCES J.	872.00	0.327708
GOMEZ, ERNESTO A.	1,028.00	0.385915
SALES, ROY ONG	333.00	0.125008
GURNANI, LAL &/OR HARESH	202.00	0.075831
SY GAYBO ONG, MARIA CHUA	18.00	0.006757
YU, TIN WAI	188.00	0.070575
YAGAMI, HANG YAP	6,088.00	2.286477
TAN, CARIDAD K.	1,113.00	0.417825
JASMIN, RUFINO T.	116.00	0.043546
TAN, LUCIANO H.	7,309.00	2.743859
TAN, REMEDIOS TIU	868.00	0.325852
LAO, BUN TIMAN	925.00	0.347246
TANDOC, NEIL CLIFFORD G.	46.00	0.017268
LIBRES, RICHARD PONCIANO	425.00	0.159546
TOYO SECURITIES CO. INC.	1,493.00	0.560482
ANG, TONY AND &/OR ROSEMARIE	5,377.00	2.018603
VIDAL, JUANITA M.	213.00	0.079961
VILLACORTES, CARMEN NICOLASORA	174.00	0.065320
WONG, CORAZON KHY	250.00	0.093852
ACOSTO, NICASIO MARIN JR. &/OR ARNOLD C.C.	3,371.00	1.265479

GO, HOMER	46,203.00	17.4[illegible]
YAP, BENNETH YAP &/OR LIBERATA BASA	18.00	0.006[illegible]
CHUA BELLENG	138.00	0.048[illegible]
CHAN, RHEMAN CO	167.00	0.0[illegible]
JASMIN, JUANITA S.	85.00	0.03[illegible]
LIM, ORSANIO B.	352.00	0.132[illegible]
BEDAN CORPORATION	2,100.00	0.78[illegible]
SIA, JOHNSON CHUA	5,000.00	1.87[illegible]
TOTAL OUTSTANDING SHARES	266,[illegible]	

Annex "C"

STOCKHOLDER NAME	SHARES
MOLINA, ARMANDO M.	195.00
VIRATA, CESAR E.A.	167.00
ZIALCITA, XAVIER	5.00
LAW, JOHN	1.00
BUENAVENTURA, GIL A.	5.00
SANTOS, JUAN B.	5.00
CLAUDIO, GABRIEL S.	1.00
MONTES, VAUGHN F.	5.00
LAURITO E. SERRANO	1.00
SHIH-CHIAO LIN	1.00
GAYATRI P. BERY	1.00
ERIKA FILLE T. LEGARA	1.00
DEE, HELEN Y.	438.00
SANVICTORES, JULIUS J.	330.00
PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION	584,248,395.00
SUMITOMO MITSUI BANKING CORPORATION	168,679,975.00
RCBC SECURITIES FAO SUMITOMO MITSUI BANKING CORPORATION	315,287,346.00
EUBK100000	194,218.00
MAL CMC NOM 240620	523,265,897.50
DEUTSCHE BANK AG MANILA	746,435.00
CITIOMNIFOR	2,851,962.00
CITIOMNIFOR	4,808,906.00
CITIOMNIFOR	2,919,464.00
CITIOMNIFOR	7,000.00
CITIOMNIFOR	104,967.00
CITIOMNIFOR	36,724,117.00
RCBC Trust Eugene S. Acevedo	544,100.00
RCBCSecurities Inc. Katsutomi Uchida	1.00
RCBC Trust VIRATA, CESAR E.A.	158,287.00
RCBC Trust DEE, HELEN Y.	1,461,879.00
COL FINANCIAL FAO ERIKA FILLE T. LEGARA	5,000.00
RCBCSecurities Inc. Hiroki Nakamura	1.00
RCBC SECURITIES	395,185,843.00
MICO EQUITIES, INC.	33,706,275.00
MALAYAN INSURANCE COMPANY, INC.	32,811,895.00