

I-ACGR Schedule of Annexes

Annex	File Name	Recommendation
1	2024 Annual Training for the Directors and Key Officers	Recommendation 1.3.3, Recommendation 1.5.3 and Recommendation 1.6.4
2	Proof of distribution of materials 5 days before the Board meeting	Optional: Recommendation 1.5, Recommendation 2.1 and Recommendation 4.1.2
3	Sample excerpts of the Board minutes of the meeting	Recommendation 2.1
4	Board minutes on the discussion involving board plan and strategy	Recommendation 2.2 .1 and Optional Principle 4.2
5	2025 Annual Board Work Plan	Supplement to Recommendation 2.2.2 and Optional Principle 4.2
6	Letter of Confirmation - Korn Ferry	Recommendation 6.1.5
7	Performance Management Framework	Recommendation 2.9.2
8	2024 Risk Governance Framework	Recommendation 2.11.2, Recommendation 12.1.2 and Recommendation 12.4
9	ACC Minutes on the approval of the quarterly FS review (non-audit services) of the External Auditor	Supplement to Recommendation 3.2.1
10	Board minutes showing attendance and participation of Board members via videoconferencing	Recommendation 4.1.1
11	Board minutes showing board members' engagement in the discussion	Recommendation 4.1.3
12	Memo to the Corporate Governance Committee (CG Com) for additional directorships	Recommendation 4.3.1
13	Board minutes involving abstentions from voting	Recommendation 5.6
14	NEDs separate meeting with Control Unit Heads and External Auditor - Agenda	Supplement to Recommendation 3.2.2, and Recommendation 5.7.1 and 5.7.2
15	Compliance Manual	Supplement to Recommendation 12.1
16	Dividend Policy	Supplement to Recommendation 13.1.7
17	Excerpts of May 2025 Corporate Governance Committee meeting on the results of the 2024 self-assessment of the performance of the Board, the individual members, the Chairman and the Committees.	Recommendation 6.1
18	Attestation of the CEO, CAE and CCO	Additional Recommendation to 12



2024 YGC Annual Corporate Governance Seminar

“Transforming Boards to Succeed in a World of Disruption”

July 6, 2024 at 8:30AM – 12:30PM

Via Zoom Webinar

8:30am	START	
8:40am	Opening Remarks	Atty. Lilia B. de Lima Advisory Board Member RCBC
8:45am	“How Do We Enhance The Strategic Value Of Our Boards In A Rapidly Disrupting World?”	Mr. Graham Poston Regional Practice Leader, APAC CEO & Board Practice Korn Ferry Ms. Natalie Chan Senior Principal, CEO & Board Practice Korn Ferry
9:40am	“How do Transformative Boards drive business results through innovation?”	Mr. Bill Randal Senior Client Partner Korn Ferry
10:30am	BREAK	
10:35am	“Cyber Security Governance”	Mr. Robert Luu Regional Vice President, Customer Success Diligent Mr. Jonathan Burgos Strategic Account Diligent
11:35am	“Online Child Sexual Exploitation - Its Landscape and the Multisectoral Response to Fight It”	Atty. Jewel Dela Cruz Country Program Manager International Centre for Missing & Exploited Children
12:25pm	Closing Remarks	Mr. Henry D. Antonio Director / President & CEO EEI Corporation
12:30pm	END	



This
Certificate of Attendance
is presented to

Helen Y. Dee

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom



BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Cesar E.A. Virata

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom

A black rectangular box redacting the signature of Brent C. Estrella.

BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Eugene S. Acevedo

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
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BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Gil A. Buenaventura

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom



BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Armando M. Medina

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom


BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

John Law

Rizal Commercial Banking Corporation

for attending and participating in the

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"Transforming Boards to Succeed in a World of Disruption"

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BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Gabriel S. Claudio

Rizal Commercial Banking Corporation

for attending and participating in the

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Via Zoom

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BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Juan B. Santos

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

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Via Zoom

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BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Vaughn F. Montes

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
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6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom


BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Laurito E. Serrano

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom



BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Erika Fille T. Legara

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom

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BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Katsufumi Uchida

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom


BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Hiroki Nakatsuka

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom



BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Shih Chiao Lin

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

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Via Zoom

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BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Gayatri P. Bery

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom


BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

George G. dela Cuesta

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom



BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation



This
Certificate of Attendance
is presented to

Brent C. Estrella

Rizal Commercial Banking Corporation

for attending and participating in the

2024 YGC Annual Corporate Governance Seminar
"Transforming Boards to Succeed in a World of Disruption"

6 July 2024, 8:30 a.m. to 12:30 p.m.
Via Zoom



BRENT C. ESTRELLA

Chief Compliance Officer and Head, Regulatory Affairs Group
Rizal Commercial Banking Corporation

Board Papers are generally released to the Board 5 business days (1 calendar week) before the meeting.

Screenshot of sample dates of sending out of materials.

me	Inbox	[RESTRICTED] RCBC Board Meeting Material - June 24, 2024 - Part 1 of 1	6/16/24
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - May 27, 2024 - Part 1 of 1	5/20/24
me	Inbox	[RESTRICTED] RCBC Board Meeting Material for Executive Session - April 29, 2024 - Part 1 of 1	4/22/24
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - April 25, 2024 - Part 1 of 1	4/22/24
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - March 25, 2024 - Part 1 of 1	3/19/24
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - February 26, 2024 - Part 1 of 1	2/19/24
me	Inbox	[RESTRICTED] RCBC Board Meeting Material for Executive Session - January 29, 2024 - Part 1 of 1	1/22/24
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - January 29, 2024 - Part 1 of 1	1/22/24

Good day!

Attached is the Material for the January Meeting of the Board to be held at the RCBC Boardroom (for the Directors and Advisory Board) and via Zoom Conference (for SMC and the press/staff) on January 29, 2024, for downloading to your iPad/device.

For those unable to attend face-to-face, Zoom details for the meeting (which will be recorded) are as follows:

Topic: January 29, 2024 Board Meeting

Time: 02:00 PM Asia/Manila

Join Zoom Meeting

<https://us02web.zoom.us/j/89940176336?pwd=enM2VlF6MEtpT0JlZWw9Hem90c1J1UT09>

Meeting ID: 899 4017 6336

Passcode: BoDJan2024

The attached files have the following items:

1. A. - January 29, 2024 Board Agenda
2. A.1. - November 28, 2023 Board Minutes
3. A.1. - December 11, 2023 Board Minutes
4. A.2. - List of Announcements for the Franchise Committee
5. A.2. - Executive Committee Minutes for November 15, 2023
6. A.2. - Executive Committee Minutes for November 22, 2023
7. A.2. - Executive Committee Minutes for November 29, 2023
8. A.2. - Executive Committee Minutes for December 6, 2023
9. A.2. - Executive Committee Minutes for December 13, 2023
10. A.2. - Executive Committee Minutes for January 3, 2024
11. A.2. - Executive Committee Minutes for January 10, 2024
12. A.3. - Trust Committee Highlights for November 28, 2023
13. A.3. - Trust Committee Minutes for November 28, 2023
14. A.4. - Risk Oversight Committee Highlights for December 1, 2023
15. A.4. - Risk Oversight Committee Minutes for December 1, 2023
16. A.4. - Risk Oversight Committee Executive Session Highlights for December 1, 2023
17. A.4. - Risk Oversight Committee Executive Session Minutes for December 1, 2023
18. B.1. - Dividend on Hybrid Perpetual Securities
19. B.2. - BSP Authorized Signatories
20. B.3. - Sale of RHIC Shares
21. B.4. - ROPA - Policies and Implementing Guidelines
22. B.5. - Grupa Realty Holdings Corporation Lease Renewal
23. E.1. - RCRC International Finance Ltd.
24. E.2. - National Reinsurance Corporation of the Philippines

1. **Proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting –**

Board Papers are generally released to the Board 5 business days (1 calendar week) before the meeting.

Screenshot of sample dates of sending out of materials.

The screenshot shows an email distribution list with the following entries:

To:	Subject	Date
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material - June 29, 2024 - Part 1 of 1	6/29/24
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material - May 21, 2024 - Part 1 of 1	5/21/24
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material for Executive Session - April 29, 2024 - Part 1 of 1	4/29/24
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material - April 29, 2024 - Part 1 of 1	4/29/24
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material - March 25, 2024 - Part 1 of 1	3/25/24
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material - February 26, 2024 - Part 1 of 1	2/26/24
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material for Executive Session - January 29, 2024 - Part 1 of 1	1/29/24
Mr. [REDACTED]	RECEIVED: RCBC Board Meeting Material - January 29, 2024 - Part 1 of 1	1/29/24

Good Day!

Attached is the Material for the **January Meeting of the Board to be held at the RCBC Boardroom (for the Directors and Advisory Board) and via Zoom Conference for SMC and the contractors on January 29, 2024**, for downloading to your Mac/Device.

For those unable to attend face-to-face, Room details for the meeting (which will be recorded) are as follows:

Topic: **January 29, 2024 Board Meeting**
 Time: 02:00 PM Asia/Manila

Join Zoom Meeting

<https://us02web.zoom.us/j/89940176336?pwd=cnNkZlF6MEp0TGpBWDh4Hm50c1l1U009>

Meeting ID: 899 4017 6336
 Passcode: BoDJan2024

The attached files have the following names:

1. A - January 29, 2024 Board Agenda
2. A.1 - November 28, 2023 Board Minutes
3. A.1.1 - December 11, 2023 Board Minutes
4. A.2 - List of Agenda Items Approved by the Executive Committee
5. A.2.1 - Executive Committee Minutes for November 19, 2023
6. A.2.2 - Executive Committee Minutes for November 12, 2023
7. A.2.3 - Executive Committee Minutes for November 28, 2023
8. A.2.4 - Executive Committee Minutes for December 6, 2023
9. A.2.5 - Executive Committee Minutes for December 13, 2023
10. A.2.6 - Executive Committee Minutes for January 3, 2024
11. A.2.7 - Executive Committee Minutes for January 10, 2024
12. A.3 - Trust Committee Highlights for November 28, 2023
13. A.3.1 - Trust Committee Minutes for November 28, 2023
14. A.4 - Risk Oversight Committee Highlights for December 1, 2023
15. A.4.1 - Risk Oversight Committee Minutes for December 1, 2023
16. A.4.2 - Risk Oversight Committee Executive Session Highlights for December 1, 2023
17. A.4.3 - Risk Oversight Committee Executive Session Minutes for December 1, 2023
18. B.1 - Dividends on Hybrid Preferred Securities
19. B.2 - ROP Authorized Signatories
20. B.3 - List of ROP, ROPs
21. B.4 - RCBA - Policies and Implementing Guidelines
22. B.5 - Group Policy Holders Corporate Lease Renewal
23. C.1 - RCBC International Finance CSE
24. C.2 - National Remittance Corporation of the Philippines

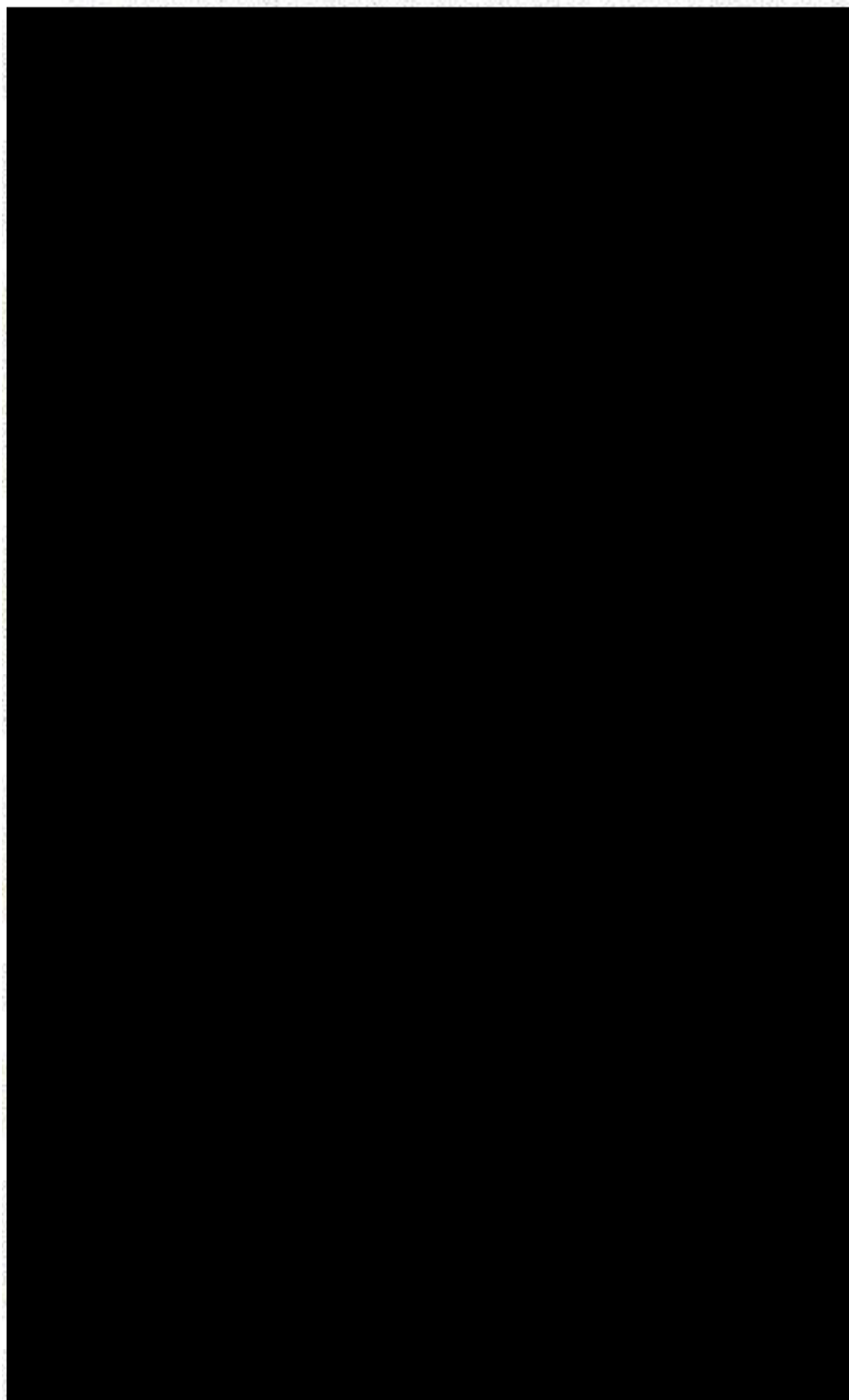
2. **Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) –**

Materials are sent ahead of time to the Board so that they are fully informed of the matters to be taken up during Board Meetings. The discussions during meetings show that the directors act in good faith, with due diligence and care, and in the best interest of the company.

Sample Minutes from Board meetings

January 30, 2024





Rizal Commercial Banking Corporation	
Minutes of the January 29, 2024	
Regular Meeting of the Board of Directors	33

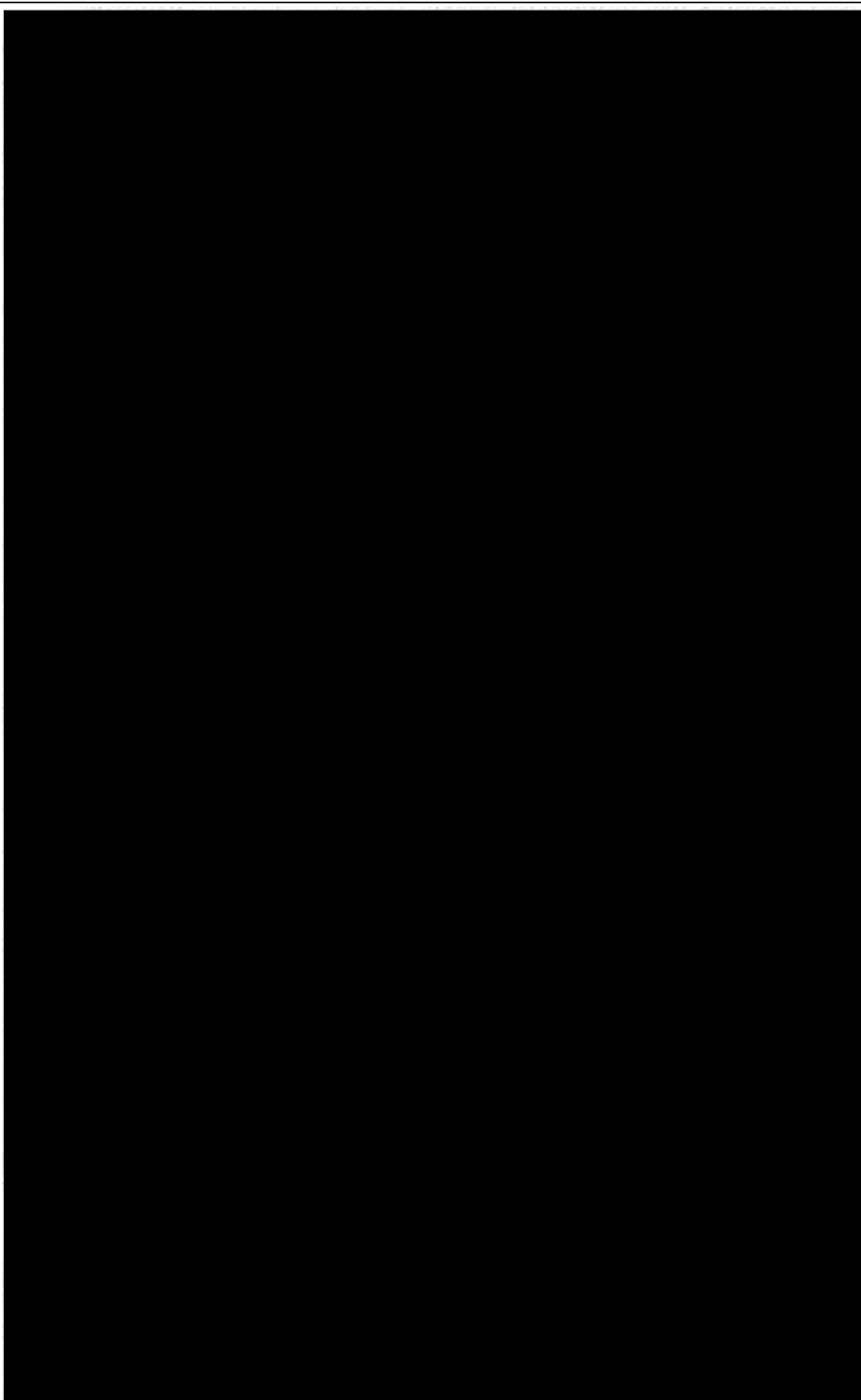
February 26, 2024

Rizal Commercial Banking Corporation	
Minutes of the February 26, 2024	
Regular Meeting of the Board of Directors	23

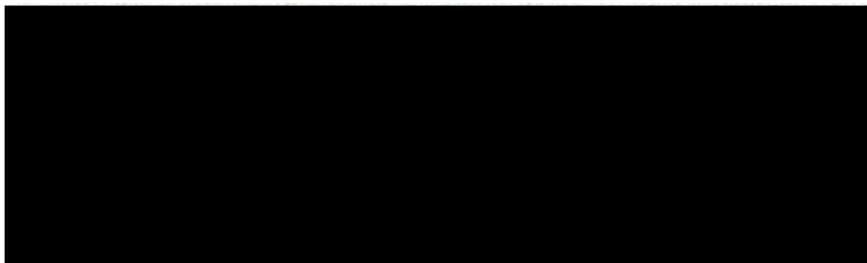
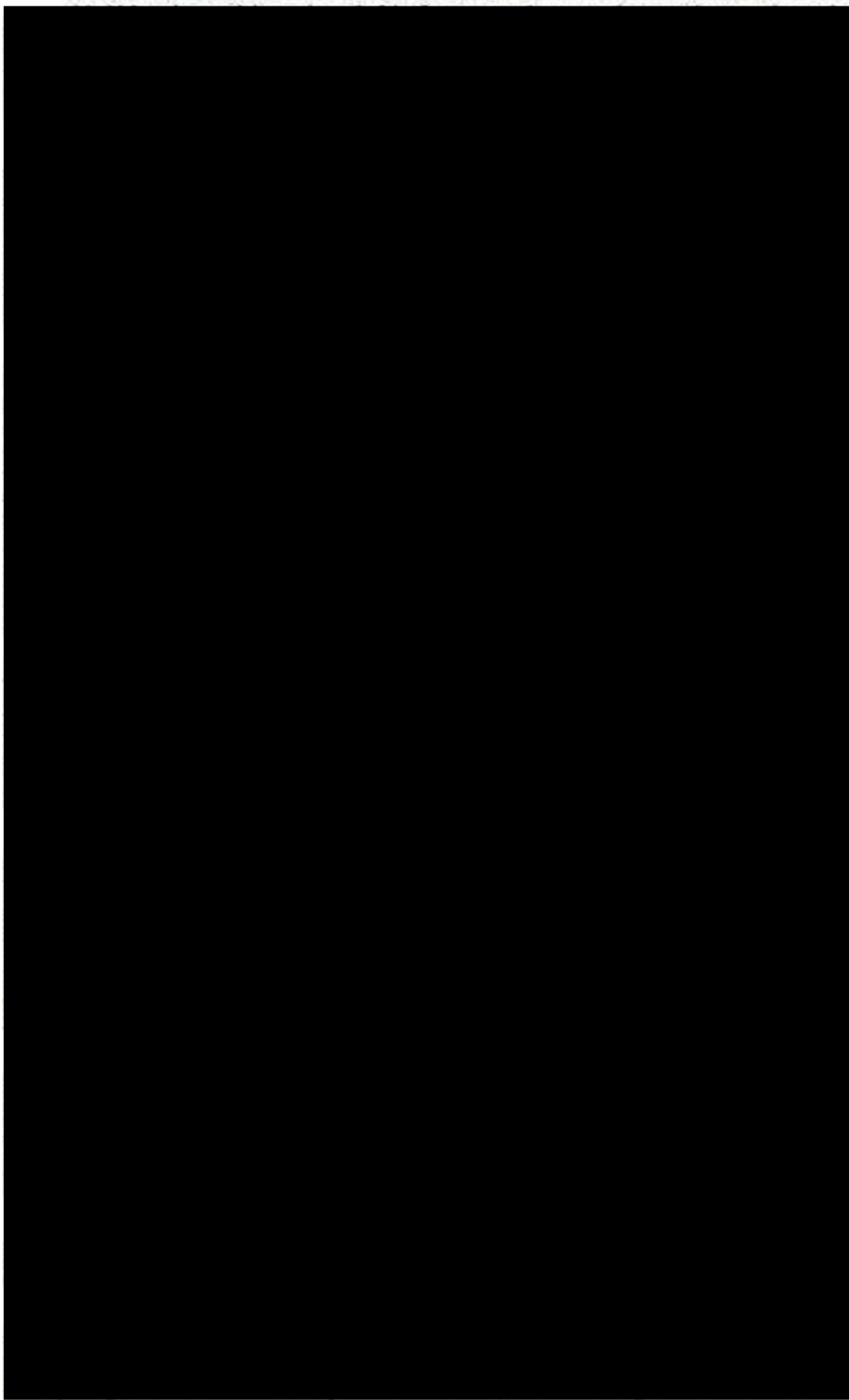
Rizal Commercial Banking Corporation	
Minutes of the February 26, 2024	
Regular Meeting of the Board of Directors	45

March 25, 2024

Rizal Commercial Banking Corporation	
Minutes of the March 25, 2024	
Regular Meeting of the Board of Directors	16



April 29, 2024

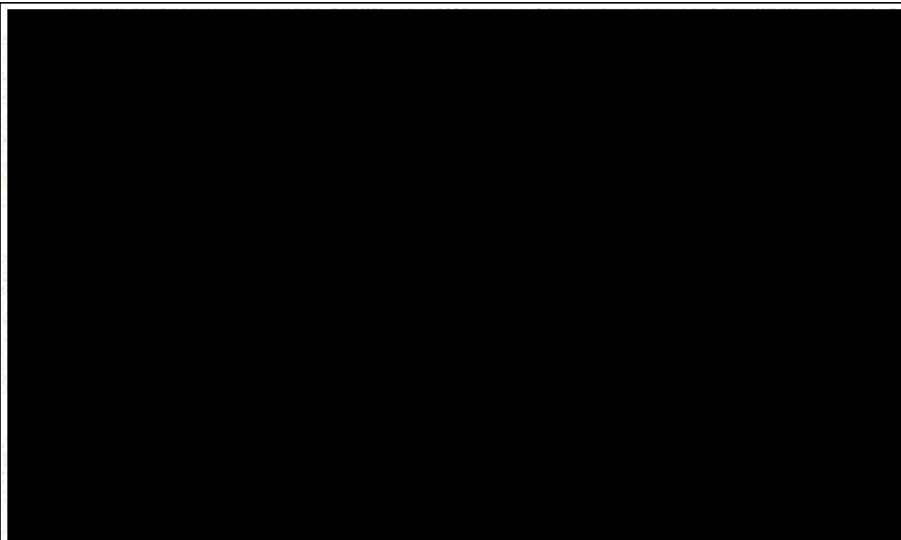


May 27, 2024



Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

24



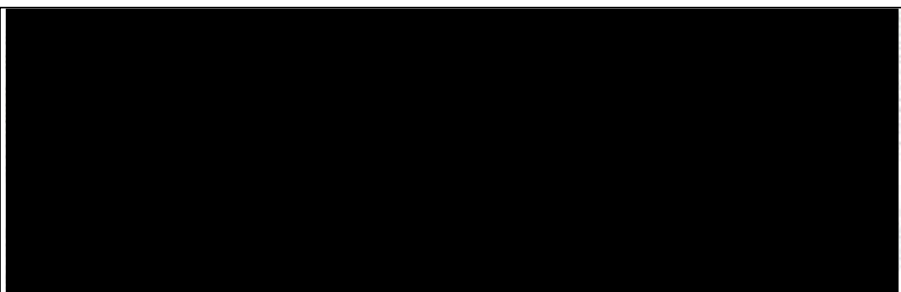
Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

26



Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

28



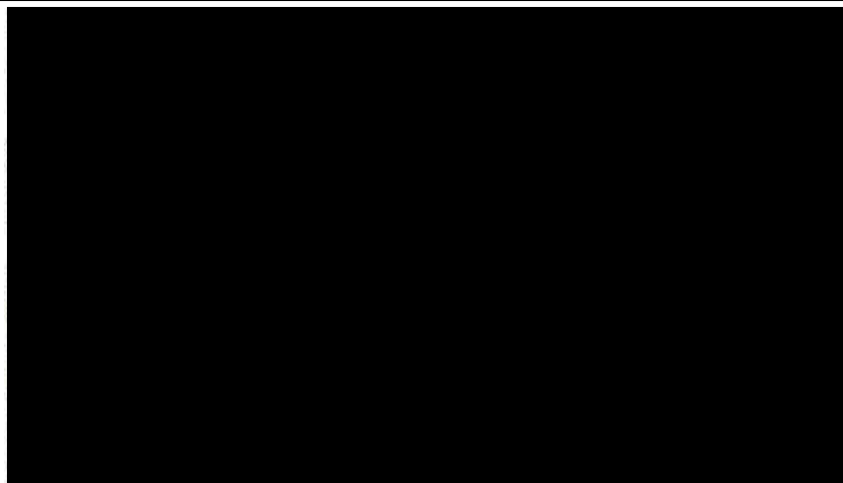
Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

32

June 24, 2024



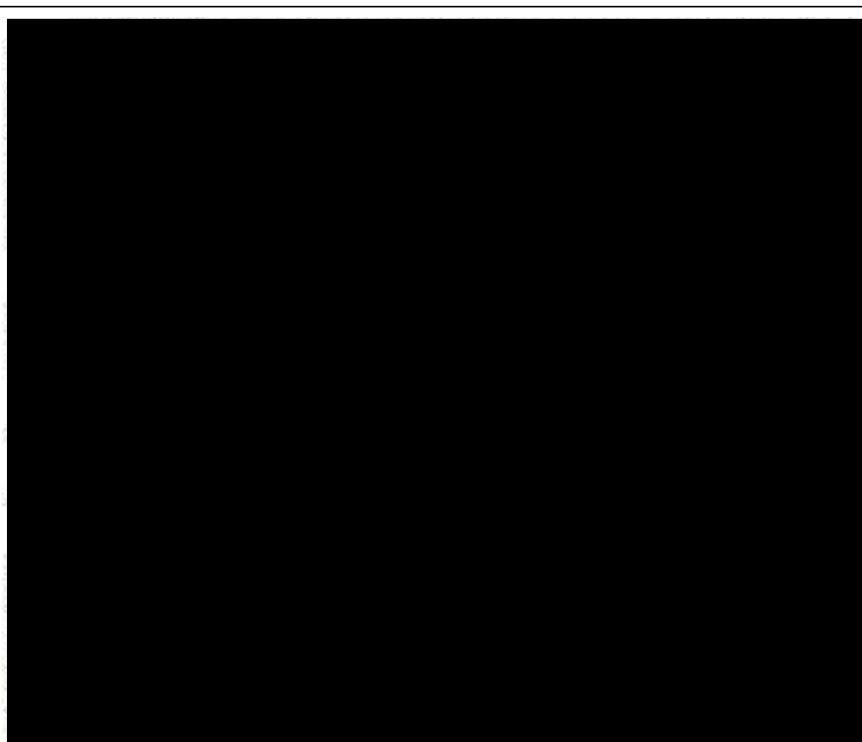
July 29, 2024





Rural Commercial Banking Corporation
Minutes of the July 29, 2024
Regular Meeting of the Board of Directors

23



Rural Commercial Banking Corporation
Minutes of the July 29, 2024
Regular Meeting of the Board of Directors

24

August 27, 2024



Rural Commercial Banking Corporation
Minutes of the August 27, 2024
Regular Meeting of the Board of Directors

24

September 30, 2024



Rural Commercial Banking Corporation
Minutes of the September 30, 2024
Regular Meeting of the Board of Directors

28

3. **Provide information or link/reference to a document containing information on how the directors performed the oversight on the development, review and approval of business objectives and strategies (can include board resolutions, minutes of meeting), Indicate frequency of review of business objectives and strategy –**

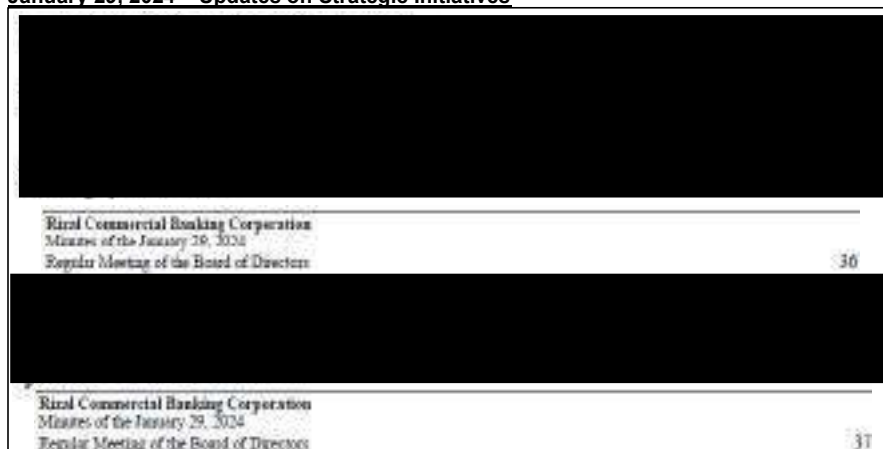
In November 2024, the Board approved the 2025 Annual Board Plan which contains the business strategies of the different business groups. It shows that, every month, one business group makes a strategy presentation to the Board for discussion. Also included in the Board Plan is an Offsite Board Strategy Planning Session. In addition, part of the budget matters tackled in the Special BOD Meeting in December 2024 is the discussion on the strategy undertaken for the previous fiscal year and the strategy moving forward.

Excerpt of Minutes of the November 25, 2024 Board Meeting showing the approval of the Annual Board Plan



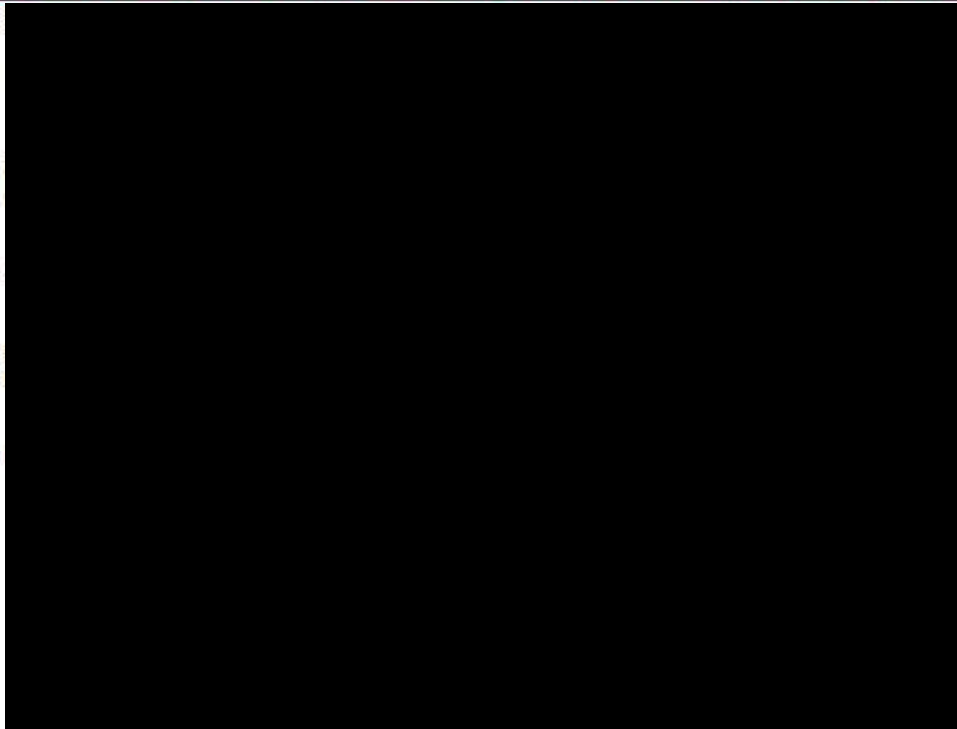
Excerpts of Minutes showing the monthly presentations on strategic initiatives.

January 29, 2024 – Updates on Strategic Initiatives

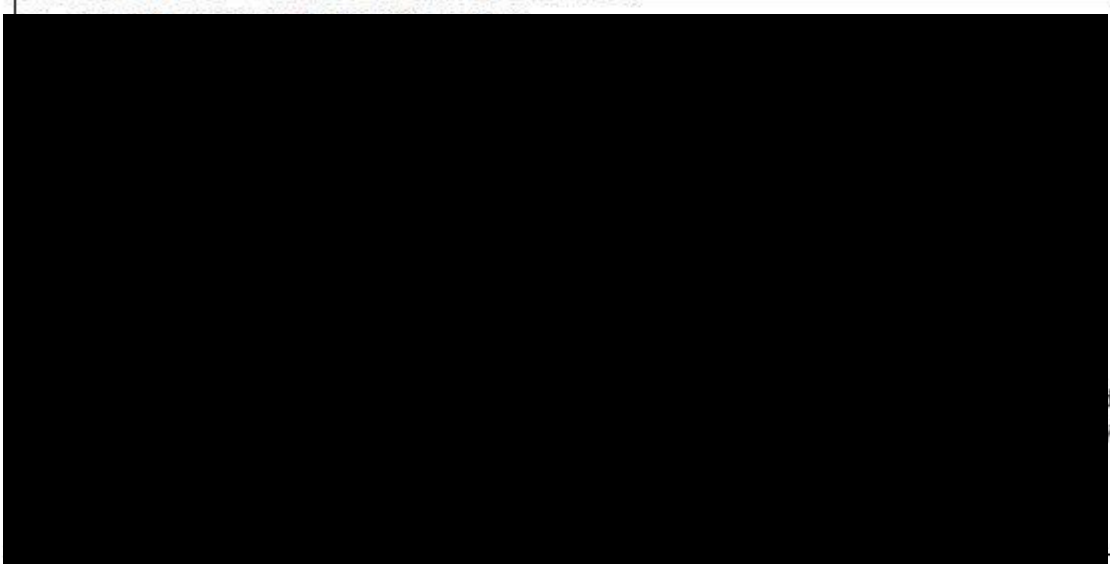


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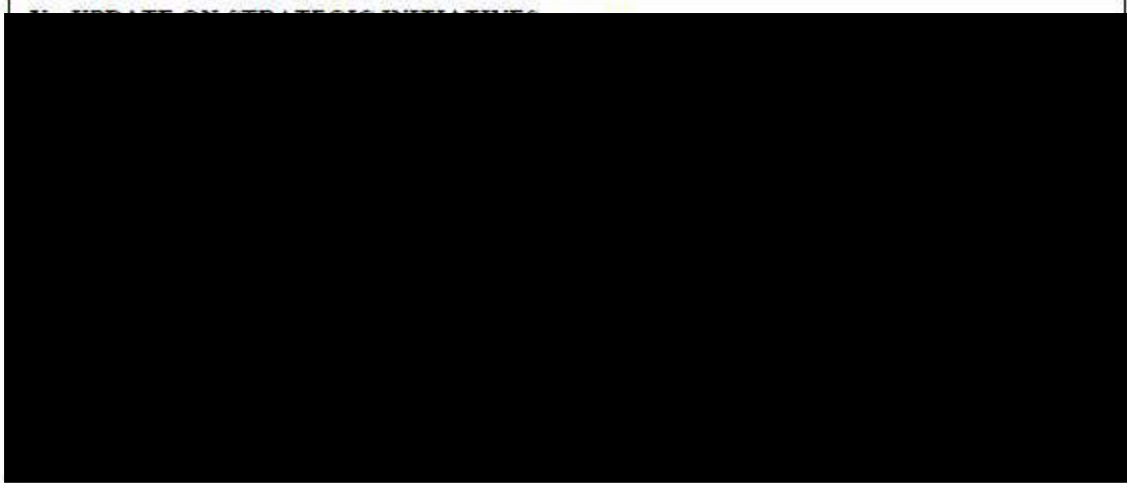
Excerpt of Minutes of the November 25, 2024 Board Meeting showing the approval of the Annual Board Plan



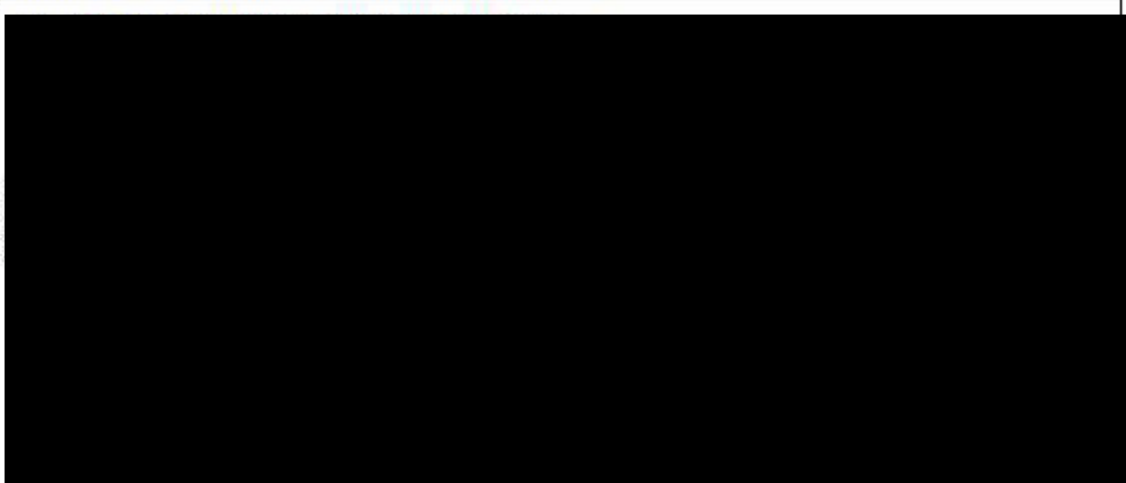
Excerpts of Minutes showing the monthly presentations on strategic initiatives.
January 29, 2024 – Updates on Strategic Initiatives



February 26, 2024 – Updates on Strategic Initiatives



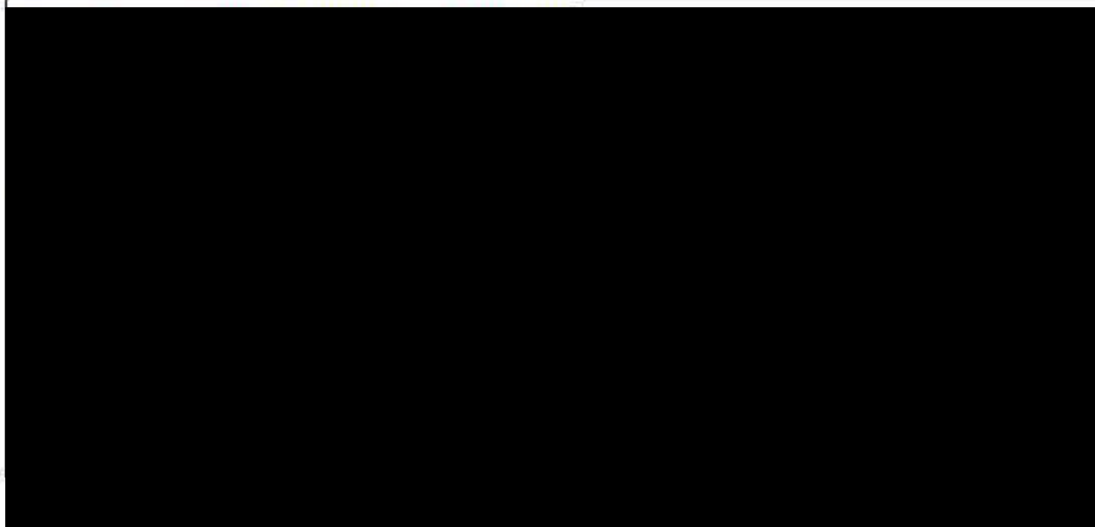
March 25, 2024 – Updates on Strategic Initiatives



April 29, 2024 – Updates on Strategic Initiatives

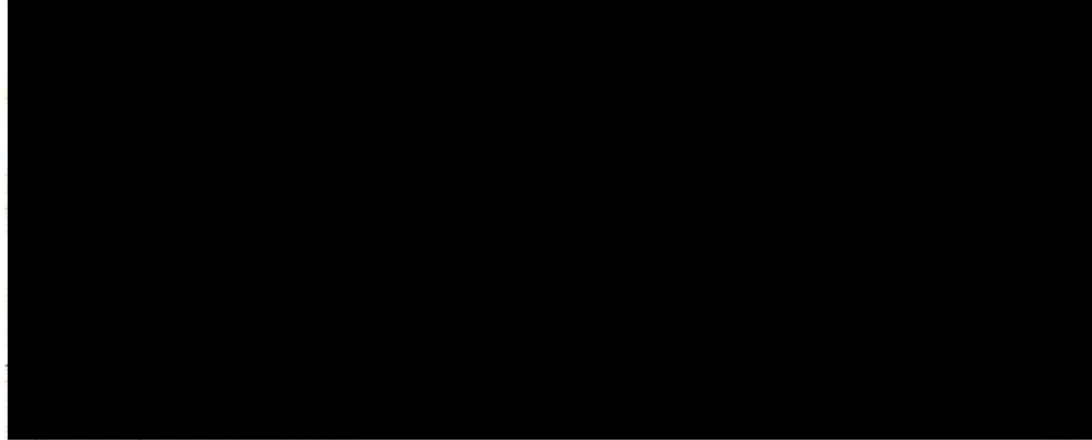


May 27, 2024 – Updates on Strategic Initiatives

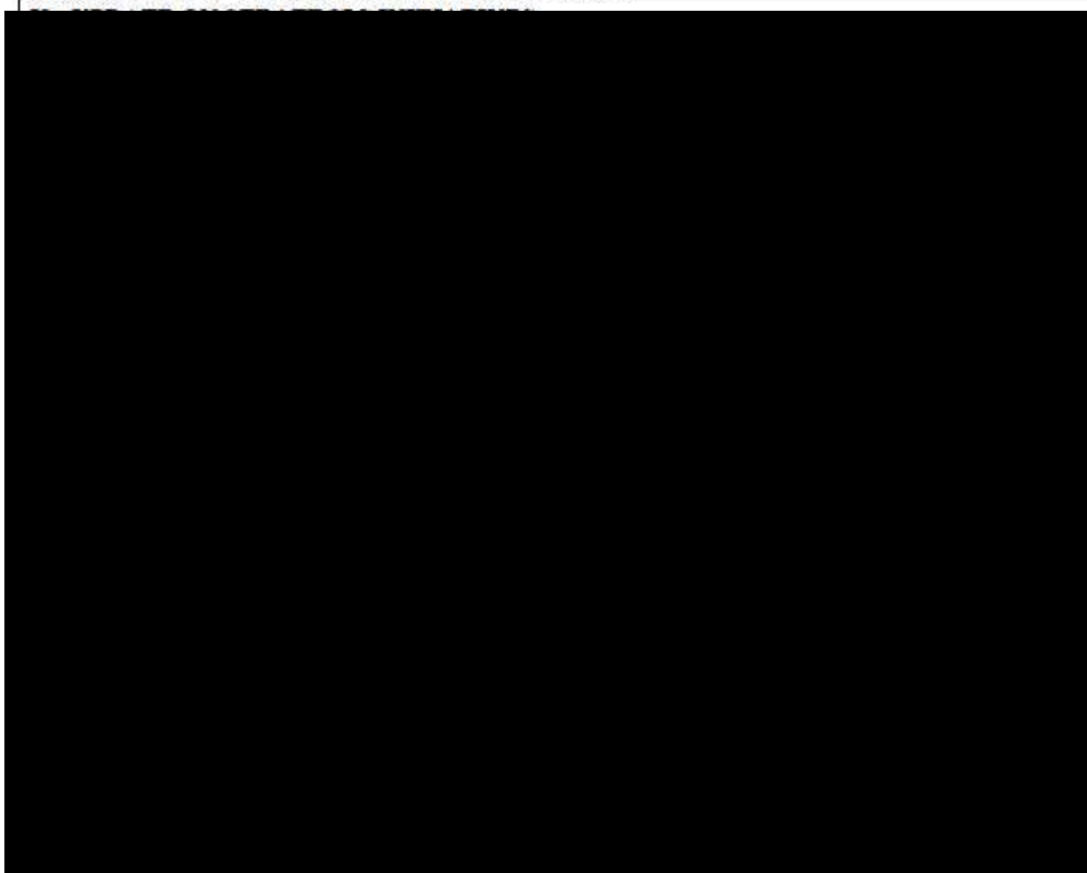


July 29, 2024 – Updates on Strategic Initiatives

VI. UPDATE ON STRATEGIC INITIATIVES



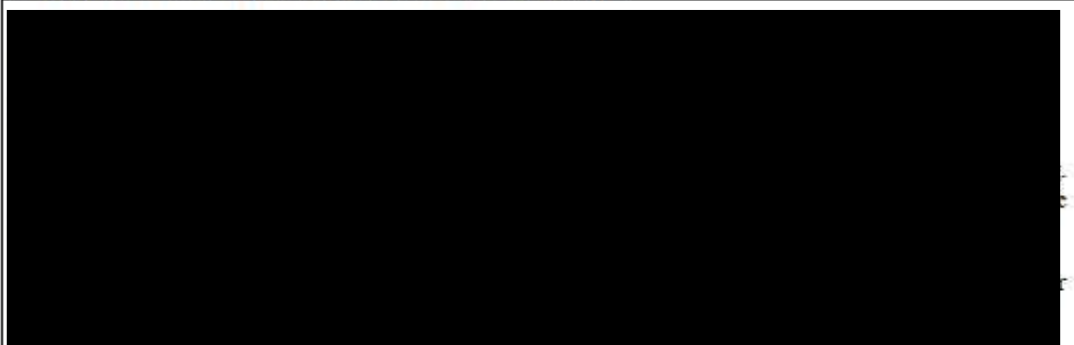
August 27, 2024 – Updates on Strategic Initiatives



September 30, 2024 – Updates on Strategic Initiatives



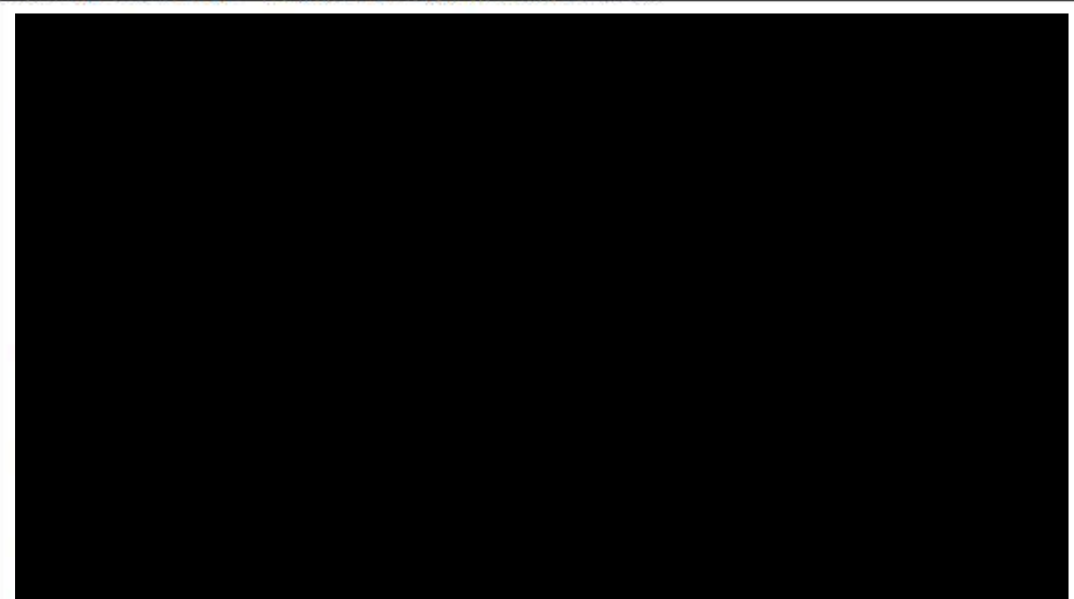
October 28, 2024 – Updates on Strategic Initiatives



Rizal Commercial Banking Corporation
Minutes of the October 28, 2024
Regular Meeting of the Board of Directors

24

November 25, 2024 – Updates on Strategic Initiatives



Rizal Commercial Banking Corporation
Minutes of the November 25, 2024
Regular Meeting of the Board of Directors

30



2025 ANNUAL BOARD PLAN

Annex 5

1

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Meeting Schedule*		* subject to change e.g. when the date falls on a holiday											
Regular Board	2:00 pm	Jan 27	Feb 24	Mar 31	Apr 28	May 26	Jun 30	Jul 28	Aug 26	Sep 29	Oct 27	Nov 24	Dec 9
Executive Committee	9:30 am	Jan 8 Jan 15 Jan 22	Feb 5 Feb 12 Feb 19 Feb 26	Mar 5 Mar 12 Mar 19 Mar 26	Apr 2 Apr 16 Apr 23 Apr 30	May 7 May 14 May 21 May 28	Jun 4 Jun 11 Jun 18 Jun 25	Jul 2 Jul 9 Jul 16 Jul 23 Jul 30	Aug 6 Aug 13 Aug 20 Aug 27	Sep 3 Sep 10 Sep 17 Sep 24	Oct 1 Oct 8 Oct 15 Oct 22 Oct 29	Nov 5 Nov 12 Nov 19 Nov 26	Dec 3 Dec 10
Corporate Governance Committee	9:00 am	Jan 13	Feb 10	Mar 17	Apr 14	May 12	Jun 16	Jul 14	Aug 11	Sep 15	Oct 13	Nov 10	
Risk Oversight Committee	9:00 am	Jan 17	Feb 14	Mar 21	Apr 16	May 16	Jun 20	Jul 18	Aug 15	Sep 19	Oct 17	Nov 14	Dec 5
Audit and Compliance Committee													
Internal Audit	1:30 pm	Jan 14	Feb 11	Mar 18	Apr 15	May 13	Jun 17	Jul 15	Aug 12	Sep 16	Oct 14	Nov 11	Dec 9
Compliance	9:30 am	Jan 14	Feb 11	Mar 18	Apr 15	May 13	Jun 17	Jul 15	Aug 12	Sep 16	Oct 14	Nov 11	
Special (Financial)	9:30 am		Feb 18			May 9			Aug 8			Nov 7	
Anti-Money Laundering Committee	1:00 pm	Jan 13	Feb 10	Mar 17	Apr 14	May 12	Jun 16	Jul 14	Aug 11	Sep 15	Oct 13	Nov 10	
Related Party Transactions Committee	10:30 am	Jan 13	Feb 10	Mar 17	Apr 14	May 12	Jun 16	Jul 14	Aug 11	Sep 15	Oct 13	Nov 10	
Technology Committee	3:00 pm	Jan 14	Feb 18	Mar 13	Apr 10	May 8	Jun 13	Jul 10	Aug 7	Sep 11	Oct 9	Nov 14	Dec 11
Annual Stockholders' Meeting	4:00 pm						Jun 30						
Organizational Meeting of the Board - Immediately after the Annual Stockholders' Meeting							Jun 30						
Separate Meeting of Non-Executive Directors with Heads of Control Units and External Auditor													Dec 9
Offsite Board Strategy Planning Session**													

** Date to be announced

[illegible][illegible]



2025 ANNUAL BOARD PLAN

3

4. Corporate Governance												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board evaluation		Start		Report								
Self-Assessment of Board Members		Start		Report								
Third Party Board Evaluation*												
Evaluation of the Chairperson by the Independent Directors		Start		Report								
CEO Evaluation by the Non-Executive Directors		Start		Report								
Self-Assessment of the Board Committees		Start		Report								
Corporate Governance Seminar**												
AML Training**												
2026 Board/Committee Meetings Schedule											Nov 24	
Separate Meeting of Non-Executive Directors with Heads of Control Units and External Auditor												Dec 9

*The next engagement of a 3rd party board evaluation facilitator will be done for the 2026 evaluation, which will be included in the 2027 Annual Board Plan.

**Dates to be announced.

23 May 2024

Rizal Commercial Banking Corporation

Yuchengco Tower
RCBC Plaza 6819 Ayala Avenue
Makati City 0727
Philippines

Dear Sir/Madam,

Re: 2023 External Board Evaluation (“Board Progression Planning”) Exercise**Focus of the 2023 Board Review**

In 2024, the Korn Ferry CEO & Board Practice Team conducted a comprehensive independent Third-Party Board Evaluation Exercise for Rizal Commercial Banking Corporation (RCBC).

This year, the RCBC Board elected to adopt a *Board Progression Planning* rather than a traditional Board Review exercise. This meant taking a forward-looking view and not just looking at the Board’s core governance role in overseeing performance.

The focus was on helping the Board to enhance its value-add in 2 critical areas:

- 1. Enhancing alignment on Strategic Issues, Priorities and the Path Forward**
- 2. Enhancing how the Board adds value in partnership with the Management Team**

The impact of the Board in these two areas were reviewed via a focus on the following 5 dimensions:

- Purpose: Role of the Board & where we spend our time
- People: Current & Future Board Composition
- Partnership: Board Culture & Partnership with Management
- Processes: Board & Committee Processes & Structure
- Impact: Board’s Value-Add on key Strategic Issues

Through this Board Progression Exercise, the RCBC Board sought practical, actionable recommendations, which would enable the Board to progress and enhance their impact on key issues facing RCBC.

The Process

The key data points used during the Board Review Exercise were:

- One-on-One dialogues with members of the Board of Directors.
- One-on-One dialogues with selected members of the Executive Management Team.
- Quantitative Board Evaluation Questionnaire completed by the Board of Directors and members of the Executive Management Team.

The insights, together with key recommendations will be discussed with the full Board in June 2024.

Please note that our insights and recommendations are subject to reliance on information provided by the Board, Directors and Company Secretariat, which has been verified to the best of Korn Ferry's ability.

Consistent with the purpose of our Board Progression Planning Exercise, our report and this letter have been prepared for the Company's Board of Directors and does not purport to provide information for the purposes and reliance of other stakeholders.

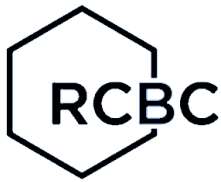
Yours faithfully



Graham Poston
Regional Practice Leader
CEO & Board Progression
APAC

**HR POLICIES & PROCESSES MANUAL**

Policy Number:	PERFORMANCE MANAGEMENT	Effective Date: July 1, 2009										
IV - A	POLICY	Revised Date: April 1, 2025 Page 1 of 11										
POLICY												
<p>The Bank is committed to providing its employees with continuous opportunities for development, an appreciation of job scope and expectations, and meaningful contributions to the Bank’s vision, mission, and strategies in order to promote and foster a high-performance culture – one where organizational goals are consistently achieved or even exceeded.</p> <p>In line with this philosophy, the Bank implements this Performance Management Policy that purports to govern the bank-wide Performance Management System (PMS) and effectively communicate the Bank’s goals and strategies while aligning with each employee’s goals and target results. Specifically, this policy focuses on the following objectives:</p> <ol style="list-style-type: none">1. Define and agree on key result areas, performance indicators, and measures;2. Discuss feedback on employees’ output and accomplishments based on clearly defined goals and objectives, job description, and performance standards;3. Communicate information for career planning and individual development;4. Provide a structured basis for decisions on total rewards, employee movements, and discipline management; and5. Encourage open communication and supportive relationships between employees and their supervising officers and within work teams.												
GUIDELINES												
<p>This policy covers all regular employees, whether officer or rank-and-file staff. An employee must have occupied a position for at least six (6) months before he/she may be given a performance review in line with said position.</p> <p>This policy is divided into five (5) major sections, as follows:</p> <table><tr><td>Part I</td><td>Balanced Scorecard</td></tr><tr><td>Part II</td><td>Performance Management Cycle</td></tr><tr><td>Part III</td><td>Career Development Planning</td></tr><tr><td>Part IV</td><td>Managing Underperformance</td></tr><tr><td>Part V</td><td>Penalties for Non-Compliance</td></tr></table>			Part I	Balanced Scorecard	Part II	Performance Management Cycle	Part III	Career Development Planning	Part IV	Managing Underperformance	Part V	Penalties for Non-Compliance
Part I	Balanced Scorecard											
Part II	Performance Management Cycle											
Part III	Career Development Planning											
Part IV	Managing Underperformance											
Part V	Penalties for Non-Compliance											



HR POLICIES & PROCESSES MANUAL

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PART I: BALANCED SCORECARD

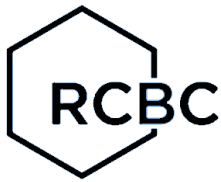
The Bank implements the Balanced Scorecard, a performance management tool that incorporates both the financial and non-financial measures. The Balanced Scorecard is a comprehensive framework that translates the Bank's vision and strategy into a coherent set of performance measures. These objectives and measures are organized into five (5) different perspectives as discussed below.

1. **Financial Perspective** focuses on whether the Bank's strategy, implementation, and execution are contributing to bottom-line improvement. Objectives in this area typically relate to profitability.
2. **Customer Perspective** looks into customer and market-based strategy that will deliver superior future financial returns. The core outcome measures include customer satisfaction, customer retention, new customer acquisition, customer profitability, and market and account share in targeted segments.
3. **Operating Efficiency** focuses on the internal processes that will have the greatest impact on customer satisfaction and achieving the organization's financial objectives.
4. **People/Resource Alignment Perspective**, also referred to as the **Learning and Growth Perspective**, defines how the organization should support and develop human capital and infrastructure resources to achieve objectives, as well as create long-term growth and improvement.
5. **Risk / Controls Perspective** uses business drivers to define levels of risk appetite and monitors the alignment of risk-taking to company strategy. This enables us to answer the question: "Are we operating within our risk appetite?"

PART II: THE PERFORMANCE MANAGEMENT CYCLE

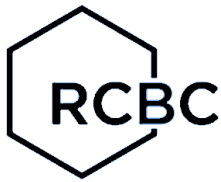
The Performance Management System shall be implemented following the cycle below:

Phase	Timeframe
Goal Setting	March to April
Performance Monitoring	April to December
Goal Review	November to December
Performance Appraisal	January – February (<i>following year</i>)



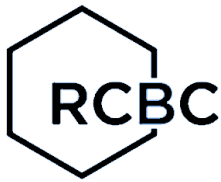
HR POLICIES & PROCESSES MANUAL

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A. GOAL SETTING		
<p>Each employee plays a vital part in the achievement of his/her business unit's objectives, targets, or Key Result Areas (KRAs). At the beginning of the performance management cycle, the employee and the supervising officer jointly determine KRAs and measures that will lead to the achievement of the overall goals of their business unit. The final determination of the KRAs as listed and agreed upon shall carry the business unit head's guarantee that the same are indeed linked to the Bank's overall business goals.</p>		
<p>1. <u>SETTING OF KRAs</u>. KRAs refer to specific contributions expected of the individual in the performance of his/her role or position. These are written statements of outputs and outcomes that form a "contract" between the employee and the organization with the employee being held accountable for specific results. These KRAs are in the form of (1) core values and other mandatory goals and (2) job-specific goals.</p>		
<p>The Bank's core values, also referred to as CLIENT, are explained below:</p>		
<ul style="list-style-type: none">a. CUSTOMER OBSESSION. Prioritizing customers, whether external or internal, in all decisions and actions, ensuring that the provided services meet their diverse needs.b. LOYALTY. Pursuing corporate interests as his or her own, speaking well of the company and taking pride in its achievements.c. INTEGRITY. Upholding the highest standards of discipline, accountability and ethical conduct in all interactions, building trust with customers and stakeholders.d. EXCELLENCE. Striving to be great, delivering quality results promptly, and improving results continuously.e. NURTURING. Being responsible stewards of the environment and communities, encouraging social development and sustainability.f. TEAMWORK. Collaborating towards shared goals and actively tapping areas of synergy to deliver the best possible outcomes for the customers and the communities.		
<p>Other mandatory goals include the following:</p>		
<ul style="list-style-type: none">a. AML/CTF COMPLIANCE. Adherence to the Bank's policies and procedures relating to controls for Anti-Money Laundering and Countering Terrorist and Proliferation Financing (AML/CTF) pursuant to the rules and regulations of regulatory agencies (i.e. AMLC, BSP, etc.), international governing standards (i.e. FATF, OFAC, etc.), and the laws of the Republic of the Philippines.b. AUDIT/COMPLIANCE REVIEW. Achievement of satisfactory Audit / Compliance Review results and/or ratings.		



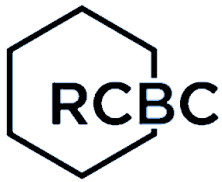
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<p>For designated officers, below are additional mandatory KRAs:</p> <ul style="list-style-type: none">a. COMPLIANCE/REGULATORY MONITORING (as Deputy Compliance Officer). Effective performance of responsibilities as DCO to assist in the implementation and monitoring of compliance with applicable regulatory issuances/requirements, internal policies, and controls in one's area of responsibility.b. OPERATIONAL RISK REPORTING AND MONITORING (as Deputy Risk Reporting and Monitoring Officer). Facilitates the timely completion and implementation of ORM (Operational Risk Management) tools and methodologies and ensures accuracy and objectivity all throughout the process. Promotes risk awareness by effectively communicating to all staff their responsibilities in relation to Operational Risk Management. Keeps abreast of the latest trends in Operational Risk by attending various seminars. <p>The job-specific objectives or KRAs are management-approved written statements of performance standards that are aligned with the business unit's objectives. In defining these KRAs, the supervising officer and incumbent may refer to the SMART-S criteria in clearly setting job expectations and clarifying ways to achieve these expectations. The concept of a SMART-S objective is outlined below:</p> <ul style="list-style-type: none">a. SPECIFIC. KRAs are well-defined, clear, and unambiguous. It states what the job wants to achieve.b. MEASURABLE. Goals are assigned with specific performance indicators to keep track of the progress towards the accomplishment of the objectives.c. ACHIEVABLE. Objectives are aligned with the business unit objectives and are attainable.d. REALISTIC. Performance targets are within the job's scope and are relevant to its purpose in the organization.e. TIME-BOUND. KRAs have clearly defined timeline of completion, i.e. with specific start and end date.f. STRETCH. Goals should be challenging such that these inspire employees to enhance their performance, leading to professional growth. <p>With SMART-S KRAs, the supervising officer and incumbent share the responsibility of outlining the conditions of satisfactory performance measured and appraised using performance targets that are quantified and time-based, which means specific and measurable outputs, as well as the time within which they must be reached, are well-defined and agreed upon. These may be expressed in (1) financial terms, such as profits to be made, income to be generated, or costs to be reduced within a certain time; or (2) numerical terms, such as a specified number of transactions to be processed or clients to</p>		



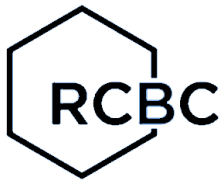
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<p>be contacted or gained within a certain time. As a general rule, if it cannot be measured, it cannot be set as a target.</p> <p>2. <u>SETTING OF WEIGHTS</u>. After the goals are set, weights are then assigned to those goals based on priorities. The total of the weights for KRAs should not exceed 100.</p> <p>The goals and weights as set at the beginning of the performance cycle may be revised, modified, or altered from one review period to the next should there be changes in the business unit's and/or the Bank's overall direction. Regular discussions during the middle of the cycle will give both the supervising officer and the employee a chance to re-assess, modify, or amend their targets based on parameters that have not been anticipated at the beginning of the cycle and/or on changes in the overall direction of the Bank. Likewise, this activity will provide business unit heads with an opportunity to implement employee development measures and other tools needed to help the employee achieve his/her targets.</p> <p>The employee must always sign off or express his/her conformity to the KRAs and weights set.</p> <p>B. PERFORMANCE MONITORING, FEEDBACK, & COACHING</p> <p>1. <u>PERFORMANCE MONITORING</u>. Throughout the Performance Management Cycle, it is the responsibility of the supervising officer (rater) to gather information about the work activities of the employee (ratee) and to monitor his/her performance. Performance monitoring may be done through any of the following:</p> <ol style="list-style-type: none"> Observing daily work performance; Preparing or reading written reports (performance summaries, progress reports, etc.); Reviewing and analyzing progress reports on assigned projects or activities; Conducting progress review meetings and/or one-on-one feedback; Inspecting quality of work; Surveying clients or customers to assess their satisfaction on rendered work or service; or Holding critique or debriefing meetings after an activity or project to determine what went well and what needs to be improved. <p>The frequency with which a supervising officer monitors a subordinate's performance helps shape that subordinate's beliefs about the relative importance of his/her function. It also provides the supervising officer with the concrete data for evaluating the employee's performance and gives him/her confidence in the review process.</p>		



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<p>2. <u>FEEDBACK</u>. For performance monitoring to be impactful, timely and fact-based feedback should be given to the ratee. It is only through regular feedback that the ratee may know how well he/she has been doing and how effective his/her behavior has been. Feedback aims to promote corrective action should this reveal that the ratee has not been meeting the expected results. On the other hand, this can motivate performance should feedback reveal excellent work on the part of the ratee.</p> <p>3. <u>PERFORMANCE COACHING</u>. Performance coaching is “person-centered” management. It requires the rater to become involved with the ratee by establishing rapport and encouraging a series of one-on-one exchanges. The purpose of each exchange is to help the ratee solve problems, improve performance or achieve expected results.</p> <p>The performance coaching process involves the development of a positive and professional working relationship between the rater and the ratee. This also entails training, career coaching, communicating clear performance goals, providing accurate feedback, giving encouragement, creating a learning environment that is free of judgment and manipulation, asking questions, listening to suggestions and encouraging excellence.</p> <p>C. GOAL REVIEW</p> <p>This performance management activity shall allow changes or revisions in the previously approved goal setting. KRAs that have been previously set shall be reviewed only when there are modifications or changes that need to be documented, such as adding or deletion of KRAs, change in weights, updating of measures, etc. due to role changes, transfers, or goal adjustments and/or modifications during the review period. Goals may also be reviewed in light of significant changes in market conditions that may have an impact on the business and, consequently, on the overall objectives of the organization.</p> <p>The timeline allotted for the goal review shall also be the period to be given to new hires, who meet the tenure and regularization criteria set at the start of the performance management cycle, to accomplish the prescribed goal setting.</p> <p>D. PERFORMANCE REVIEW</p> <p>The primary purpose of the performance review is to track the progress of the employee’s accomplishments against the committed goals and performance targets. This phase involves three essential steps:</p> <p>1st Step: <u>Self-Assessment</u></p>		



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Every employee is required to prepare and write a self-assessment by putting into writing what they have achieved against the performance (business & developmental) targets given to them during the *Goal Setting*. They are also tasked to provide a numerical performance appraisal rating for their business results, as well as their evaluation of how they live out the Bank's core values and other mandatory KRAs.

2nd Step: Supervisor's Assessment

This step involves documenting and measuring current performance against the targets or standards that have been agreed upon during the *Goal Setting*. The purpose is to determine whether there are gaps between actual and desired performance and to assess the employee's accomplishments of the committed goals.

The rater uses the same **PMS Template** where the commitments are detailed during the goal setting. Ratings must be made objectively, supported by the observations documented or noted during *Performance Monitoring & Coaching*.

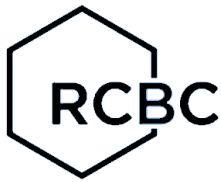
An objective and meaningful system of assessing employee performance focuses on what is achieved by the employee vis-a-vis his/her own business unit's KRAs and the organization's overall goals.

For both steps, the rater and the ratee shall follow the below rating scale in assigning numeric score for every performance result.

<i>Numerical Rating</i>	<i>Descriptive Rating</i>
4.76 – 5.00	Consistently Exceeds Expectations
4.00 – 4.75	Frequently Exceeds Expectations
3.00 – 3.99	Meets Expectations
2.00 – 2.99	Occasionally Meets Expectations
1.00 – 1.99	Rarely Meets Expectations

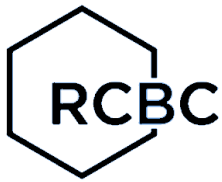
3rd Step: Performance Appraisal Discussion

The final step involves a formal meeting between rater and ratee for the opportunity to discuss over-all performance results. This is a vital part of the Performance Management process and is required to be conducted for all employees. The supervising officer shall set a schedule for the performance appraisal discussion with the employee to thoroughly



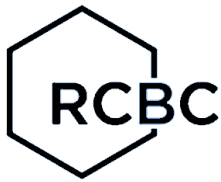
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<p>review the employees' performance and reconcile and agree on the appraisal ratings given to the ratee. The rater shall address the performance appraisal rating gaps, if any, and align understanding of expectations. This meeting aims to enlighten the ratee on the reason/s behind the rating and provide a venue for discussion on improvement areas, if any, or training and career development options.</p> <p>PART III: CAREER DEVELOPMENT PLANNING</p> <p>Consistent with the Bank's commitment to the personal and professional advancement of its employees, it is important to allot time to discuss and document the training and development needs of the ratee in relation to the requirements of his/her present position as well as preparations for possible career advancement.</p> <ol style="list-style-type: none">1. <u>Talent Development.</u> It is through the mastery of one's present job that an employee can gain recognition, rewards, and future career advancement. Thus, during the <i>Performance Appraisal</i> discussions, the rater and ratee jointly assess the latter's strengths and areas for improvement and identify programs or measures to further enhance the identified strengths and/or to narrow down any identified competency gaps. In documenting this exercise, the <i>Career Development Plan</i> portion of the <i>Performance Appraisal Form</i> is used. In said form, both the rater and ratee craft specific action plans that will further reinforce the ratee's strengths, tap his/her potentials, and address his/her development needs in accordance with the demands of his/her present position.2. <u>Career Advancement.</u> One of the measures of success for business unit heads is his/her ability to develop employees for career progression. Thus, after conducting Performance Appraisal discussions in relation to the ratee's present position, the supervising officer is reminded to, likewise, assess the ratee's performance for purposes of determining the ratee's readiness to assume higher positions and/or bigger responsibilities. The employee's career track, as recommended by the supervising officer, may be the assumption of a higher position or bigger responsibilities within the same, or in a different, position, business unit, or group. The supervising officer is free to propose several options for the employee's career advancement. While provided with options, the employee is to take ownership of the decision to select the career path to pursue.		



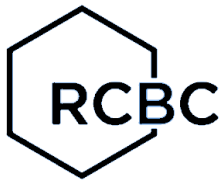
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<p>In identifying the employee's strengths and development needs in relation to his/her possible career advancement, the supervising officer is advised to use the <i>Career Advancement Plan</i> portion of the <i>Performance Appraisal Form</i>.</p> <p>PART IV: MANAGING UNDERPERFORMANCE</p> <p>The Bank promotes and tracks the consistent delivery of expected results from its employees. In the event that an employee fails to meet the minimum performance standards set at the start of the annual cycle, the Bank shall provide opportunities for development and corrective action through the Performance Improvement Plan (PIP) program. PIP is an outlined set of activities agreed mutually by the supervising officer and concerned incumbent designed to facilitate constructive discussion of the employee's work performance. It is a targeted and time-bound program that outlines the specific performance gaps or deficiencies, the corresponding recovery plan, and agreed monitoring and assessment timeline.</p> <p>This program shall comprise of four critical steps:</p> <p>1st Step: Initiation of the Performance Improvement Plan</p> <p>At the end of the appraisal period, the supervising officer and skip-level manager shall prepare a list of employees whose overall ratings fall below the minimum expectations set by the Bank, i.e. below 3.0 or Meets Expectations. All supporting documents pertinent to the appraisal, such as scorecards, filled out coaching forms, and other performance monitoring files, shall be compiled by the supervising officer. Then, the line managers shall accomplish the PIP Form based on the performance gaps and development needs of the employee.</p> <p>2nd Step: Discussion and Approval of the Performance Improvement Plan</p> <p>The supervising officer shall schedule a coaching session to initiate the discussion of the draft PIP with the employee. The supervising officer shall discuss the (1) rationale behind the initiation of the PIP, (2) the detailed list of activities that the employee will attend to or undergo, (3) the timeline or period of enrollment in the PIP, and (4) the subsequent actions or remedy based on the outcome of the PIP. The employee concerned shall review the PIP form and provide inputs or comments on its content. The final draft of the PIP form shall be signed off by the employee, the supervising officer, and skip-level manager or the designated business unit leader.</p> <p>3rd Step: Implementation of the Performance Improvement Plan</p>		



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<p>The employee enrolled under PIP is expected to strictly abide by the provisions of the plan, particularly the detailed activities that must be performed for the duration of the program. The supervising officer, in turn, shall ensure seamless implementation of the program and closely assess how the employee is keeping up with the agreed plan. Performance assessment and monitoring may be done through the following, but not limited to:</p> <ol style="list-style-type: none">Preparing of periodic performance report;Reviewing and analyzing progress reports on assigned activities;Conducting regular coaching, progress review meetings, and/or one-on-one feedback;Inspecting quality of work;Gathering performance inputs from clients or customers; andHolding critique or debriefing meetings after a PIP activity to determine what went well and what needs to be improved further. <p>4th Step: Performance Evaluation</p> <p>At the end of the program, the employee's progress shall be evaluated by the designated line managers. The PIP shall be deemed fulfilled if the employee demonstrates significant improvement in his/her performance against the set targets in the PIP. The employee is expected to consistently meet the performance standards within an agreed period for the employee to be removed from the PIP.</p> <p>If an employee fails to meet the targets at the end of the program, said employee shall be subjected to the appropriate disciplinary procedure defined and agreed upon in the PIP or as stipulated in the Bank's Code of Conduct.</p> <p>PART V: PENALTIES FOR NON-COMPLIANCE</p> <p>Appraising the performance of an employee is an essential and integral part of being a supervisor. A performance evaluation provides pertinent inputs on one's work, which eventually redounds to the benefit of the organization, as it is a tool for improving productivity and efficiency. Failure to document the performance of an employee using the performance management platform or system within the deadlines set by management is considered a minor offense, subject to penalties/sanctions as follows:</p>		

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SPECIFIC OFFENSE	PENALTIES			
	Reprimand	Written Warning	15-Day Suspension	Dismissal
Non- submission of any of the required performance documents for the covered performance period	For non- or incomplete submission despite follow- up	For non- or incomplete submission despite receipt of HRG’s issued reprimand	For non- or incomplete submission despite receipt of HRG’s issued warning	For non- or incomplete submission despite imposition of 15-day suspension



RIZAL COMMERCIAL BANKING CORPORATION

Risk Governance Framework

INTERNAL USE

RCBC Risk Governance Framework

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1 OVERVIEW

1.1 Purpose

The RCBC Group (the Group) recognizes that risk is an inherent part of its activities, and that banking is essentially a business of managing risks. The Group views risk management as a value proposition imbued with the mission of achieving sustainable growth in profitability and shareholder value through an optimum balance of risk and return.

This corporate risk philosophy further translates to the following policy precepts:

- Prudential risk-taking and proactive exposure management as cornerstones for sustainable growth, capital adequacy, and profitability;
- Standards aligned with internationally accepted practices and regulations in day to day conduct of risk and performance management; and
- Commitment to developing risk awareness across the Group, promoting the highest standards of professional ethics and integrity, establishing a culture that emphasizes the importance of the risk process, sound internal control, and advocating the efficient use of capital.

The RCBC Group's Risk Governance Framework¹ aims to:

- Identify, measure, control, and monitor the risk inherent to the Group's business activities or embedded in its products and portfolios;
- Formulate, disseminate, and observe the corporate risk philosophy, policies, procedures and guidelines;
- Guide risk-taking units in understanding and measuring risk-return profiles in their business transactions;
- Continually develop an efficient and effective risk management infrastructure; and
- Comply with regulations on risk and capital management.

The Framework shall be reviewed at least annually to account for changes in related policies and regulations.

1.2 Definitions

Risk: The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.²

The International Organization for Standardization (ISO) defines risk as the effect of uncertainty on objectives.

¹ Applies to RCBC parent and BSP-regulated RCBC subsidiaries and RCBC affiliates.

² Oxford English Dictionary

Notes:

- An effect is a deviation from the expected — positive and/or negative.
- Objectives can have different aspects (such as financial, health and safety, and environmental goals) and can apply at different levels (such as strategic, organization-wide, project, product and process).
- Risk is often characterized by reference to potential events and consequences, or a combination of these.
- Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.
- Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of an event, its consequence, or likelihood.

Risk Profile: Point-in-time assessment of a bank's gross risk exposures (i.e., before the application of any mitigants) or, as appropriate, net risk exposures (i.e., after taking into account mitigants) aggregated within and across each relevant risk category based on current or forward-looking assumptions.

Risk Governance Framework: As part of the overall corporate governance framework, the framework through which the Board of Directors (Board) and management establish and make decisions about the bank's strategy and risk approach; articulate and monitor adherence to risk appetite and risk limits vis-à-vis the bank's strategy; and identify, measure, manage and control risks.

Risk Management: The processes established to ensure that all material risks and associated risk concentrations are identified, measured, limited, controlled, mitigated and reported on a timely and comprehensive basis.

Risk Culture: A bank's norms, attitudes and behaviors related to risk awareness, risk-taking and risk management, and controls that shape decisions on risks. Risk culture influences the decisions of management and employees during the day-to-day activities and has an impact on the risks they assume.

Risk Capacity: The maximum amount of risk a bank is able to assume given its capital base, risk management and control capabilities as well as its regulatory constraints.

Risk Appetite: The aggregate level and types of risk a bank is willing to assume, decided in advance and within its risk capacity, to achieve its strategic objectives and business plan.

Risk Tolerance: The acceptable level of variation relative to achievement of a specific objective, and often is best measured in the same units as those used to measure the related objective. In setting risk tolerance, management considers the relative importance of the related objective and aligns risk tolerances with risk appetite. Risk tolerance relates to risk appetite but differs in one fundamental way: risk tolerance represents the application of risk appetite to specific objectives.

Risk Limits: Specific quantitative measures or limits based on, for example, forward-looking assumptions that allocate the bank's aggregate risk to business lines, legal entities as relevant, specific risk categories, concentrations and, as appropriate, other measures.

Risk Appetite Framework (RAF): The overall approach, including policies, processes, controls and systems, through which risk appetite is established, communicated and monitored. It includes a risk appetite statement, risk limits and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF. The RAF should consider material risks to the bank, as well as to its reputation vis-à-vis policyholders, depositors, investors and customers. The RAF aligns with the bank's strategy.

Risk Appetite Statement (RAS): The written articulation of the aggregate level and types of risk that a bank will accept, or avoid, in order to achieve its business objectives. It includes quantitative measures

expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate. It should also include qualitative statements to address reputation and conduct risks as well as money laundering and unethical practices.

2 RISK MANAGEMENT PRINCIPLES³

Risk management is a dynamic activity. For risk management to be effective, it needs to be practiced within all layers of the organization. The Board of RCBC expects the management of risk to be guided by the following principles:

Principle 1: Risk management creates and protects value.

Risk management creates and protects value by increasing the likelihood of achieving the organization's objectives. It also creates and protects value as it results in improving governance and control process, compliance with regulations and effectiveness and efficiency in the allocation of scarce capital and resources.

Principle 2: Risk management is an integral part of all organizational processes.

Risk management is not a standalone activity that is separate from the main activities and processes of the organization. Aside from ensuring profitability and delivering shareholder value, risk management should form part of the responsibilities of management.

Principle 3: Risk management is part of decision making.

To be effective, risk management should be part of the decision-making process. Risk management should help decision makers make informed choices, prioritize actions and distinguish among alternative courses of action.

Principle 4: Risk management explicitly addresses uncertainty.

In risk management, risk should not be viewed in a deterministic manner. Rather, it should explicitly take into account uncertainty, the nature of the uncertainty, and how this uncertainty can be addressed.

Principle 5: Risk management is systematic, structured, and timely.

Risk management is a systematic, structured, and timely process that contributes to efficient, consistent, comparable, and reliable results. It is a rigorous process that encourages everyone in an organization to assess uncertainty in a structured and systematic manner, and design mitigation strategies methodically.

³ ISO 31000 enumerates 11 principles

Principle 6: Risk management is based on best available information.

While risk management aims to assess and manage risk in a forward-looking manner, it has to rely on the best available information as of a specified predetermined date. Examples of information sources that can be used as inputs to the risk management process are:

- Historical data
- Past experience
- Stakeholder feedback
- Observation
- Forecasts
- Expert judgment

Principle 7: Risk management is tailored.

Risk management is not a one size fits all exercise. Each banking organization has unique circumstances that must be considered in designing the organization's risk governance framework and process. Risk management should be aligned with the organization's external and internal context and risk profile.

Principle 8: Risk management takes human and cultural factors into account.

The effectiveness of risk management processes, no matter how sophisticated the designs are, still depends on the commitment and capabilities of everyone in the organization. Risk management considers the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of the organization's objectives.

Principle 9: Risk management is transparent and inclusive.

To be effective, risk management should not be an isolated activity. Everyone in an organization should be involved. Risk management is relevant and up-to-date if stakeholders and decision makers at all levels are involved in an appropriate and timely manner.

Principle 10: Risk management is dynamic, iterative and responsive to change.

Risk management should continually evolve and recognize the dynamic environment in which the banking organization operates in. As external and internal events occur, context and knowledge change, monitoring and review of risks take place. New risks emerge. Some risks evolve. Some risks change. Some disappear. Risk management should be able to capture and calibrate its responses to the changing nature of uncertainty.

Principle 11: Risk management facilitates continual improvement of the organization.

Risk management should develop and implement strategies to improve their risk management maturity alongside all aspects of the organization.

3 RCBC RISK UNIVERSE

3.1 Three Categories of Risk⁴

Risk events may be classified according to the following categories:

1. **Preventable Risks:** Risks arising from within the company that generate no strategic benefits
 - Objective: Avoid or eliminate occurrence
2. **Strategy Risks:** Risks taken for superior strategic returns
 - Objective: Reduce likelihood and impact
3. **External Risks:** External, uncontrollable risks
 - Objective: Reduce impact should risk event occur

Preventable risks, arising from within an organization, are monitored and controlled through rules, values, and standard compliance tools. In contrast, strategy risks and external risks require distinct processes that encourage managers to openly discuss risks and find cost-effective ways to reduce the likelihood of risk events or mitigate their consequences.

3.2 Risk Types

The Board and Management of RCBC believe that effective management of risk is central to achieving strategic objectives and performance targets. In the pursuit of strategy and to produce a superior return for its shareholders, RCBC has identified various types of risk:

1. **Credit Risk:** Risk of loss arising from a counterparty's failure to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Credit risk is not limited to the loan portfolio.
2. **Credit Concentration Risk:** Risk of loss arising from excessive credit exposures to individual borrower, groups of connected counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sectors) or entities in foreign country or a group of countries with strong interrelated economies.
3. **Market Risk:** Risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both on- and off-balance sheet.

⁴ Harvard Business Review, 2012. "Managing Risks: A New Framework"

4. **Interest Rate Risk in the Banking Book:** Current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions.
5. **Liquidity Risk:** 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.
6. **Operational Risk:** Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.
 - a. **Information Technology (IT) Risk:** Risk of loss resulting from adverse outcome, damage, loss, violation, failure or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks.
 - b. **Information Security Risk:** Risk of loss resulting from information security/cyber security breaches.
 - c. **Business Continuity Risk:** Risk of loss resulting from a prolonged interruption in business operations.
 - d. **Regulatory Risk:** Risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy.
 - e. **Compliance Risk:** Current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.
 - f. **Money Laundering/Terrorist Financing (ML/TF) Risk:** Risk of loss arising from a covered person's⁵ failure to prevent itself from being used as a money laundering site and conduit for the proceeds of unlawful activities as well as financing the act of terrorism.
 - g. **Fraud Risk:** Risk of loss resulting from falling victim to activities involving internal and/or external fraud.
 - h. **Legal Risk:** Risk of loss resulting from uncertainty of legal proceedings that the Bank is currently or expected to be involved in.

⁵ Covered persons" shall refer to banks, non-banks, QBs, trust entities, NSSLAs, pawnshops, foreign exchange dealers, money changers, remittance and transfer companies, EMLs and other financial institutions which under special laws are subject to Bangko Sentral supervision and/or regulation, including their subsidiaries and affiliates, which are also covered persons, wherever they may be located.

- i. **Human Resource Risk:** Risk of loss arising from non-compliance with the Human Resources policies including Code of Conduct.
 - j. **Third Party Risk:** Any risk associated with engaging a third party in the context of providing a service or product to a client (the second party). It is an umbrella term covering several potential risk types depending on the product or service, the third party and the nature of the engagement / relationship
7. **Strategic Risk:** Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes and other external developments.
8. **Reputational Risk:** Risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the Bank’s ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding.
9. **Environmental and Social (E&S) Risk:** Risk of potential financial, legal, and/or reputational negative effect of E&S issues on the Bank. E&S issues include environmental pollution, climate risk (both physical and transition risks), hazards to human health, safety and security, and threats to community, biodiversity and cultural heritage, among others.

4 RISK CULTURE

There are four elements of a sound risk culture – *tone from the top, accountability, effective communication and challenge, and incentives.*

4.1 Tone from the Top

The Board and senior management are expected to establish a risk culture that represents an expectation of values and conduct from all staff. This expectation outlines what is expected from each individual in terms of behavior and actions. The Board expects all staff to demonstrate exemplary conduct, act responsibly, fairly, and with integrity towards clients, staff, and in the communities in which we live and work.

The Board expects all staff to:

Lead by Example	<ul style="list-style-type: none">• Establish, monitor, and adhere to an effective risk appetite statement• Have a clear view of the risk culture• Systematically monitor and assess the prevailing risk culture and proactively address any identified areas of weakness or concern• Promote through action and words, a risk culture that expects integrity and a sound approach to risk• Promote an open exchange of views, challenge, and debate• Have mechanisms in place which help lessen the influence of dominant personalities and behaviors
Adopt Corporate Values	<ul style="list-style-type: none">• Systematically monitor and assess whether the espoused values are communicated and adhered to by management and staff at all levels• Ensure that the risk appetite statement, risk management strategy, and overall business strategy are clearly understood and embraced by management and staff at all levels and effectively embedded in the

	<p>decision-making and operations of the business</p> <ul style="list-style-type: none"> Establish a compensation structure that supports the institution's espoused values and promotes prudent risk-taking behavior
Develop Common Understanding and Awareness of Risk	<ul style="list-style-type: none"> Demonstrate a clear understanding of the quality and consistency of decision-making throughout the business, including how decision-making is consistent with the Group's risk appetite and risk strategy Have a clear view on the business lines considered to pose the greatest challenges to risk management and these are subject to constructive and credible challenge about the risk-return balance Systematically monitor how quickly issues raised by the Board, supervisors, internal audit, and other control functions are addressed by management
Learn from Risk Culture Failures/ Mistakes	<ul style="list-style-type: none"> Establish processes to ensure that failures or near failures in risk culture are reviewed at all levels of the Group and are seen as opportunities to strengthen the Group's risk culture and make it more robust

4.2 Accountability

The Board and senior management should ensure that employees are held accountable for their actions and are aware of the consequences of not adhering to the desired behavior toward risk. There should be a clear delineation of responsibilities with regard to monitoring, identification, management, and mitigation of risk. Employees at all levels should understand the core values of the Group's risk culture and its approach to risk, be capable of performing their prescribed roles, and be aware that they are held accountable for their actions in relation to the Group's risk-taking behavior.

Risk Ownership	<ul style="list-style-type: none"> Clear expectations should be set with respect to monitoring, reporting, and responding to current and emerging risk information across the institution, including from the lines of business and risk management to the Board and senior management. Mechanisms should be in place for the lines of business to share information on emerging and unexpected risks. Employees are held accountable for their actions and are aware of the consequences for not adhering to the desired risk management behavior.
Escalation Process	<ul style="list-style-type: none"> Escalation processes should be established and used with clear consequence for non-compliance with risk policies and escalation procedures. Employees should be aware of the process and believe that the environment is open to critical challenge and dissent. These mechanisms should be established for employees to raise concerns when they feel discomfort about products or practices. Whistleblowing should be proactively encouraged and supported by the Board and senior management.
Enforcement	<ul style="list-style-type: none"> Consequences should be clearly established, articulated, and applied for the business lines or individuals who engaged in excessive risk-taking relative to the risk appetite statement. Breaches in internal policies, procedures, and risk limits and non-adherence to internal codes of conduct should impact an individual's compensation and responsibilities or affect career progression, including termination.

4.3 Effective Communication and Challenge

A sound risk culture promotes an environment of effective communication and challenge in which decision-making processes promote a range of views, allow for testing of current practices and stimulate a positive, critical attitude among employees and an environment of open and constructive engagement.

A sound risk culture must encourage transparency and open dialogue in order to promote the identification and escalation of risk issues.

Open to Alternative View	<ul style="list-style-type: none"> Alternative views or questions from individuals and groups are encouraged, valued and respected, and occur in practice. Senior management should have mechanisms in place to ensure that alternate views can be expressed in practice, and should request regular assessments of the openness to dissent at all layers of management involved in the decision-making process.
Stature of Risk Management	<ul style="list-style-type: none"> The Chief Risk Officer and risk management function (RMG) share the same stature as the lines of businesses, actively participating in the Senior Management Committee, and proactively involved in all the relevant risk decisions and activities. They should have appropriate access to the Board and senior management. Compliance, legal, and other control functions should have sufficient stature, not only to act as advisors, but also to effectively exert control tasks with respect to the institution's risk culture.

4.4 Incentives

Financial and non-financial incentives should support the core values and risk culture at all levels of the Group. Performance and talent management should encourage and reinforce maintenance of the institution's desired risk management behavior. Remuneration systems should reward servicing the greater, long-term interest of the Group and its clients. Risk management and compliance considerations should have sufficient status in driving compensation, promotion, hiring, and performance evaluation.

Remuneration and Performance	<ul style="list-style-type: none"> Remuneration and performance metrics should consistently support and drive the Group's desired risk-taking behavior, risk appetite, and risk culture. Annual performance reviews and objective-setting processes include steps taken by the individual to promote the Group's desired core values, compliance with policies and procedures, internal audit results, and supervisory findings. Incentive compensation programs systematically include individual and group adherence to the Group's core values and risk culture, including: <ul style="list-style-type: none"> Treatment of clients; Cooperation with internal control functions and regulators; Respect for risk exposure limits; and Alignment between performance and risk.
Talent Development and Succession Planning	<ul style="list-style-type: none"> Understanding key risks and essential elements of risk management and the culture of the organization is a critical skill for senior employees. These should be reflected in the development plans for employees. Succession planning processes for key management positions include risk management experience and not only revenue-based accomplishments. Training programs are available for all staff to develop risk management competencies.

5 RISK APPETITE FRAMEWORK

5.1 Overview

The **Risk Appetite Framework (RAF)** is the overall approach, including policies, processes, controls and systems, through which risk appetite is established, communicated and monitored. It includes a risk appetite statement, risk limits and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF.

RISK APPETITE FRAMEWORK⁶

At the highest level, Executive Management and the Board need to have a solid understanding of the risks the firm as a whole is taking. A key weakness that has disastrous effects, as evidenced by financial crises, is a disparity between the risks that a firm takes and those that its Board perceives the firm to be taking.⁷ Supervisors see insufficient evidence of active Board involvement in setting the risk appetite for firms in a way that recognizes the implications of that risk-taking.⁸ It is critical that the Chief Executive and Board members understand and consider the risk appetite and the risks being taken for the potential returns in evaluating major business decisions.

Management and the Board must know beforehand the firm's capacity for risk-taking, the previously specified amount of different risks they want the firm to take and the current and targeted risk profile relative to the desired level and capacity – to be able to evaluate and take action.

This is – in essence – what a risk appetite framework does for an organization. Information needs to flow up to the Board and be presented in a timely way that drives decision making.

A fully functioning risk appetite framework establishes a firm-specific quality and style of internal communication that enables risk messages to feed up the organization from the people who take or manage risk.

Conscious Risk-Taking

No business can thrive without taking on risks. A key benefit of deploying a risk appetite framework is that these risks are identified and quantified in a structured way that relates them to the firm's business objectives and strategy.

The trade-offs between risk and reward in a risk appetite framework are made upfront, in a conscious attempt to decide the right calibration, and at a firm-wide level.

⁶ Deloitte, 2014. "Risk Appetite Frameworks: How to Spot the Genuine Article"

⁷ Senior Supervisors Group (SSG), 2009. "Risk Management Lessons from the Global Banking Crisis of 2008"

⁸ As noted of some firms during the 2008 financial crisis, by the Senior Supervisors Group (SSG)

A risk appetite framework ensures that risk-taking is specific, measured, and consistent within established limits.

Joined-Up Risk Management

Beyond the benefits of breadth, a risk appetite framework also provides depth to risk management activities. It is the collective impact of risk-taking across a firm that needs to be managed. This will always require the coordination among various parts of a firm, alignment between broader objectives and the more specific objectives of business units or individuals, and a translation between technical language of the risk or product specialist and the more general firm-specific risk appetite language.

This is where risk appetite frameworks come to the fore. First, they facilitate top-down direction from the Board via the cascading of risk appetite statements and their ongoing monitoring and control – in a risk appetite language that is meaningful to everyone. Second, they rely on bottom-up information and insight from the businesses and control functions through the calibration of risk appetite limits and triggers, as well as the reporting of risks and the risk profile versus risk appetite.

Drivers of Quality Risk Management

To have an effective risk appetite framework, the following must be present:

- A **strong, independent risk function** that has the confidence of its convictions and the internal clout to design, build, launch and embed risk language and concepts across the firm; the risk personnel need to be good at reaching out to their colleagues in the business lines and advocating the risk appetite perspective;
- A **sponsor at the executive level** who has enough authority to make risk appetite the way the firm approaches risk. Without senior buy-in from a President/Chief Executive Officer (CEO) or Chief Risk Officer (CRO), risk appetite will wither on the vine;
- A **robust process to aggregate risk** – Risk definitions are uniformly understood across the firm. The people and processes that identify and aggregate risk need to be of high caliber to support completeness of coverage – this should cover financial and non-financial risks;
- A **well-established methodology to produce risk adjusted metrics** (with the active buy-in of both the finance and risk departments) so that the risk appetite perspective takes root outside of the risk department;
- A **good capacity for change management**, since embedding risk appetite requires some deep-seated changes to be made to the way a lot of people go about their jobs;
- A **culture within a firm that enables free flow of information** up and down the hierarchy. The bosses are not afraid to hear bad news, nor do the business units water down messages for fear of giving offense; and
- A **culture that weaves risk considerations into the rest of the firm** in such things as business strategy, capital planning, day-to-day risk-taking by the business, governance and the design of remuneration plans.

5.2 Roles and Responsibilities⁹

Roles and Responsibilities in Setting the Risk Appetite Framework	
Board of Directors	<ul style="list-style-type: none"> The Board is primarily responsible for approving the organization's risk appetite framework. It is also responsible for holding Senior Management accountable for the integrity of the risk appetite framework. The Board should conduct periodic high-level review of actual versus approved limits. Any breaches should be dealt with accordingly.
President/Chief Executive Officer	<ul style="list-style-type: none"> The President/Chief Executive Officer (CEO) is responsible for establishing the risk appetite for the banking organization. He/She is also responsible for translating the risk appetite into risk limits for business lines, subsidiaries and affiliates¹⁰. The President/ CEO is accountable, together with the rest of the Senior Management team, for the integrity of the risk appetite framework and for ensuring that the risk appetite framework is implemented throughout the organization.
Chief Risk Officer	<ul style="list-style-type: none"> The Chief Risk Officer (CRO) provides relevant inputs to the President/CEO in developing the organization's risk appetite. He/She is responsible for actively monitoring the organization's risk profile relative to its risk appetite, strategy, business and capital plans, risk capacity, and compensating program. The CRO is responsible for independently monitoring the business line and subsidiaries and affiliates¹¹ risk limits against the Group's aggregate risk profile to ensure that it is aligned with the Group's risk appetite. He/She is also responsible for establishing a process for reporting on risk and on alignment of risk appetite and risk profile with the organization's culture.
Business Line Leaders, Subsidiary and Affiliate Management	<ul style="list-style-type: none"> Business line leaders, subsidiary and affiliate management cascade the risk appetite statement and risk limits into their activities. They should establish and ensure adherence to approved risk limits. They are also responsible for implementing controls to effectively monitor and report risk limits adherence.
Internal Audit	<ul style="list-style-type: none"> Internal Audit is responsible for independently assessing the integrity, design, and effectiveness of the organization's risk appetite framework.

5.3 Risk Appetite Statement of RCBC

⁹ Financial Stability Board (FSB), 2013. "Principles for an Effective Risk Appetite Framework"

¹⁰ Refers to BSP-regulated RCBC subsidiaries and RCBC affiliates.

¹¹ ibid

Risk appetite is the amount of risk the RCBC Group is willing to take in pursuit of its strategic objectives, reflecting the Group's capacity to sustain losses and continue to meet its obligations under normal as well as adverse circumstances.

The Group's risk appetite statement is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including risk management policies, and limits.

The Group defines its risk appetite in terms of volatility of earnings, the maintenance of adequate capital buffers, and the assessment by the Regulator.

The Group recognizes that risk is an inherent part of its activities, and that banking is essentially a business of managing risks. The Group aims to achieve sustainable growth in profitability and shareholder value through an optimum balance of risk and return.

The Group shall take on risk prudently and manage exposures proactively for the purpose of sustainable growth, capital adequacy, and profitability. It shall be aligned with internationally accepted standards, practices, and regulations in the day to day conduct of risk and performance management.

The Board and Senior Management are committed to developing risk awareness across the Group, promoting the highest standards of professional ethics and integrity, establishing a culture that emphasizes the importance of the risk process, sound internal control, and advocating the efficient use of capital.

The Group sets risk limits to constrain risk-taking within its risk appetite, taking into account the interest of customers and shareholders as well as capital and other regulatory requirements.

The Group will not compromise adherence to its risk appetite in order to pursue revenue growth or higher returns.

The Risk Oversight Committee shall oversee compliance to the established risk appetite, risk management policies, and limits.

Furthermore, the Group articulates its appetite for specific risk types.

RISK APPETITE FOR SPECIFIC RISK TYPES

Risk Type	2 nd Line Owner	Definition	Risk Appetite
Credit Risk	RMG Head/ CRO	Risk of loss arising from a counterparty's failure to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Credit risk is not limited to the loan portfolio.	The RCBC Group shall only engage with counterparties that are foreseen to be able to meet the terms of the contract or perform as agreed. The Group shall manage credit risk in its portfolio and activities to ensure that credit risk losses do not cause material damage to the Group's liquidity and capital position.
Credit Concentration Risk	RMG Head/ CRO	Risk of loss arising from excessive credit exposures to individual borrower, groups of connected counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sectors) or entities in foreign country or a group of countries with strong interrelated economies.	The RCBC Group shall not be overexposed to specific industries, borrowers, counterparties, or groups, where the risk of loss has not been considered and/or mitigated. The Group shall manage credit concentration risk in its portfolio to ensure that credit risk losses do not cause material damage to the Group's liquidity and capital position.
Market Risk	RMG Head/ CRO	Risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both on- and off-balance sheet.	The RCBC Group shall manage market risk in its trading portfolio and activities to ensure that losses arising from adverse movements in market prices do not cause material damage to the Group's net income and capital position.
Interest Rate Risk in the Banking Book	RMG Head/ CRO	Current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions.	The RCBC Group shall manage interest rate risk in its banking book portfolio and activities to ensure that losses arising from movements in interest rates do not cause material damage to the Group's net income and capital position.
Liquidity Risk	RMG Head/ CRO	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 RCBC Group shall be able to meet its obligations when they come due, under normal as well as adverse circumstances, while ensuring compliance with regulatory requirements. The Group shall manage its liquidity position under extreme but plausible liquidity stress scenarios without recourse to extraordinary central bank support.
Operational Risk	RMG Head/ CRO	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.	The RCBC Group shall control operational risks to promote sustainable safe and sound operations and ensure that operational losses are mitigated and do not cause material damage to the Group's liquidity, income, capital position and reputation. The Group has a Medium residual risk tolerance to losses arising from operational incidents or business as usual activities.
IT Risk	RMG Head/ CRO	Risk of loss resulting from adverse outcome, damage, loss, violation, failure or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks.	The RCBC Group shall manage its computer hardware, software, devices, systems, applications, and networks to ensure that losses resulting from their failure do not cause material damage to the Group's liquidity and capital position, and reputation.
Information Security Risk	RMG Head/ CRO	Risk of loss resulting from information security/cyber security breaches.	The RCBC Group has zero tolerance for information security/cyber security breaches. The Group shall protect its information assets to ensure that breaches do not cause material damage to the Group's liquidity and capital position, and reputation.
Business Continuity Risk	RMG Head/ CRO	Risk of loss resulting from a prolonged interruption in business operations.	The RCBC Group shall be able to resume critical operations that are adversely affected by disruption due to internal and external threats, which may be natural, man-made or technical in origin in a timely manner.
Regulatory Risk	RAG Head/ Compliance Officer	Risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy.	The RCBC Group shall be prepared for any changes in regulations affecting its current position and/or strategy.

Risk Type	2 nd Line Owner	Definition	Risk Appetite
Compliance Risk	RAG Head/ Compliance Officer	Current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.	The RCBC Group shall comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities. The Group has no appetite for deliberately or knowingly incurring a breach of the letter or spirit of regulatory requirements.
Money Laundering/ Terrorist Financing (ML/TF) Risk	RAG Head/ Compliance Officer	Risk of loss arising from a covered person's failure to prevent itself from being used as a money laundering site and conduit for the proceeds of unlawful activities as well as financing the act of terrorism.	The RCBC Group has zero tolerance for any involvement in money laundering and terrorist financing activities. The Group shall manage ML/TF risk to avoid any involvement in money laundering and terrorist financing activities.
Fraud Risk (Internal & External)	RMG Head/ CRO	Risk of loss resulting from falling victim to activities involving internal and/or external fraud.	The RCBC Group shall manage fraud risk to ensure that losses resulting from activities involving internal and/or external fraud do not cause material damage to the Group's liquidity and capital position, and reputation. The Group has zero tolerance for any incident involving internal fraud, or any inappropriate conduct by a member of staff or by any Group business.
Legal Risk	Legal Affairs Group Head	Risk of loss resulting from uncertainty of legal proceedings that the Bank is currently or expected to be involved in.	The RCBC Group shall manage legal risk to ensure that losses arising from legal proceedings do not cause material damage to the Group's liquidity and capital position, and reputation.
Human Resource Risk	HR Group Head	Risk of loss arising from non-compliance with the Human Resources policies including Code of Conduct.	The RCBC Group has adequately disseminated its Human Resources policies and Code of Conduct to all its employees. As such, the Group has very low tolerance for non-compliance to ensure that ensuing losses do not cause material damage to the Group's operations, business, strategy and reputation.
Third Party Risk	RMG Head/ CRO	Any risk associated with engaging a third party in the context of providing a service or product to a client (the second party). It is an umbrella term covering several potential risk types depending on the product or service, the third party and the nature of the engagement / relationship	The RCBC Group will manage third party risk within the respective appetite of the ensuing risk/s brought about by engaging a third party and by regular evaluation and monitoring of the risk profiles of third parties.
Strategic Risk	Corporate Planning Group Head	Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes and other external developments.	The RCBC Group shall only pursue strategies whose foreseeable risks have been considered and/or mitigated. The Group shall manage strategic risk to ensure that there is no material damage to the Group's liquidity and capital position, and reputation.



Risk Type	2 nd Line Owner	Definition	Risk Appetite
Reputational Risk	RMG Head/ CRO	Risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding.	The RCBC Group shall only pursue engagement in any business activity whose foreseeable reputational risk or damage have been considered and/or mitigated. The Group shall protect its reputation to ensure that there is no material damage to the Group.
Environmental and Social (E&S) Risk	RMG Head/ CRO	Risk of potential financial, legal, and/or reputational negative effect of E&S issues on the bank	The RCBC Group shall promote sustainable practices that will minimize negative environmental, social and reputation impact of the Bank's financing and investing ¹² activities as well as its clients' operations. The Group shall mitigate negative impact on the environment and affected communities, and enhance positive sustainable development impact.

¹² BSP Circular 1149

5.4 Risk Limits¹³

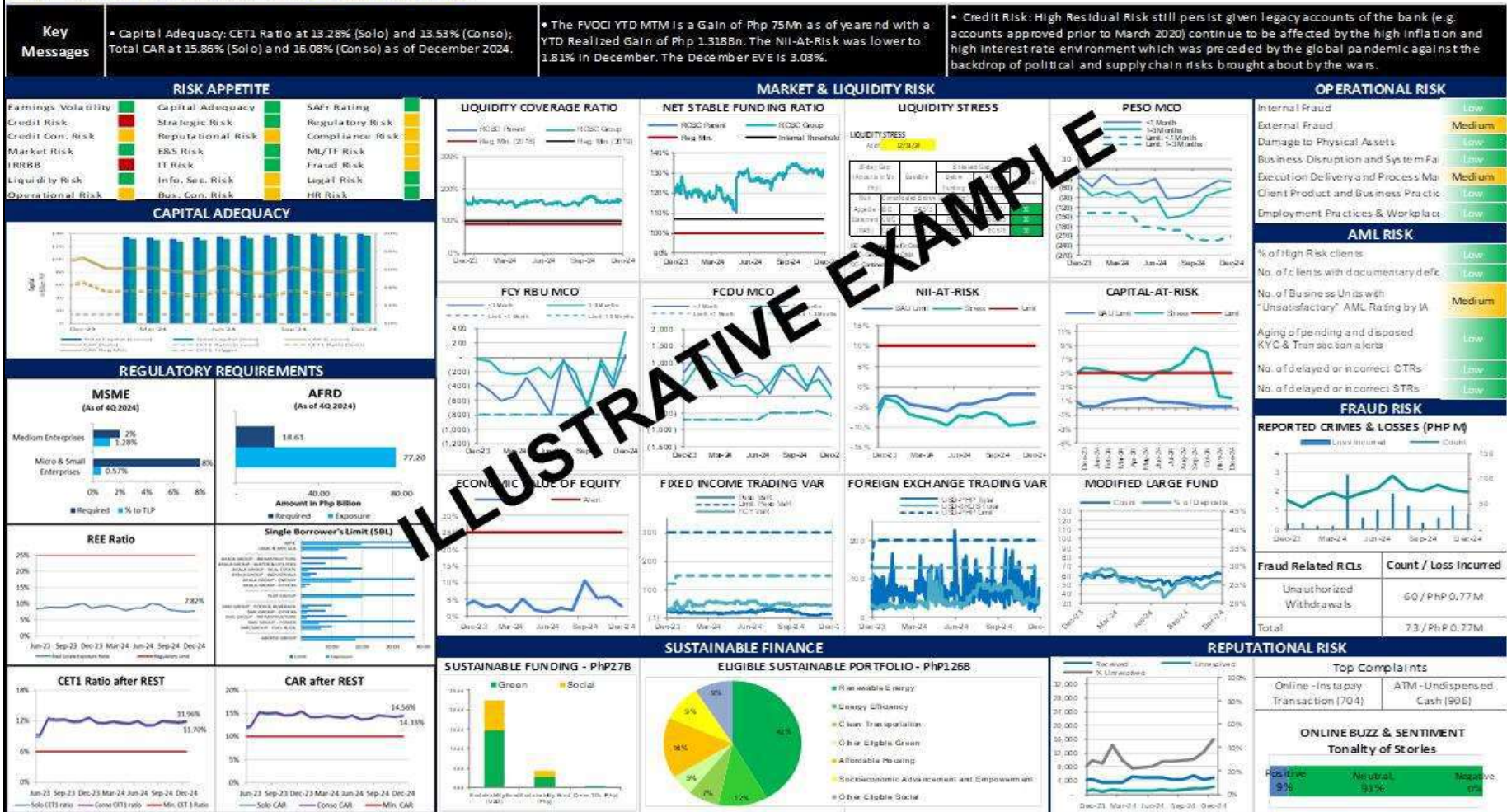
Risk Limits are quantitative measures based on forward-looking assumptions that allocate the Group's aggregate risk appetite statement to business lines, subsidiaries as relevant, specific risk categories, concentrations, and other levels as deemed appropriate. Some of the Risk Oversight Committee's expectations when Management sets risk limits are as follows:

- Risk limits should be set at a level to constrain risk-taking within the approved risk appetite, taking into account the interest of customers and shareholders as well as capital and other regulatory requirements, in the event that a risk limit is breached and the likelihood that each material risk is realized.
- Risk limits should be established for business lines and subsidiaries, and generally expressed relative to:
 - Earnings
 - Capital
 - Liquidity
 - Other relevant measures, e.g. growth and liquidity
- Risk limits should include material concentrations at the group-wide, business line, subsidiaries and affiliates¹⁴ levels.
- Risk limits should not be strictly based on comparison to peers or default to regulatory limits.
- Risk limits should not be overly complicated, ambiguous, or subjective.
- Risk limits should be monitored regularly.

¹³ Financial Stability Board (FSB), 2013. "Principles for an Effective Risk Appetite Framework"

¹⁴ Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates

RCBC RISK DASHBOARD: DECEMBER 2024



6 RISK GOVERNANCE

The Risk Governance Framework of the Group follows a top-down approach, whereby the Board takes ultimate accountability for: the risks taken, setting the tolerance level for these risks, business strategies, operating budget, policies, and overall risk philosophy.

In the interest of promoting efficient corporate governance, the Board constitutes committees to perform oversight responsibilities. These committees perform oversight functions in the area of risk policy formulation, decision-making, and risk portfolio management.



6.1 Board of Directors

The Board ensures that the Group's corporate objectives are supported by a sound risk strategy and an effective risk governance framework that is appropriate to the nature, scale, and complexity of its activities. The Board provides effective oversight of senior management's actions to ensure consistency with the risk strategy and policies, including the risk appetite framework.

The Board:

- Sets policies, strategies and objectives and **oversees** the executive function
- Sets the **risk appetite** and ensures that it is reflected in the business strategy and cascaded throughout the organization
- Establishes and oversees an effective **risk governance** and **organizational structure**

6.2 Board Committees

Overall responsibility for risk management is with the Board of Directors. More specific responsibilities of the board-level and management committees involved, and assisting the Board, in the risk process are provided below.

THE EXECUTIVE COMMITTEE

The Executive Committee has the authority to act on matters as the Board may entrust to it for action in between meetings of the Board. More specifically, it reviews and approves loans and other credit-related matters, investments, purchase of stocks, bonds, securities and other commercial papers for the bank.

THE RISK OVERSIGHT COMMITTEE (ROC)

The ROC supports the Board with respect to oversight and management of risk exposures of the RCBC parent bank and subsidiaries (the Group)¹⁵. 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 shall:

- **Oversee the risk governance framework.** The ROC ensures that an appropriate risk governance framework is in place, and adopted (as appropriate) across all entities of the RCBC Group.
- **Oversee adherence to risk appetite.** The ROC shall oversee compliance to established risk management policies and limits. The ROC shall ensure that the current and emerging risk exposures are consistent with the Group's strategic and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies, and procedures relating to risk management and control, and performance of management, among others;
- **Oversee the risk management function.** The ROC shall be responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function (RMG) has adequate resources including personnel, systems, and other risk management capabilities necessary for the conduct of sound risk management, and effectively oversees the risk taking activities of the Group.
- **Oversee capital planning and management.** The ROC shall review, evaluate, periodically assess for, and report to the Board, the Group's Internal Capital Adequacy Assessment Process (ICAAP), especially relating to:
 - Current and projected capital and risk-weighted asset levels and requirements;
 - Capital allocation among risk-taking units of the Group; and
 - Perceived threats to capital adequacy arising from both identified and unexpected risk factors
- **Oversee recovery plans.** The ROC shall ensure that there is periodic review of the effectiveness of the risk management systems and recovery plans. It shall ensure that implementation is carried out on an enterprise-wide basis, and that corrective actions are promptly implemented to address risk management concerns.

THE ANTI-MONEY LAUNDERING BOARD COMMITTEE

The Anti-Money Laundering Committee is constituted by the Board for the purpose of carrying out 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 MORB; and to ensure that Money Laundering/Terrorist Financing risks are effectively managed. The AML Board Committee has

¹⁵ Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates.

oversight on all AML-related matters such as the implementation of the Bank's Anti Money Laundering and Terrorist Financing Prevention Program (MTPP), AML findings, alerts management, and CTRs & STRs. This Committee also ensures that infractions are immediately corrected, issues are addressed and AML training of directors, officers, and staff are regularly conducted.

THE AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is a board-level committee constituted to perform the following core functions:

- Oversight of the Bank's financial reporting and control, and of internal and external audit functions. This includes responsibility for the setting up of internal audit 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.
- Investigation of 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.
- The review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, and risk management, to be conducted at least annually.
- Oversight of regulatory/compliance aspects.

6.2 Role of Parent Bank, Subsidiaries and Affiliates¹⁶

The Board and senior management of subsidiaries shall be held responsible for effective risk management processes at the subsidiary and affiliate¹⁷ level and must have appropriate influence in the design and implementation of risk management in the subsidiary and affiliate¹⁸. Conversely, the Board and management of the parent bank is responsible for the risk management of the Group and must exercise oversight over its subsidiaries and affiliates¹⁹ with appropriate processes established to monitor the subsidiaries' and affiliates'²⁰ compliance to the Group's risk management practices.

6.3 Three Lines of Defense Model

Notwithstanding its defined specific risk management functions, the Group recognizes that the core banking activity of managing risks is not the sole province of RMG. It is rather a function that cuts across the entire organization.

¹⁶ Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates

¹⁷ *ibid*

¹⁸ *ibid*

¹⁹ *ibid*

²⁰ *ibid*

In the Three Lines of Defense model, management control is the first line of defense in risk management, the various risk control and compliance oversight functions established by management are the second line of defense, and independent assurance [or audit] is the third. Each of these three lines plays a distinct role within the organization’s wider governance framework.²¹

Responsibilities	
1st Line: Business Lines & Support Units	<ul style="list-style-type: none"> • Every employee is a risk officer; the day to day management of all material risks is the responsibility of all bank personnel • Business lines and support units: <ul style="list-style-type: none"> ◦ Know our customers well and are best placed to act in both customers’ and RCBC’s best interests; ◦ Own the risks and are responsible for identifying, monitoring, and controlling them to stay within appetite; and ◦ Are responsible for promoting a culture of compliance and control.
2nd Line: Risk & Control Units	<ul style="list-style-type: none"> • Risk control owners for their respective specialized risk types: <ul style="list-style-type: none"> ◦ Monitor and facilitate the implementation of effective risk management practices by the 1st line; ◦ Set standards by which the 1st line is expected to manage risk, including compliance with applicable laws, regulatory requirements, policies, and other relevant standards; ◦ Develop and maintain policies, standards and guidelines, set risk appetite and limits; ◦ Challenge the 1st line on effective risk management, their inputs to, and outputs from, the bank’s risk management tools; and ◦ Oversee the optimization of risk-reward trade-off. • Scope of responsibilities is defined by risk type, and not constrained by functional/business/organizational boundaries
3rd Line: Audit	<ul style="list-style-type: none"> • Auditors: <ul style="list-style-type: none"> ◦ Evaluate the effectiveness of the risk governance framework (design and implementation); and ◦ Provide an independent, objective assessment to improve the effectiveness of the first two lines of defense.

1ST LINE OF DEFENSE: BUSINESS LINES & SUPPORT UNITS

The first line of defense is the risk-originating units of the bank, which are the business lines and support units. They originate products and activities which are the sources of risks. They are, therefore, in the best position to address risk issues at the onset. Business lines are expected to embed the risk governance framework and sound risk management practices into their respective standard operating procedures. It is the responsibility of every level of management, in every business or functional unit, under the oversight of the Board, to ensure that the risk management process is performed. The establishment of a bank-wide “independent risk management function” to assist the Board does not take away the responsibility for risk management from the line business/functional units. They must, therefore,

²¹ Institute of Internal Auditors, 2013. “The Three Lines of Defense in Effective Risk Management and Control”, with updates in July 2020

adhere to all applicable policies, procedures, and processes established by the risk management function.

The management of credit risk for instance encompasses the Group's various units involved in the credit or lending cycle spanning origination, evaluation, approval, implementation/account management, and collection/remedial management. Each stage of the cycle is governed by a specific set of policies and procedures.

The same is true with the management of market, interest rate, and liquidity risks. As a general principle, risk-taking units (e.g., Trading, Investment, and Liquidity desks) are themselves risk managers, and are therefore expected to recognize and identify the risks attributed to various traded instruments, investment outlets, and counterparties. Moreover, they are expected to exercise risk control via observance of trading and/or investment rules, and compliance to risk limits set by regulation and those internally approved and set by the Board. Risk control units (e.g. Treasury back office, Settlements) on the other hand are reposed with the responsibility of being the second line of defense.

The management of operational risk too is the responsibility of all Group personnel, with all units of the Group effectively becoming stakeholders in the ORM Framework. In addition to the ORM tools employed by the Group, operating manuals and policies relating to people, process, and systems management are in place and are supplemented by the Group's risk-based internal audit process.

2ND LINE OF DEFENSE: RISK & CONTROL UNITS

The second line of defense are the control functions; independent of the first line. The second line is responsible for developing and implementing a policy framework that reduces or eliminates preventable risks, and reduces the likelihood and impact of strategic and external risks. The second line of defense must:

- Identify, monitor, and escalate risk issues to the Chief Risk Officer;
- Oversee and challenge first line risk-taking activities and review first line risk proposals; and
- Set risk data aggregation, risk reporting, and data quality requirements.

Risk Types

Risk types are risks that are inherent in our strategy and business model. These risks are managed by distinct risk type frameworks.

Risk Type	2 nd Line Ownership
1. Credit Risk	Risk Management Group
2. Credit Concentration Risk	Risk Management Group
3. Market Risk	Risk Management Group
4. Interest Rate Risk in the Banking Book	Risk Management Group
5. Liquidity Risk	Risk Management Group
6. Operational Risk	Risk Management Group
7. Strategic Risk	Corporate Planning Group
8. Reputational Risk	Risk Management Group
9. Environmental and Social (E&S) Risk	Risk Management Group

Operational Risk Subtypes

At the enterprise level, the Operational Risk Management function under RMG has overall responsibility for operational risk as Risk Control Owner in the 2nd line of defense. However, the broad scope of operational risk requires subject matter expertise and specialization in areas such as: IT, compliance,

ML/TF, fraud, legal, among others. These specialized areas are categorized as operational risk subtypes. The Risk Control Owners responsible for these subtypes have the same level of authority and responsibility for setting risk management standards as all other Risk Control Owners. They are not subordinated to the Operational Risk Management function. The Operational Risk Management function collaborates with all Risk Control Owners to ensure risk management standards are applied consistently.

Operational Risk Subtype	2 nd Line Ownership
1. IT Risk	Risk Management Group
2. Information Security Risk	Risk Management Group
3. Business Continuity Risk	Risk Management Group
4. Regulatory Risk	Regulatory Affairs Group
5. Compliance Risk	Regulatory Affairs Group
6. ML/TF Risk	Regulatory Affairs Group
7. Fraud Risk	Risk Management Group
8. Legal Risk	Legal Affairs Group
9. Human Resource Risk	Human Resources Group
10. Third Party Risk	Risk Management Group

3RD LINE OF DEFENSE: AUDIT

The third line of defense is internal audit. Internal audit reviews the effectiveness of risk management practices. It confirms the level of compliance, recommends improvements, and enforces corrective actions when necessary.

6.4 Risk Management Function

The following functions support the above-mentioned committees and are an integral part of the risk organization of the Bank:

RCBC's RISK MANAGEMENT GROUP

RCBC's Risk Management Group (RMG) supports the ROC in carrying its mandate.

Administratively and functionally, risk management follows the “centralized risk monitoring – decentralized risk management” approach. The risk units in the subsidiaries and affiliates implement the risk management process individually, and report to their respective risk committees.

The Parent Bank's RMG implements the risk management process in the parent and consolidates the risk MIS from the various subsidiary and affiliate²² risk units for a unified risk profile that is presented to the ROC.

²² Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates.

The Parent Bank's RMG is responsible for overseeing the risk-taking activities across the Group, as well as in evaluating whether these remain consistent with the Bank's risk appetite and strategic direction. It shall ensure that the Risk Governance Framework remains appropriate relative to the complexity of the Bank's risk taking activities. The Parent Bank's RMG shall be responsible for identifying, measuring, monitoring, and reporting risk on an enterprise-wide basis. It shall directly report to the ROC. Personnel in the Parent Bank's RMG should collectively have knowledge and technical skills commensurate with the Bank's business activities and risk exposures.

Effective January 1, 2025, the policy-making and control functions of the Parent Bank's former Credit Management Group were merged into RMG, with RMG as the surviving Group. The structure and discussions below reflect this merger.

The Risk Management Group (RMG)

CHIEF RISK OFFICER				
Risk Management			Credit Management	
Sustainable Finance	Market and Liquidity Risk Management		Analytics	Institutional Banking
Operational Risk Management	Enterprise Fraud Risk	Information Security Governance	Consumer Lending	RCBC Cards

Chief Risk Officer

The Chief Risk Officer (CRO) shall have sufficient stature, authority, and seniority within the Bank. He shall be independent from executive functions and business line responsibilities, operations and revenue-generating functions, and shall have access to such information as he deems necessary to form his judgment. The CRO shall have direct access to the Board and the ROC without any impediment. He shall serve on a full-time basis and shall functionally report to the ROC.

Responsibilities of the CRO: The CRO has the broad and exclusive responsibility for all risk issues. The CRO performs the critical executive function relating to risk management. The CRO should be able to adequately communicate the risk assessment to the Board and facilitate sound board-level risk decisions. The CRO shall be responsible for overseeing the risk management function and shall supports the Board in the development of the risk appetite and risk appetite statement of the Bank and for translating the risk appetite into a risk limits structure. The CRO shall likewise propose enhancements to risk management policies, processes, and systems to ensure that the Bank's risk management capabilities are sufficiently robust and effective to fully support strategic objectives and risk-taking activities.

The following are the major risk management divisions and departments under RMG.

CHIEF SUSTAINABILITY OFFICER AND SUSTAINABLE FINANCE DIVISION HEAD		
Portfolio Analytics	Sustainable Asset Management	Sustainable Lending

Sustainable Finance Division: The Chief Sustainability Officer (CSO) is tasked to lead and oversee the Bank's sustainability efforts and harmonize such with different groups and subsidiaries of the Bank. The CSO also serves as the Head of Sustainable Finance Division (SFD) which primarily handles credit risk mitigation, capital adequacy measurement, regulatory compliance, and E&S risk mitigation functions. Credit risk mitigation falls under Independent Credit Review which was created in line with the requirements of BSP Circular 855 on credit review process. This is complemented by activities involving measurement and monitoring of BSP requirements on lending, capital adequacy, back testing, model performance review, and stress testing, all of which are handled by the Portfolio Analytics Department.

E&S risk mitigation is handled by the Sustainable Asset Management and Sustainable Lending Departments which are tasked to implement RCBC's Sustainable Finance Framework and Environmental and Social Management System (ESMS) Policy, respectively. This is in support of MORB Section 153²³ and of the Bank's commitment to uphold E&S responsibility in all its business activities. Regular SFD updates are submitted to the ROC. SFD contributes to risk portfolio management and attainment of financial sustainability through the assessment of the Bank's overall portfolio quality in terms of credit risk, capital adequacy, regulatory compliance, and E&S impact.

MARKET AND LIQUIDITY RISK MANAGEMENT DIVISION HEAD

Market Risk

Liquidity Risk

Market and Liquidity Risk Management Division: The Market and Liquidity Risk Management Division (MLRMD) is primarily tasked with the development and implementation of market risk, liquidity risk, and IRRBB policies and measurement methodologies, recommending and monitoring compliance to risk limits, and reporting the same to the appropriate bodies. It regularly reports to the ROC and the Asset & Liability Committee (ALCO) activities relevant to market risk, liquidity risk, and IRRBB management of the Group.

OPERATIONAL RISK MANAGEMENT DIVISION HEAD

Business Operational Risk

Reputational Risk

Business Resiliency

Trust & Insurance Risk

Operational Risk Management Division: The Operational Risk Management Division (ORMD) was created to ensure that operational risks are managed at an enterprise level, the systems and processes used to manage these risks are effectively implemented, and that management of these risks is embedded in the Group's processes.

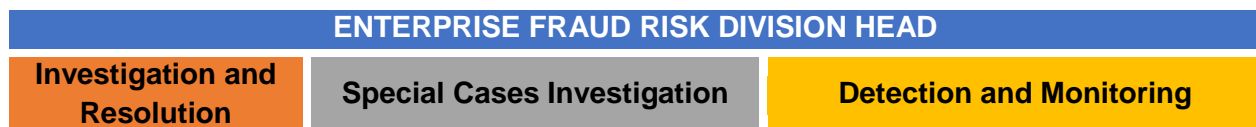
ORMD is tasked to ensure implementation of the Operational Risk Management Framework (ORMF) across the Group; and to develop an appropriate operational risk management environment where operational risks are identified, assessed, reported, monitored, and controlled/mitigated. It is also expected to identify and recommend mitigants for emerging risk types, and to promote and maintain quality operational risk programs and infrastructure. ORMD also ensures the timely and quality renewal of institutional-wide insurance policies to protect the Bank against unexpected and substantial unforeseeable losses.

ORMD, through the Business Resiliency Department (BRD) is responsible for ensuring the Bank's capability to plan and respond to incidents and business disruptions and enable the continuity of key business operations at predefined acceptable levels.

ORMD, through the Reputational Risk Department (RRD), provides the processes and methodologies designed to protect the clients via the Bank's Financial Consumer Protection Assistance Mechanism (FCPAM), Consumer Protection Framework and Reputational Risk Framework.

²³ MORB Section 153 (as introduced by BSP Circular 1085, April 2020) has the following amendments: BSP Circular 1128, Environmental and Social Risk Management Framework, Oct 2021; BSP Circular 1149, Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks, August 2022

To facilitate implementation of ORM tools in the various business lines of both the parent bank and its subsidiaries, various officers are deputized and serve as embedded Deputy Operational Risk Officers (DORO), Consumer Assistance Officers (CAO) and Business Continuity Planning (BCP) Leaders. A DORO, CAO or BCP Leader functions as ORMD's liaison to and implementation arm in the various business units for Operational Risk, Reputational Risk and Business Resiliency, respectively.



Enterprise Fraud Risk Division: The Enterprise Fraud Risk Division (EFRD) is tasked to ensure proper observance of the fraud management program (i.e., prevention, detection, investigation and escalation, containment and recovery, analysis and recommendation), and provide a high-level Enterprise-wide Fraud Risk Management Framework and its corresponding policies and standards. This serves as the basis upon which the Business, Operations and Support units will develop their own specific procedures and guidelines that will operationalize the controls to mitigate fraud risks that are inherent in their day-to-day activities.

EFRD also conducts periodic analysis of all fraud incidents and losses, creates rules/parameters for monitoring, investigates fraud cases, and determines current and emerging fraud risk trends which are reported to the Board, through the ROC, and to the Management, thereby assisting them to make well-informed fraud risk management decisions.



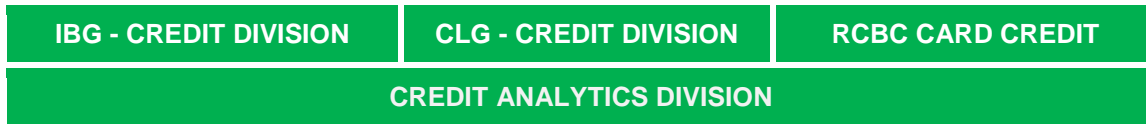
Information Security Governance Division: The Information Security Governance Division (ISGD) deals with all aspects of information whether spoken, written, printed, electronic, or relegated to any other medium regardless of whether it is being created, viewed, transported, stored, or destroyed. This covers all business units, branches/offices, and subsidiaries, both domestic and overseas, third party institutions, and individuals. ISGD also performs oversight on data governance.

The ISGD is tasked to ensure compliance with regulatory requirements set forth by the regulating bodies and laws in the areas of information security and electronic banking services. The department monitors and ensures that policies, procedures, and standards in managing information security, technology risk, and data governance are observed across the Group. It also oversees and is part of the process for detecting, analyzing, and responding to any information security incident. ISGD also keeps the Board and senior management apprised on information security risks.

ISGD executes an Information Security Strategic Plan (ISSP) and Information Security Program (ISPr) aligned with the business objectives of the Group. The department also establishes governance-specific policies, standards, and procedures for information security risk management, conducts trainings and issues advisories to increase information security awareness, and performs the Information Security Risk Assessment (ISRA) and Information Security Annual Certification (ISAC) for the whole RCBC Group to manage, identify, and address information security risks.

ISGD is responsible for setting and enforcing policies, procedures, and standards for data management, ensuring its integrity, security, and compliance with policies and regulations. ISGD works closely with other business units to define data ownership, access controls, and usage guidelines, ultimately safeguarding the organization's data assets and maintaining trust with stakeholders. By fostering a culture

of accountability and transparency, the data governance department empowers organizations to utilize data as a strategic asset, enhancing decision-making and generating business value.



Credit management within RMG focuses on the following aspects of the credit cycle:

1. Setting up of credit policies and guidelines that standardize lending principles across units (consumer, cards, and business lending)
2. Credit analysis embedded in the respective lending units while maintaining matrix reporting with RMG, e.g.



Credit analysts, while embedded in the lending group, shall:

- a. Report directly to the Group Head of the Lending Unit
 - b. Be responsible for the independent credit evaluation of accounts processed, where applicable,
 - c. Independently run scorecards, risk ratings on recommended credit exposures.
3. Providing reasonable assurance to stakeholders on the quality of the Bank's loan books through:
 - a. Monitoring and reporting of the Bank's asset quality with adoption of an early warning framework
 - b. Calibration of existing policies, guidelines and procedures as necessary
 - c. Escalation and/or recommendation for line suspensions if warranted by customer profile deterioration as determined by Early Warning Indicators, or rating based on latest financial performance
 4. Ensuring that the Bank is adequately provisioned across its lending portfolio.

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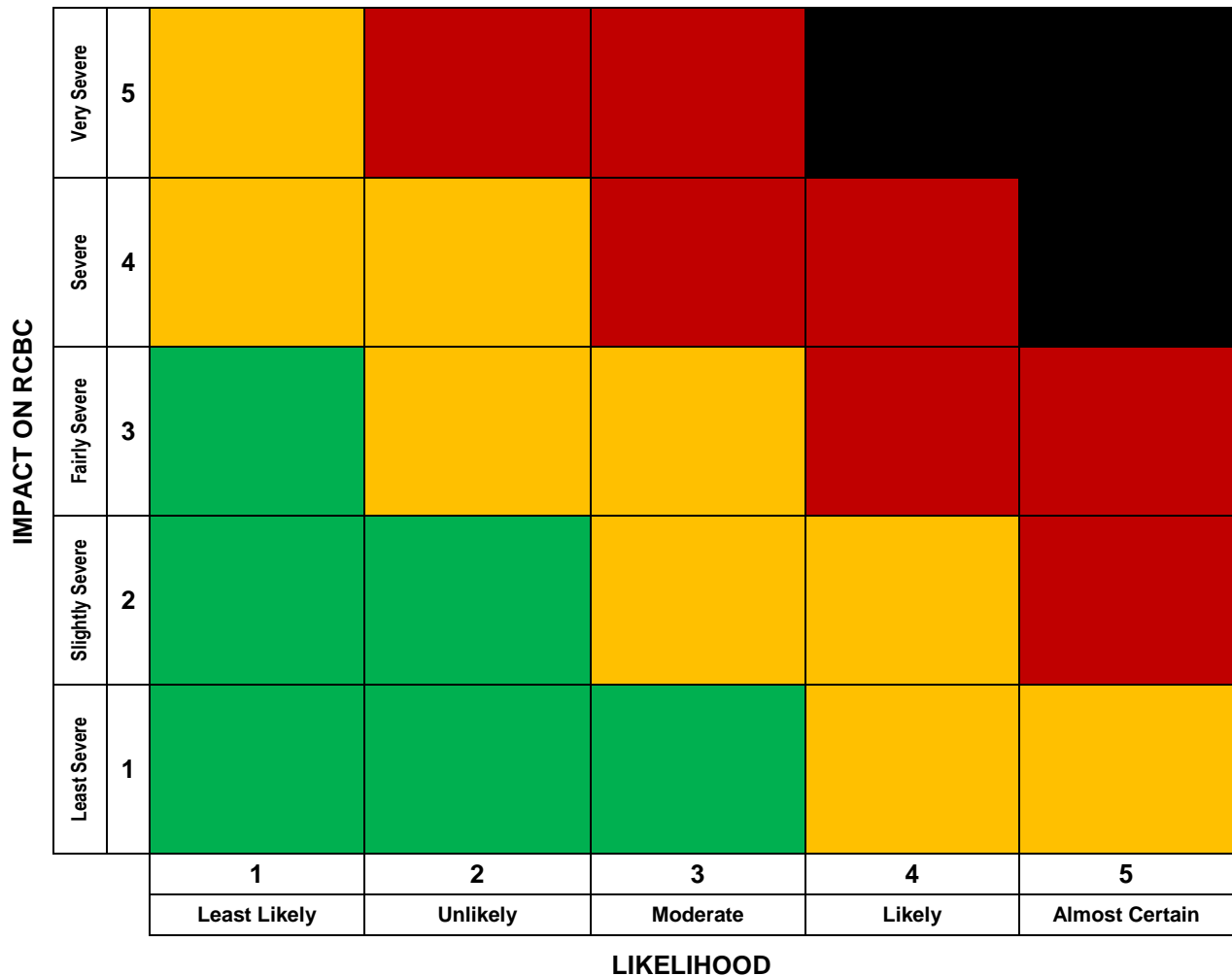
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Annex A: Heat Map



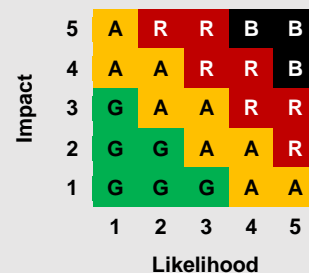
EXPLANATION OF HEAT MAP

The heat map is a visual representation of risk appetite in the form of a matrix.

A risk type rated 1 for likelihood and 3 for impact would fall on the green area of the map, and belong to the LOW RISK category. A risk type rated (3,2) would fall on the amber area, and belong to the MEDIUM RISK category. A risk type falling on the red area would belong to the HIGH RISK category, while a risk type rated (5,5) would fall on the black area and belong to the VERY HIGH RISK category.

A risk's location on the map represents whether that risk is within RCBC's risk appetite at a point in time.

If a risk type falls on a green quadrant, in the low risk category, then it is in effect, within the bank's appetite. Risks in higher categories are beyond RCBC's risk appetite and warrant immediate attention and senior management oversight.



Color	Risk Category
Black	Very High
Red	High
Amber	Medium
Green	Low

Annex B: Risk Assessment Measures

In order to assess risks more precisely, measures for the assessment of a risk's probability of occurrence (likelihood), and severity or amount of loss/damage (impact) shall be patterned after the sample scales below:

LIKELIHOOD		FINANCIAL IMPACT	STRATEGIC IMPACT	COMPLIANCE IMPACT	REPUTATION IMPACT	MARKET IMPACT
1 – Least likely	No known history for past year	1 – Least severe (low) Loss ≤ Php50M	N/A	N/A	N/A	N/A
2 – Unlikely	Previous history for the past 6 months	2 – Slightly severe Php50M < Loss ≤ Php100M	Impact both minor & short term	Written notice from Regulators	Negative verbal feedback from stakeholders	Reduced confidence in the products offered
3 – Moderate	Previous history for the past 3 months	3 – Fairly severe (moderate) Php100M < Loss ≤ Php150M	Noticeable impact but bus. still on course	Regulatory actions taken by authorities	Negative written feedback from stakeholders	Diminished perception of the bank
4 – Likely	Risk event occurs monthly	4 – Severe Php150M < Loss ≤ Php200M	Major impact on important business objective	Significant regulatory actions taken by authorities	Stakeholder complaints that are publicized in PH media	Critical impairment to perception of the bank
5 – Almost certain	Risk event occurs weekly	5 – Very severe (high) Loss > Php200M	Major impact on direction of business	'Blacklisting' by regulatory authorities	Negative media coverage over extended period	Clients do not wish to be associated with the bank

For financial impact assessment, loss amount includes actual and (percentage of) potential. Historical flow of potential to actual and/or expected recoverable amount may be considered in determining the percentage of potential losses to be included in the assessment.

Annex C: Risk Types: Definition and Ownership

RISK TYPE		DEFINITION	2 ND LINE OWNERSHIP ²⁴	RESPONSIBLE GROUP HEAD
1.	Credit Risk	Risk of loss arising from a counterparty's failure to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Credit risk is not limited to the loan portfolio.	Risk Management Group	Bennett Clarence Santiago
2.	Credit Concentration Risk	Risk of loss arising from excessive credit exposures to individual borrower, groups of connected counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sectors) or entities in foreign country or a group of countries with strong interrelated economies.	Risk Management Group	Bennett Clarence Santiago
3.	Market Risk	Risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both on- and off-balance sheet.	Risk Management Group	Bennett Clarence Santiago
4.	Interest Rate Risk in the Banking Book	Current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions.	Risk Management Group	Bennett Clarence Santiago
5.	Liquidity Risk	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.	Risk Management Group	Bennett Clarence Santiago
6.	Operational Risk	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.	Risk Management Group	Bennett Clarence Santiago
7.	Strategic Risk	Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes and other external developments.	Corporate Planning Group	Ma. Christina Alvarez

²⁴ See additional 2nd line owners for Operational Risk on page 32 and for Strategic Risk on page 34.

RISK TYPE		DEFINITION	2 ND LINE OWNERSHIP ²⁴	RESPONSIBLE GROUP HEAD
8.	Reputational Risk	Risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding.	Risk Management Group	Bennett Clarence Santiago
9.	Environmental and Social (E&S) Risk	Risk of potential financial, legal, and/or reputational negative effect of E&S issues on the Bank.	Risk Management Group	Bennett Clarence Santiago

Annex D: Operational Risk (1/2)

Definition²⁵: Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events

At the enterprise level, Operational Risk Management has overall responsibility for Operational Risk as a Risk Control Owner in the 2nd line of Defense. The broad scope of Operational Risk requires subject matter expertise and specialization in areas such as: ML/TF, Information Technology, Legal etc. These specialized areas are categorized as Operational Risk subtypes. The Risk Control Owners responsible for Operational Risk subtypes have the same level of authority and responsibility for setting risk management standards as all other Risk Control Owners. They are not subordinated to the Operational Risk Management Function. The Operational Risk Management function collaborates with all Risk Control Owners to ensure Risk Management standards are applied consistently.

OPERATIONAL RISK SUBTYPE		DEFINITION	2 ND LINE OWNERSHIP	RESPONSIBLE GROUP HEAD
1.	IT Risk	Risk of loss resulting from adverse outcome, damage, loss, violation, failure or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks.	Risk Management Group	Bennett Clarence Santiago
2.	Information Security Risk	Risk of loss resulting from information security/cyber security breaches.	Risk Management Group	Bennett Clarence Santiago
3.	Business Continuity Risk	Risk of loss resulting from a prolonged interruption in business operations.	Risk Management Group	Bennett Clarence Santiago
4.	Regulatory Risk	Risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy.	Regulatory Affairs Group	Sheila Ricca Dioso
5.	Compliance Risk	Current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.	Regulatory Affairs Group	Sheila Ricca Dioso
6.	ML/TF Risk	Risk of loss arising from a covered person's failure to prevent itself from being used as a money laundering site and conduit for the proceeds of unlawful activities as well as financing the act of terrorism.	Regulatory Affairs Group	Sheila Ricca Dioso
7.	Fraud Risk	Risk of loss resulting from falling victim to activities involving internal and/or external fraud.	Risk Management Group	Bennett Clarence Santiago
8.	Legal Risk	Risk of loss resulting from uncertainty of legal proceedings that the Bank is currently or expected to be involved in.	Legal Affairs Group	George Gilbert dela Cuesta

²⁵ Basel / BSP Circular 538

OPERATIONAL RISK SUBTYPE		DEFINITION	2 ND LINE OWNERSHIP	RESPONSIBLE GROUP HEAD
9.	Human Resource Risk	Risk of loss arising from non-compliance with the Human Resources policies including Code of Conduct.	Human Resources Group	Rowena Subido
10.	Third Party Risk	Any risk associated with engaging a third party in the context of providing a service or product to a client (the second party). It is an umbrella term covering several potential risk types depending on the product or service, the third party and the nature of the engagement / relationship.	Risk Management Group	Bennett Clarence Santiago

Annex E: Operational Risk (2/2)

OPERATIONAL RISK EVENT TYPES IDENTIFIED BY THE BASEL COMMITTEE

EVENT TYPES		EXAMPLES
1.	Internal Fraud	Misappropriation of assets, tax evasion, intentional mismarking of positions, bribery
2.	External Fraud	Theft of information, hacking damage, third-party theft and forgery
3.	Business Disruption and Systems Failures	Utility disruptions, software failures, hardware failures
4.	Execution, Delivery, and Process Management	Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets
5.	Employment Practices and Workplace Safety	Discrimination, workers compensation, customer and employee health and safety, threats to community, biodiversity and cultural heritage.
6.	Clients, Products, and Business Practice	Market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning
7.	Damage to Physical Assets	Natural disasters, climate change (both physical and transition), water crises, environmental pollution, waste management, terrorism, vandalism

Annex F: Strategic Risk

Certain risks or events could affect the RCBC Group's strategies and business direction. Improper formulation or implementation of decisions in response to these risks, or lack of responsiveness to changes in industry and other external developments may have an adverse impact to the Group's financial position, reputation, competitiveness or business prospects. The list of risk events is compiled for reference only and should not be regarded as a complete list of the possible risk events that may affect the implementation of strategy. The events are not mutually exclusive and may occur in combination with one or two other risk events.

RISK/ EVENT		DEFINITION	HOW IS IT MANAGED?
1.	Real Estate Bubble	Risk of loss resulting from a real estate bubble (prices fueled by demand & speculation, then demand decreases as supply increases, resulting in a sharp price drop) ²⁶	The Bank's real estate exposure is monitored by different groups at different levels. Regulatory ratios (i.e., real estate loan limit, capital requirement after real estate stress test (REST)) and internal limits on real estate exposures are monitored and reported. Both industry and account specific risk ratings help track the risks within the portfolio.
2.	Macroeconomic/ Contagion Risk	Risk of loss arising from a shock in a particular economy or region spreading out and affecting others ²⁷	The process of monitoring and reporting under the strategic management process includes the tracking of macro-economic conditions affecting the Bank and is embedded in the management process through daily reports and weekly ALCO Eco updates from the Chief Economist. Limits and triggers (i.e., management action triggers) allow early management attention and response. Contingency plans (i.e., Liquidity Funding Plan, Recovery Plans) are in place of severe scenarios.
3.	Systemic Banking Crisis	The risk of financial difficulties at one or more banks spilling over to a large number of other banks or the financial system as a whole ²⁸	The Bank has an Enterprise Risk Management System, the ICAAP and the Recovery Plan in place to manage this risk.
4.	Digital Risk	Refers to all unexpected consequences that result from digital transformation and disrupt the achievement of business objectives ²⁹	The Bank manages this risk through an updated and robust cybersecurity program and policy. The IT and Fraud risk management system also helps to manage this risk. Strict implementation of the Know Your Customer (KYC) process is imbedded in the control processes.

²⁶ Bankrate. Real Estate Bubble. 2021, <https://www.bankrate.com/glossary/r/real-estate-bubble/>

²⁷ The Economic Times. Contagion. 2021, <https://economictimes.indiatimes.com/definition/contagion>

²⁸ Schoenmaker, D. Contagion Risk in Banking. Web Actuaries, 2021, https://web.actuaries.ie/sites/default/files/erm-resources/345_contagion_risk_in_banking.pdf

²⁹ Kost, E. What is Digital Risk? Definition and Protection Tactics for 2021. 2021, <https://www.upguard.com/blog/digital-risk>

RISK/ EVENT		DEFINITION	HOW IS IT MANAGED?
5.	Infectious Diseases	Massive and rapid spread of viruses, parasites, fungi or bacteria that cause an uncontrolled contagion of infectious diseases, resulting in an epidemic or pandemic with loss of life and economic disruption ³⁰	The Bank has a robust business continuity plan and infectious disease plan in place to manage this risk.

Aside from the strategies listed above, strategic risk is primarily managed by maintaining competitive prices, developing relevant products, and through superior customer service. This is in line with the Group's objective of managing strategic risk which is to retain customers, maintain competitive advantage, and become an employer of choice.

³⁰ World Economic Forum's The Global Risks Report 2021 <https://www.weforum.org/reports/the-global-risks-report-2021>

WORKS CITED

1. Deloitte, 2014. "Risk Appetite Frameworks: How to Spot the Genuine Article"
2. Financial Stability Board (FSB), 2013. "Principles for an Effective Risk Appetite Framework"
3. Harvard Business Review, 2012. "Managing Risks: A New Framework"
4. Institute of Internal Auditors, 2013. "The Three Lines of Defense in Effective Risk Management and Control", with updates in July 2020
5. Senior Supervisors Group (SSG), 2009. "Risk Management Lessons from the Global Banking Crisis of 2008"



Re: RCBC MTN Programme and Bond Issuance - ACCom Notification of fees to perform AUP for the issuance of a comfort letters (Project Rapid 3)

*****This message (and any attachment transmitted herewith) contains information which is confidential, privileged and meant for the exclusive use of the addressee.

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Dear **Directors**.

Good afternoon. The Treasury Group has already provided the updated memo and annexes in relation to the P&A engagement and fees to perform AUP for the updating of the Bank's EMTN Programme. Attached are the following:

- AuditCom Memo
- Annex A - Board Approval
- Annex B - Revised Proposal P&A

For your notification and confirmation, please.

Thank you and best regards,



Address: 8F Y Tower II [111 LP Leviste St](#), Salcedo Village, Makati City
Phone Number: 8894-9000 loc. 1853

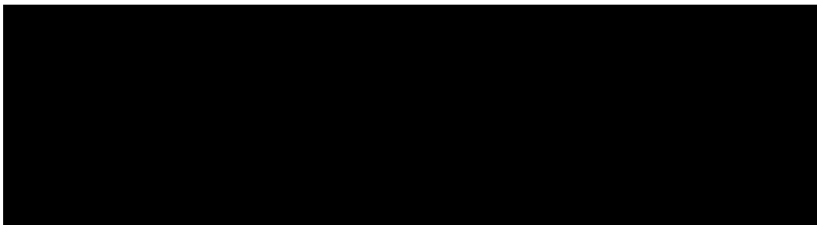


On Wed, Nov 6, 2024 at 11:53 AM Randy Regencia <rdregencia@rcbc.com> wrote:
Dear **Directors**.

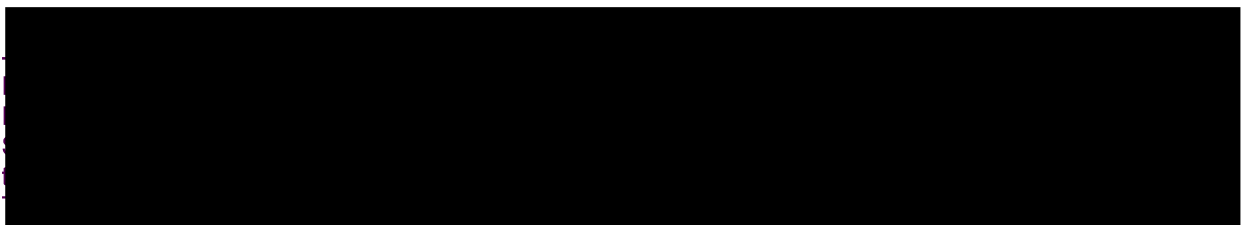
Good morning. Our partners from the Treasury Group would like to seek the ACCom's notification and confirmation in relation to the P&A engagement and fees to perform AUP for the updating of the Bank's EMTN Programme. Attached are the following:

- AuditCom Memo
- Annex A - Board Approval
- Annex B - P&A Proposal

Thank you and best regards,



Address: 8F Y Tower II [111 LP Leviste St](#), Salcedo Village, Makati City
Phone Number: 8894-9000 loc. 1853





Dear Red & Lan,

The Board approved last Oct 28 the updating of the Bank's EMTN Programme and a possible bond issuance thereafter. As such, we would like to provide the memo notifying the ACCom the fees related to P&A to perform AUP for the issuance of a comfort letters.

As instructed in previous approvals, these engagements with P&A are just subject to notification/ confirmation by the ACCom.

We would like to ask if this can be routed to the ACCom Members for their notification/ confirmation.


Thank you.



Service is an attitude



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Service is an attitude



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<Audit Com Memo for Rapid 3 102924 - signed.pdf>

<Annex A - Board Approval.pdf>

4/10/25, 2:27 PM

Rizal Commercial Banking Corporation Mail - Re: RCBC MTN Programme and Bond Issuance - ACCom Notification of fees to perf...

<Annex B - Revised Proposal P&A - RCBC EMTN Update and issuance.pdf>

Excerpt of a Board Meeting showing the attendance and participation of the Board in the



RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Regular Meeting of the
Board of Directors
August 27, 2024, 2:00 p.m.
RCBC Boardroom, 47th Floor, Yuchengco Tower, RCBC Plaza
and Via Remote Communication
(Zoom Meeting ID: 824 0478 8512; Passcode: BoDAug2024)

Members Present:

1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Eugene S. Acevedo, President and CEO
4. Mr. Gil A. Buenaventura
5. Mr. Amando M. Medina
6. Mr. John Law
7. Mr. Shih-Chiao (Joe) Lin
8. Mr. Hiroki Nakatsuka
9. Mr. Katsufumi Uchida
10. Mr. Juan B. Santos, Lead Independent Director
11. Mr. Gabriel S. Claudio, Independent Director
12. Mr. Vaughn F. Montes, Ph.D., Independent Director
13. Mr. Laurito E. Serrano, Independent Director
14. Ms. Erika Fille T. Legara, Ph.D., Independent Director

Absent:

15. Ms. Gayatri P. Bery

I. QUORUM

With 11 directors participating face-to-face, and 3 by remote communication, Atty. dela Cuesta confirmed the presence of a quorum. The location of each director participating by remote communication and the gadget used are listed in the Table annexed to this Minutes.

Rizal Commercial Banking Corporation
Minutes of the August 27, 2024
Regular Meeting of the Board of Directors

2.

ANNEX			
LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING			
	Director	Location	Device
1.	Mr. John Law	France	iPad
2.	Mr. Shih-Chiao (Joe) Lin	Taiwan	Laptop
3.	Mr. Laurito E. Serrano	Italy	iPad

Rizal Commercial Banking Corporation



RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Regular Meeting of the
Board of Directors
September 30, 2024, 2:00 p.m.
RCBC Boardroom, 47th Floor, Yuchengco Tower, RCBC Plaza
and Via Remote Communication
(Zoom Meeting ID: 816 0797 0485; Passcode: BoDSep2024)

Members Present:

1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Eugene S. Acevedo, President and CEO
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
10. Mr. Katsufumi Uchida
11. Mr. Juan B. Santos, Lead Independent Director
12. Mr. Gabriel S. Claudio, Independent Director
13. Mr. Vaughn F. Montes, Ph.D., Independent Director
14. Mr. Laurito E. Serrano, Independent Director
15. Ms. Erika Fille T. Legara, Ph.D., Independent Director

I. QUORUM

With 12 directors participating face-to-face, and 3 by remote communication, Atty. dela Cuesta confirmed the presence of a quorum. The location of each director participating by remote communication and the gadget used are listed in the Table annexed to this Minutes.

Rizal Commercial Banking Corporation
Minutes of the September 30, 2024
Regular Meeting of the Board of Directors

2

ANNEX			
LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING			
	Director	Location	Device
1.	Mr. Shih-Chiao (Joe) Lin	Taiwan	Laptop
2.	Ms. Gayatri P. Bery	Japan	Smartphone
3.	Mr. Katsufumi Uchida	Japan	iPad

Rizal Commercial Banking Corporation
Minutes of the September 30, 2024
Regular Meeting of the Board of Directors

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RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Special Meeting of the
Board of Directors
December 9, 2024, 2:00 p.m.
RCBC Boardroom, 47th Floor, Yuchengco Tower, RCBC Plaza
Via Remote Communication
(Zoom Meeting ID: 864 5105 4863; Passcode: BoDDec2024)

Members Present:

1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Eugene S. Acevedo, President and CEO
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
10. Mr. Katsufumi Uchida
11. Mr. Juan B. Santos, Lead Independent Director
12. Mr. Gabriel S. Claudio, Independent Director
13. Mr. Vaughn F. Montes, Ph.D., Independent Director
14. Mr. Laurito E. Serrano, Independent Director
15. Ms. Erika Fille T. Legara, Ph.D., Independent Director

I. QUORUM

With 15 directors participating by remote communication,¹ Atty. dela Cuesta confirmed the presence of a quorum. The locations and gadgets used are listed in the Table annexed to this Minutes.

¹ The meeting had to be done by remote communication in view of unforeseen issues with the Building's ACU.

ANNEX LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING			
	Director	Location	Device
1.	Ms. Helen Y. Dee	RCBC Plaza	iPad
2.	Mr. Cesar E.A. Virata	RCBC Plaza	iPad
3.	Mr. Eugene S. Acevedo	RCBC Plaza	Laptop
4.	Mr. Gil A. Buenaventura	Alabang, Muntinlupa City	iPad
5.	Mr. John Law	Makati City	iPad
6.	Mr. Shih-Chiao (Joe) Lin	Makati City	Laptop
7.	Ms. Gayatri P. Bery	Hong Kong	Tablet
8.	Mr. Armando M. Medina	Silang, Cavite	iPad
9.	Mr. Hiroki Nakatsuka	RCBC Plaza	iPad
10.	Mr. Katsufumi Uchida	SMBC Singapore Office	Laptop
11.	Mr. Juan B. Santos	Makati City	Desktop
12.	Mr. Gabriel S. Claudio	Quezon City	iPad
13.	Mr. Vaughn F. Montes	Cupang, Muntinlupa City	Laptop
14.	Mr. Laurito E. Serrano	Makati City	iPad
15.	Ms. Erika Fille T. Legara	Makati City	Laptop

1. **Proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting –**

Board Papers are generally released to the Board 5 business days (1 calendar week) before the meeting.

Screenshot of sample dates of sending out of materials.

The screenshot shows an email distribution list with the following entries:

To:	From:	Subject:	Date:
...	...	RESTRICTED: RCBC Board Meeting Material - June 29, 2024 - Part 1 of 1	6/27/24
...	...	RESTRICTED: RCBC Board Meeting Material - May 21, 2024 - Part 1 of 1	5/20/24
...	...	RESTRICTED: RCBC Board Meeting Material for Executive Session - April 29, 2024 - Part 1 of 1	4/22/24
...	...	RESTRICTED: RCBC Board Meeting Material - April 29, 2024 - Part 1 of 1	4/22/24
...	...	RESTRICTED: RCBC Board Meeting Material - March 25, 2024 - Part 1 of 1	3/20/24
...	...	RESTRICTED: RCBC Board Meeting Material - February 26, 2024 - Part 1 of 1	2/19/24
...	...	RESTRICTED: RCBC Board Meeting Material for Executive Session - January 29, 2024 - Part 1 of 1	1/22/24
...	...	RESTRICTED: RCBC Board Meeting Material - January 29, 2024 - Part 1 of 1	1/22/24

Good Day!

Attached is the Material for the **January Meeting of the Board to be held at the RCBC Boardroom (for the Directors and Advisory Board) and via Zoom Conference for SMC and the contractors on January 29, 2024**, for downloading to your Mac/Phone.

For those unable to attend face-to-face, Room details for the meeting (which will be recorded) are as follows:

Topic: January 29, 2024 Board Meeting
Time: 02:00 PM Asia/Manila

Join Zoom Meeting
<https://us02web.zoom.us/j/89940176336?pwd=cnNkZWlFb6MEbTQ3ZWlnSHZlMm50c1l1UT09>

Meeting ID: 899 4017 6336
Passcode: BoDJan2024

The attached files have the following names:

1. A. - January 09, 2024 Board Agenda
2. A.1. - November 26, 2023 Board Minutes
3. A.1.1 - December 11, 2023 Board Minutes
4. A.2. - List of Activities Assigned to the Executive Committee
5. A.2.1 - Executive Committee Minutes for November 19, 2023
6. A.2.2 - Executive Committee Minutes for November 22, 2023
7. A.2.3 - Executive Committee Minutes for November 28, 2023
8. A.2.4 - Executive Committee Minutes for December 6, 2023
9. A.2.5 - Executive Committee Minutes for December 13, 2023
10. A.2.6 - Executive Committee Minutes for January 3, 2024
11. A.2.7 - Executive Committee Minutes for January 10, 2024
12. A.3. - Task Committee Highlights for November 28, 2023
13. A.3.1 - Task Committee Minutes for November 28, 2023
14. A.4. - Risk Oversight Committee Highlights for December 1, 2023
15. A.4.1 - Risk Oversight Committee Minutes for December 1, 2023
16. A.4.2 - Risk Oversight Committee Executive Session Highlights for December 1, 2023
17. A.4.3 - Risk Oversight Committee Executive Session Minutes for December 1, 2023
18. B.1. - Dividends on Hybrid Preferred Securities
19. B.2. - 2024 Authorized Signatories
20. B.3. - List of MPPs, Grants
21. B.4. - RCBA - Policies and Implementing Guidelines
22. B.5. - Group Fee by Holdings Corporate Lease Renewal
23. C.1. - RCBC International Finance Ltd.
24. C.2. - National Remittance Corporation of the Philippines

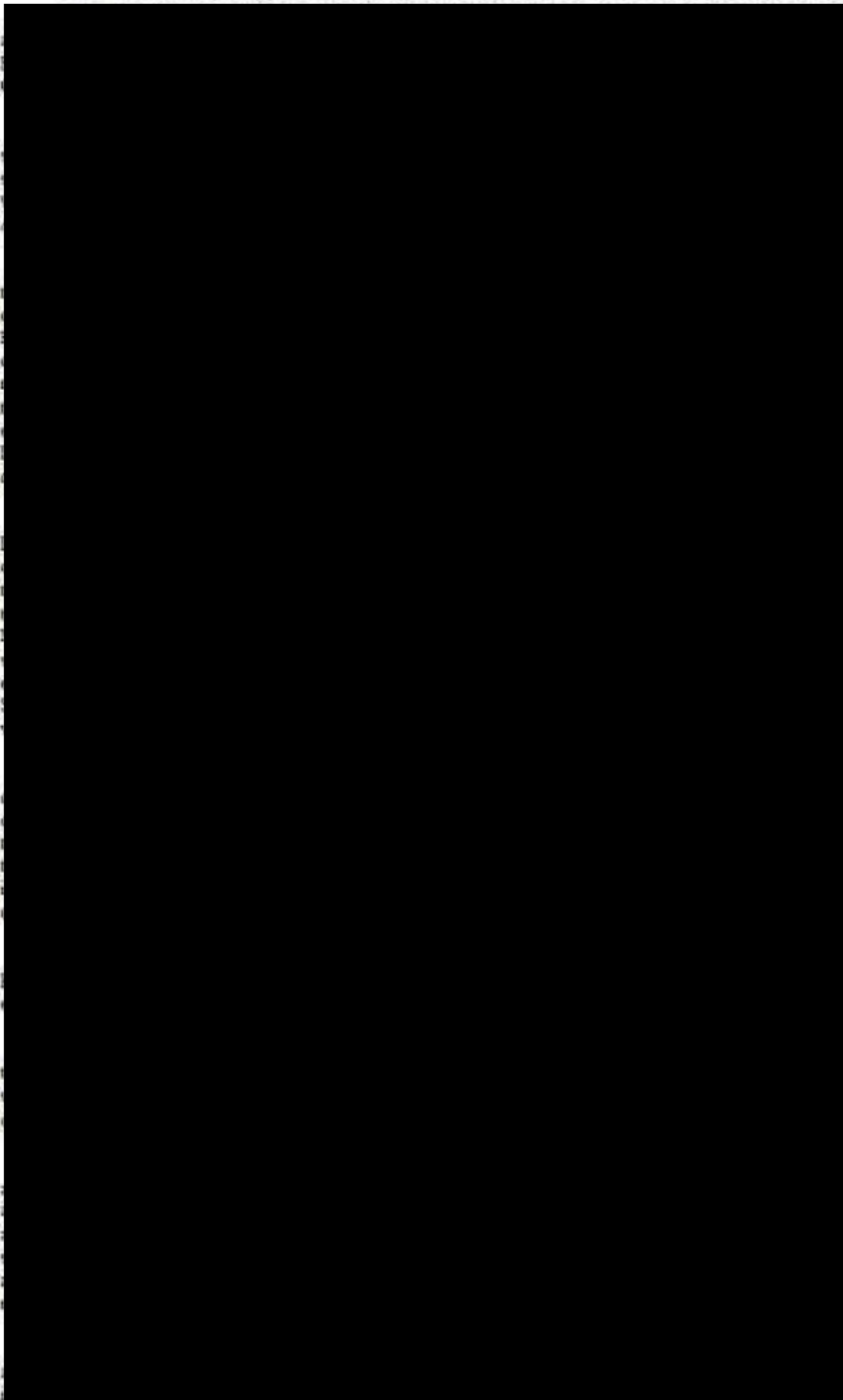
2. **Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) –**


Materials are sent ahead of time to the Board so that they are fully informed of the matters to be taken up during Board Meetings. The discussions during meetings show that the directors act in good faith, with due diligence and care, and in the best interest of the company.

Sample Minutes from Board meetings

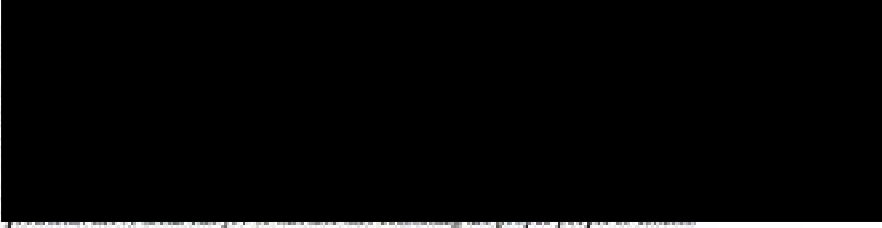
January 30, 2024

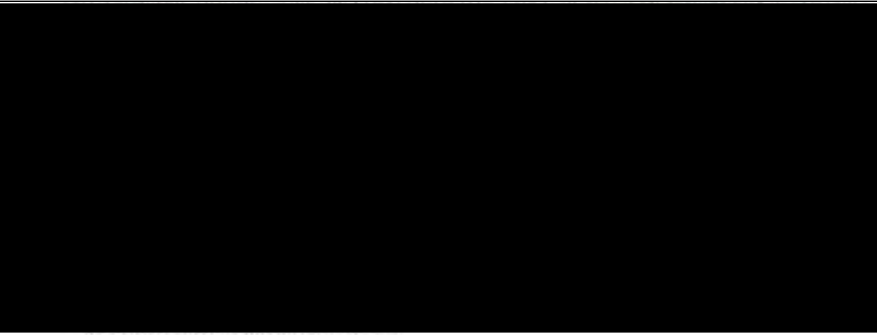




	
Rizal Commercial Banking Corporation Minutes of the January 29, 2024 Regular Meeting of the Board of Directors	
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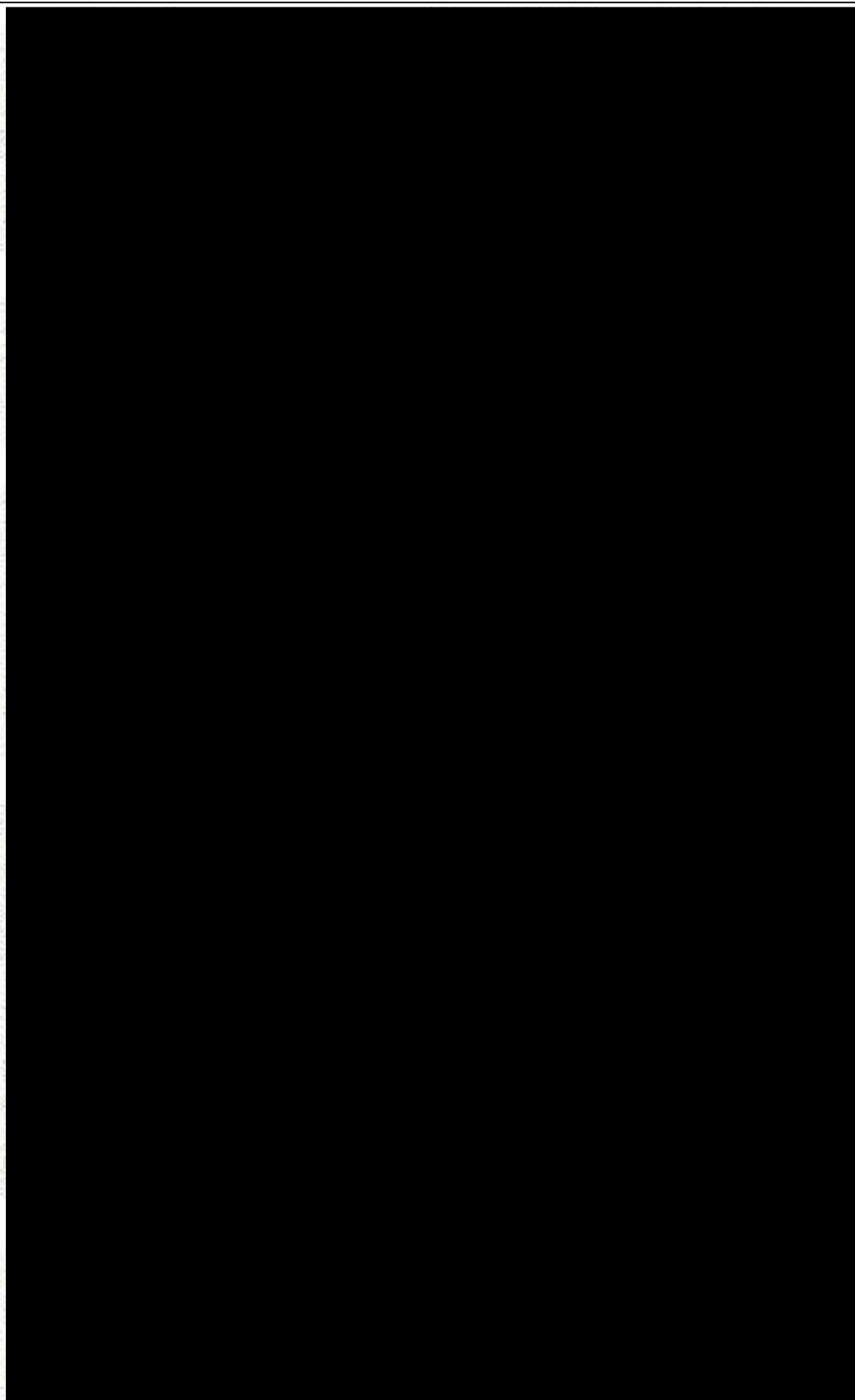
February 26, 2024

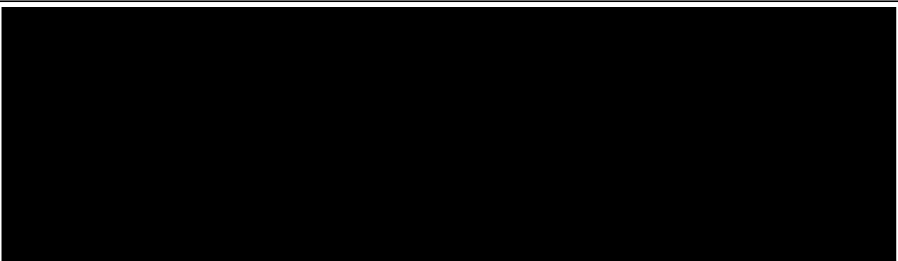
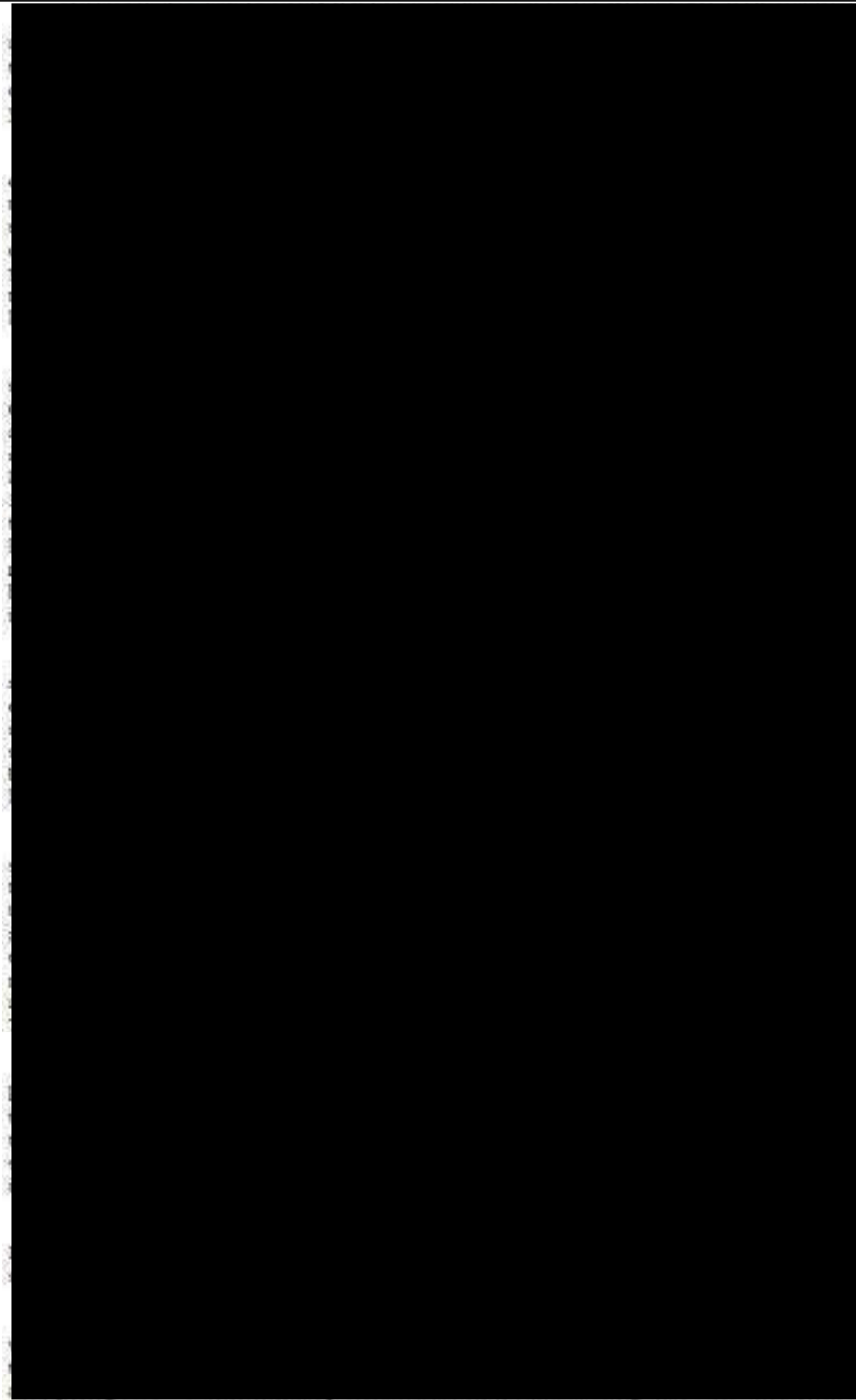
	
Rizal Commercial Banking Corporation Minutes of the February 26, 2024 Regular Meeting of the Board of Directors	
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Rizal Commercial Banking Corporation Minutes of the February 26, 2024 Regular Meeting of the Board of Directors	
	45

March 25, 2024

	
Rizal Commercial Banking Corporation Minutes of the March 25, 2024 Regular Meeting of the Board of Directors	
	16





May 27, 2024



Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

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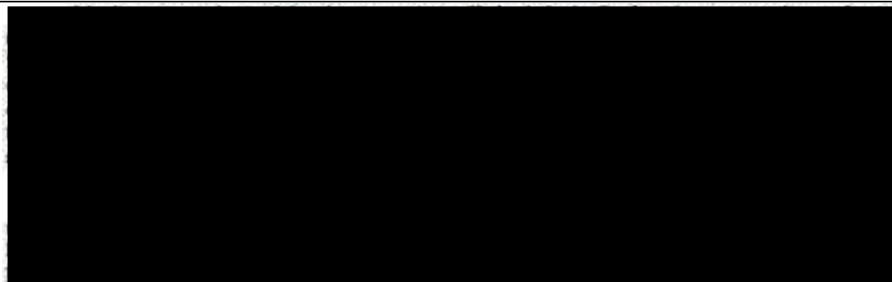
Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

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Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

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Rinal Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

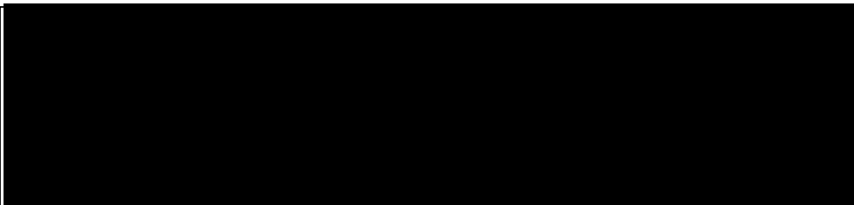
32

June 24, 2024



Rural Commercial Banking Corporation
Minutes of the June 24, 2024
Regular Meeting of the Board of Directors

9



Rural Commercial Banking Corporation
Minutes of the June 24, 2024
Regular Meeting of the Board of Directors

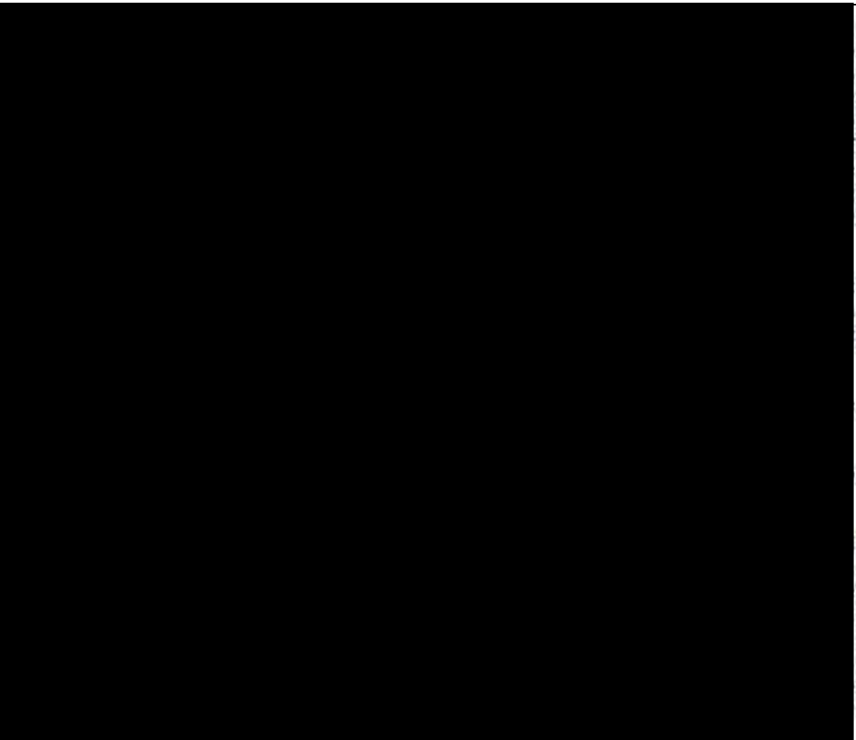
42

July 29, 2024

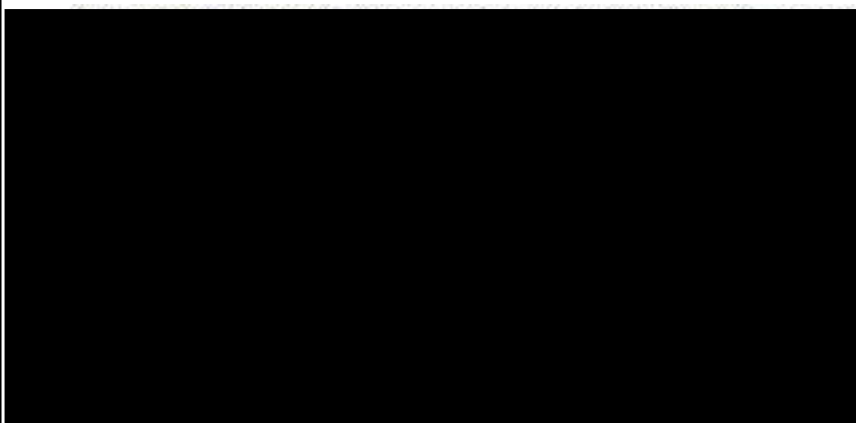


Rural Commercial Banking Corporation
Minutes of the July 29, 2024
Regular Meeting of the Board of Directors

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August 27, 2024



September 30, 2024



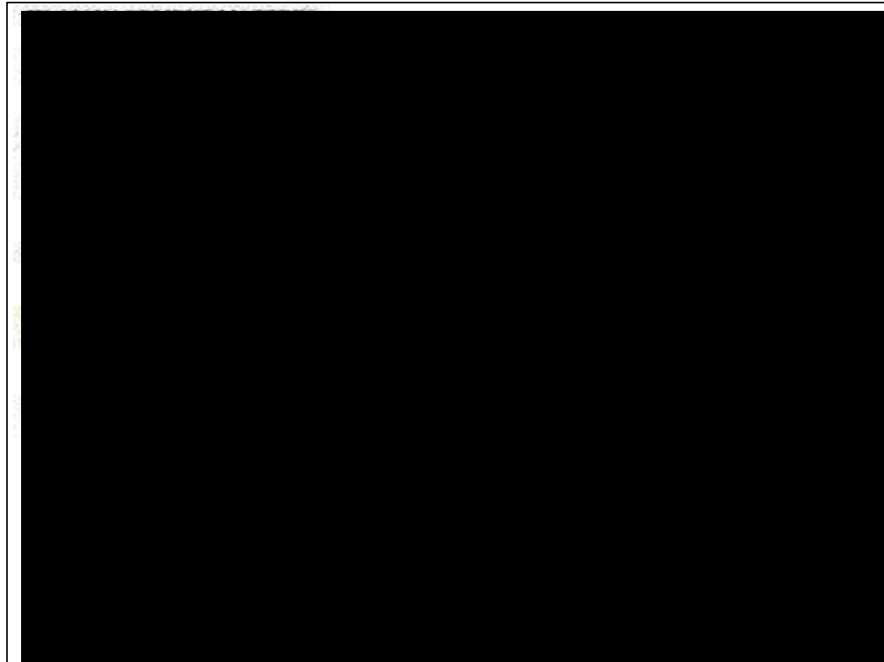
Rural Commercial Banking Corporation
Minutes of the September 30, 2024
Regular Meeting of the Board of Directors

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3. **Provide information or link/reference to a document containing information on how the directors performed the oversight on the development, review and approval of business objectives and strategies (can include board resolutions, minutes of meeting), Indicate frequency of review of business objectives and strategy –**

In November 2024, the Board approved the 2025 Annual Board Plan which contains the business strategies of the different business groups. It shows that, every month, one business group makes a strategy presentation to the Board for discussion. Also included in the Board Plan is an Offsite Board Strategy Planning Session. In addition, part of the budget matters tackled in the Special BOD Meeting in December 2024 is the discussion on the strategy undertaken for the previous fiscal year and the strategy moving forward.

Excerpt of Minutes of the November 25, 2024 Board Meeting showing the approval of the Annual Board Plan

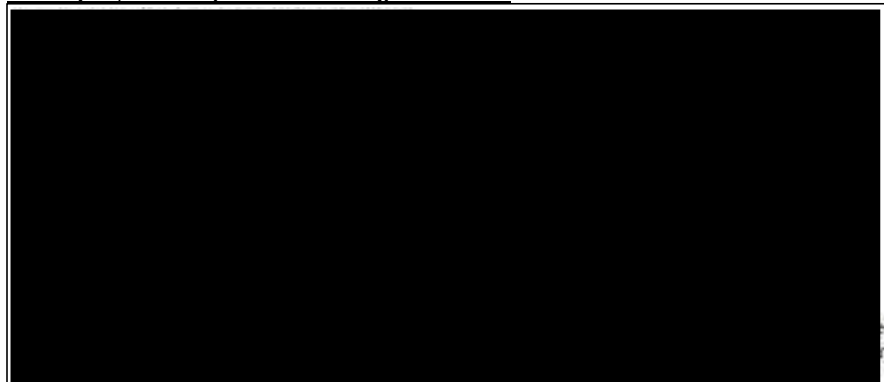


Rural Commercial Banking Corporation
Minutes of the November 25, 2024
Regular Meeting of the Board of Directors

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Excerpts of Minutes showing the monthly presentations on strategic initiatives.

January 29, 2024 – Updates on Strategic Initiatives



Rural Commercial Banking Corporation
Minutes of the January 29, 2024
Regular Meeting of the Board of Directors

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TO: CORPORATE GOVERNANCE COMMITTEE
DATE: January 5, 2024
SUBJECT: Evaluation of the Additional Interlocking Position of Mr. Eugene S. Acevedo (University of San Carlos)

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of President and CEO/Director Eugene S. Acevedo, for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

The request covers President Acevedo's interlocking position as Trustee of the University of San Carlos.

Attached are the Information Sheets on the foregoing Interlocking Position covering both the requirements stemming from Mr. Acevedo's position as President and CEO, as well as from his being a Director of the Bank. Likewise attached is the Certification confirming that Mr. Acevedo has obtained the consent of all entities with which he has interlocking positions.

TO: CORPORATE GOVERNANCE COMMITTEE
DATE: April 5, 2024
SUBJECT: Evaluation of the Changes in Interlocking Positions of Mr. Katsufumi Uchida

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the changes in interlocking positions of Director Katsufumi Uchida for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval. The changes are as follows:

Registered Name	Position
Sumitomo Mitsui Banking Corporation	Managing Executive Officer
	Head of Asia Business Development Division
	Deputy Co-Head of APAC Division
Sumitomo Mitsui Financial Group	Managing Executive Officer

Attached are the Information Sheet on the interlocking positions of Director Uchida and his notarized Certification confirming that he has obtained the prior consent of all entities with which he has interlocking positions.

TO: CORPORATE GOVERNANCE COMMITTEE
DATE: May 16, 2024
SUBJECT: Evaluation on the Additional Interlocking Position of Independent Director Serrano

In accordance with the BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of Independent Director Laurito E. Serrano (highlighted in yellow) for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

In particular, Independent Director Serrano has been nominated as an independent director of Belle Corporation. He received confirmation of the nomination only on May 15, 2025 and was informed that the election will take place on May 31, 2024, during the said company's Annual Stockholders' Meeting.

Attached are Independent Director Serrano's Information Sheet and Certification confirming, among others, that he obtained the consent of all entities with which he has interlocking positions.

TO: CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE
DATE: July 15, 2024
SUBJECT: Evaluation on the Additional Interlocking Position of Lead Independent Director Santos

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking positions of Lead Independent Director Juan B. Santos (highlighted in yellow) for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

In particular, Lead Independent Director Santos has been nominated as a director of Marsman Drysdale Agribusiness Holdings, Inc. (MDAHI) and Marsman Drysdale Foundation, Inc. He received confirmation of the nominations recently. He agreed to the appointments subject to the notice and clearance from all his directorships in publicly listed companies, including the Bank. Mr. Santos has already relinquished his post in Sun Life Grepa Financial, Inc. as of end of June 2024.

TO:	CORPORATE GOVERNANCE COMMITTEE
DATE:	November 25, 2024
SUBJECT:	Evaluation on the Additional Interlocking Position of Independent Director Serrano

In accordance with the BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of Independent Director Laurito E. Serrano (highlighted in yellow) for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

In particular, Independent Director Serrano has been nominated as an independent director of Century Peak Holdings Corporation. The Bank received confirmation of the nomination late in the evening of November 24, 2024 and was informed that the election will take place during the said company's Annual Stockholders' Meeting in December 2024.

As November 25, 2024 is the last regular meeting of the Board, urgent approval and endorsement is requested.

Attached are Independent Director Serrano's Information Sheet and Certification confirming, among others, that he obtained the consent of all entities with which he has interlocking positions.

January 29, 2024 Board Approval as Endorsed by the CG Com

<p>- <u>Additional Interlocking Position of Mr. Eugene S. Acevedo</u> – as Trustee of the University of San Carlos. Finding no conflict and no impediment to Mr. Acevedo's performance as director/officer of the Bank, the CG Com endorsed his additional interlocking position as Trustee of the University of San Carlos.</p>	
<p>Rizal Commercial Banking Corporation Minutes of the January 29, 2024 Regular Meeting of the Board of Directors</p>	10
<p>Resolution No. BR-24-007</p> <p>BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be fully compliant therewith, the Board of Directors approves, confirms, and ratifies the interlocking position of Mr. Eugene S. Acevedo, President and Chief Executive Officer, as Trustee of the University of San Carlos, subject to BSP and/or other regulatory approvals as may be required</p>	
<p>Rizal Commercial Banking Corporation Minutes of the January 29, 2024 Regular Meeting of the Board of Directors</p>	13

April 29, 2024 Board Approval as Endorsed by the CG Com

<p>- <u>Changes in the interlocking positions of Director Katsufumi Uchida</u> – The changes in the designations of Director Uchida pertain to his positions in Sumitomo Mitsui Banking Corporation (SMBC). The first change is the deletion of his position as Head of Asia Business Development Division. The second is the change in his designation from Deputy Head to Co-Head of APAC Division. The latter will not in any way hinder Mr. Uchida's performance as Director of the Bank as any increase in responsibility is, at the very least, counterbalanced by the deletion of his position as Head of SMBC's Asia Business Development Division.</p>									
<p>Rizal Commercial Banking Corporation Minutes of the April 29, 2024 Regular Meeting of the Board of Directors</p>	6								
<p>Resolution No. BR-24-073</p> <p>BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be fully compliant therewith, the Board of Directors confirms and approves the changes in the interlocking positions of Director Katsufumi Uchida in Sumitomo Mitsui Banking Corporation as follows:</p> <table border="1"> <thead> <tr> <th>From</th><th>To</th></tr> </thead> <tbody> <tr> <td>Manager Executive Director</td><td>Manager Executive Director</td></tr> <tr> <td>Head of Asia Business Development Department</td><td></td></tr> <tr> <td>Deputy Head of APAC Division</td><td>Co-Head of APAC Division</td></tr> </tbody> </table>		From	To	Manager Executive Director	Manager Executive Director	Head of Asia Business Development Department		Deputy Head of APAC Division	Co-Head of APAC Division
From	To								
Manager Executive Director	Manager Executive Director								
Head of Asia Business Development Department									
Deputy Head of APAC Division	Co-Head of APAC Division								
<p>Rizal Commercial Banking Corporation Minutes of the April 29, 2024 Regular Meeting of the Board of Directors</p>	7								

May 27, 2024 Board Approval as Endorsed by the CG Com

<div><div>- <u>Interlocking position of Independent Director Laurito Serrano in Belle Corporation</u> – After assessing the absence of any conflict of interest and determining that he would still be able to perform his duties and responsibilities in the Bank, the CG Com endorsed for Board approval the interlocking position of Independent Director Serrano as Independent Director of Belle Corporation.</div><div><div><i>Resolution No. BR-24-093</i></div><div>BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be fully compliant therewith, the Board of Directors confirms and approves the additional interlocking directorship of Independent Director Laurito E. Serrano as Independent Director of Belle Corporation:</div></div></div> <div><div>Rizal Commercial Banking Corporation</div><div>Minutes of the May 27, 2024</div><div>Regular Meeting of the Board of Directors</div></div> <div>9</div>
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July 29, 2024 Board Approval as Endorsed by the CG Com

<div><div>- <u>Interlocking positions of Lead Independent Director Juan B. Santos</u> – Mr. G.S. Claudio reported on this matter. After assessing the absence of any conflict of interest and determining that he would still be able to perform his duties and responsibilities in the Bank, the CGN Com endorsed for Board approval the additional interlocking positions of Lead Independent Director Santos as Trustee in Marsman Drysdale Foundation, Inc. and as Director of Marsman Drysdale Agribusiness Holdings, Inc. Effective June 5, 2024, Mr. Santos ceased to be an Independent Director of Sun Life Grepa Financial, Inc.</div><div><div><i>Resolution No. BR-24-133</i></div><div>BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be fully compliant therewith, the Board of Directors confirms and approves the additional interlocking directorships of Lead Independent Director Santos as Trustee in Marsman Drysdale Foundation, Inc. and as Director of Marsman Drysdale Agribusiness Holdings, Inc.</div></div></div> <div><div>Rizal Commercial Banking Corporation</div><div>Minutes of the July 29, 2024</div><div>Regular Meeting of the Board of Directors</div></div> <div>6</div>
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January 27, 2025 Board Approval as Endorsed by the CG Com

<div><div>1. <u>Interlocking Position of Director Ted Serrano in Century Peak Holdings Inc.</u> (Routed by email on November 25, 2024)</div><div>The matter was endorsed by the Corporate Governance Committee and the required approval votes were received by November 26, 2024.</div><div>On motion duly made and seconded, with Mr. Serrano inhibiting, the Board issued the following resolution:</div><div><div><i>Resolution No. BR-25-016</i></div><div>BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that, on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be fully compliant therewith, the Board of Directors approves, confirms, and ratifies its November 26, 2024 approval by referendum of the additional interlocking directorship of Director Laurito E. Serrano as Independent Director of the Century Peak Holdings Corporation.</div></div></div> <div><div>Rizal Commercial Banking Corporation</div><div>Minutes of the January 27, 2025</div><div>Regular Meeting of the Board of Directors</div></div> <div>42</div>


6. **Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.**

Directors who have a material interest in matters raised before the Board abstain from deliberations and voting thereon. The inhibitions/abstentions are duly recorded in the Minutes of the Meetings.

Please see samples taken from various Minutes of Board meetings.


<p>Rizal Commercial Banking Corporation Minutes of the January 29, 2024 Regular Meeting of the Board of Directors</p> <p style="text-align: right;">27</p>

BE IT RESOLVED FURTHER, AS IT IS HEREBY RESOLVED, that the Board



to implement the foregoing resolution.

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson of Grepa Realty Holdings Corporation and Chairperson of Sun Life Grepa Financial, Inc. (SLGFI) which owns 51% of Grepa Realty Corporation
J.B. Santos	- Independent Director of SLGFI

Ms. Dee abstained as required by the Bank's RPT Policy.

Rizal Commercial Banking Corporation
Minutes of the January 29, 2024
Regular Meeting of the Board of Directors


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February 26, 2024

On motion duly made and seconded, with the directors inhibiting as indicated below, the Board approved the following resolution:

Resolution No. BR-24-014

BE IT RESOLVED: AS IT IS HEREBY RESOLVED, that the Board of Directors



Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson of Malayan Insurance Corporation
C.E.A. Virata	- Director of Malayan Insurance Corporation
G.A. Buenaventura	- Director of Malayan Insurance Corporation

H.Y. Dee abstained as required by the Bank's RPT Policy

Rizal Commercial Banking Corporation
Minutes of the February 26, 2024
Regular Meeting of the Board of Directors

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March 25, 2024

Ricel Commercial Banking Corporation
Minutes of the March 25, 2024
Regular Meeting of the Board of Directors

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Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson of House of Investments, Inc. (HOI), which owns 40% of RCBC Trust Corporation
C.E.A. Viram	- Director of RCBC Trust Corporation
E.S. Acevedo	- Director of RCBC Trust Corporation
G. A. Buenaventura	- Director of HOI
J.B. Santos	- Chairman of RCBC Trust Corporation and Independent Director of HOI
V.F. Montes	- Director of RCBC Trust Corporation
L.E. Serrano	- Director of RCBC Trust Corporation

Ms. Dee also abstained as required by the Bank's RPT Policy.

Ricel Commercial Banking Corporation
Minutes of the March 25, 2024
Regular Meeting of the Board of Directors

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Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H. Nakatsuka	- Managing Director of Asia Growing Markets Department of Sumitomo Mitsui Banking Corporation (SMBC) which majority owns PT Bank BTPN Tbk
K. Uchida	- Managing Executive Officer and Head of Asia Business Development Division of SMBC

Ricel Commercial Banking Corporation
Minutes of the March 25, 2024
Regular Meeting of the Board of Directors

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April 29, 2024

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson of PetroEnergy Resources Corporation (PERC) and Chairperson of House of Investments, Inc. (HOI), which owns more than 25% of PERC
G. A. Buenaventura	- Director of HOI
J.B. Santos	- Independent Director of HOI

Ms. Dee also abstained as required by the Bank's RPT Policy.

Ricel Commercial Banking Corporation
Minutes of the April 29, 2024
Regular Meeting of the Board of Directors

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May 27, 2024

the Bank
transaction

Rural Commercial Banking Corporation
Minutes of the May 27, 2024
Regular Meeting of the Board of Directors

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June 24, 2024

Rural Commercial Banking Corporation
Minutes of the June 24, 2024
Regular Meeting of the Board of Directors

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On motion duly made and seconded, with Ms. Dee, Mr. Virata, and Mr. Buenaventura inhabiting the Board approved the following resolution.

Resolution No. RR-24-119



Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson of Malayan Insurance Co., Inc.
C.E.A. Virata	- Director of Malayan Insurance Co., Inc.
G.A. Buenaventura	- Director of Malayan Insurance Co., Inc.

Ms. Dee also abstained as required by the Bank's RPT Policy.

Rizal Commercial Banking Corporation
Minutes of the June 24, 2024
Regular Meeting of the Board of Directors

26



Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson and President of Niyo Holdings, Inc. which owns 54.92% of Hydee Management & Resource Corporation.
	- First-degree relative (parent) of the beneficial owners of Hydee Management & Resource Corporation.

Ms. Dee also abstained as required by the Bank's RPT Policy.

Rizal Commercial Banking Corporation
Minutes of the June 24, 2024
Regular Meeting of the Board of Directors

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Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

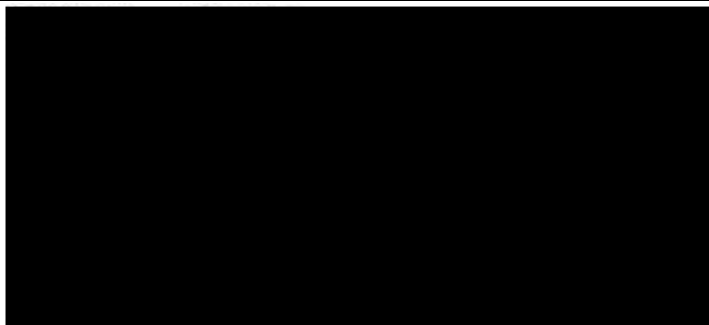
H.Y. Dee	- Chairperson of House of Investments, Inc. (HOI), which owns 48% of iPeople, Inc. and the latter wholly owns Malayan Education System, Inc. (MAPUA University). The rest of the borrowers are wholly owned by Malayan Education System, Inc. (MAPUA University).
C.E.A. Virata	- Trustee of Malayan Education System, Inc. (MAPUA University)
G.A. Buenaventura	- Director of HOI
J.B. Santos	- Independent Director of HOI

Ms. Dee also abstained as required by the Bank's RPT Policy.

Rizal Commercial Banking Corporation
Minutes of the June 24, 2024
Regular Meeting of the Board of Directors

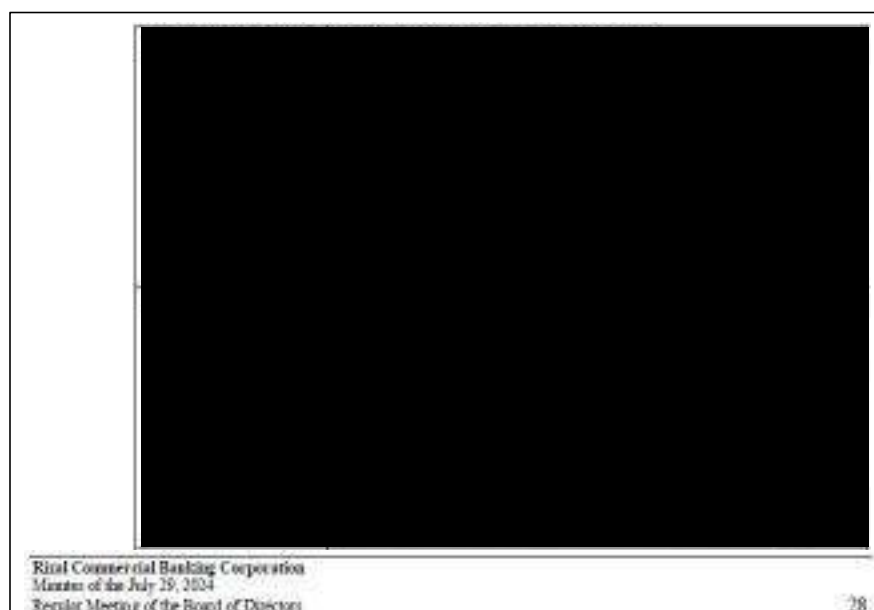
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July 29, 2024




Rizal Commercial Banking Corporation
Minutes of the July 29, 2024
Regular Meeting of the Board of Directors

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7. Excerpt of a board meeting showing the attendance and participation of the Board via videoconferencing.



RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Regular Meeting of the
Board of Directors
August 27, 2024, 1:00 p.m.
RCBC Boardroom, 47th Floor, Yuchengco Tower, RCBC Plaza
and Via Remote Communication
(Zoom Meeting ID: 824 0478 8512; Passcode: BoD/Aug2024)

Members Present:

1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Eugene S. Acevedo, President and CEO
4. Mr. Gil A. Buenaventura
5. Mr. Armando M. Medina
6. Mr. John Law
7. Mr. Shih-Chiao (Joe) Lin
8. Mr. Hiroki Nakamura
9. Mr. Katsufumi Uchida
10. Mr. Juan B. Santos, Lead Independent Director
11. Mr. Gabriel S. Claudio, Independent Director
12. Mr. Vaughn F. Montes, Ph.D., Independent Director
13. Mr. Laurito E. Serrano, Independent Director
14. Ms. Erika Fille T. Legara, Ph.D., Independent Director

Absent:

15. Ms. Gayatri P. Bery

I. QUORUM

With 11 directors participating face-to-face, and 3 by remote communication, Atty. dela Cuesta confirmed the presence of a quorum. The location of each director participating by remote communication and the gadget used are listed in the Table annexed to this Minutes.

Rizal Commercial Banking Corporation
Minutes of the August 27, 2024
Regular Meeting of the Board of Directors

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ANNEX			
LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING			
	Director	Location	Device
1.	Mr. John Law	France	iPad
2.	Mr. Shih-Chiao (Joe) Lin	Taiwan	Laptop
3.	Mr. Laurito E. Serrano	Italy	iPad

Rizal Commercial Banking Corporation
Minutes of the August 27, 2024
Regular Meeting of the Board of Directors

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RESTRICTED



RIZAL COMMERCIAL BANKING CORPORATION

A G E N D A

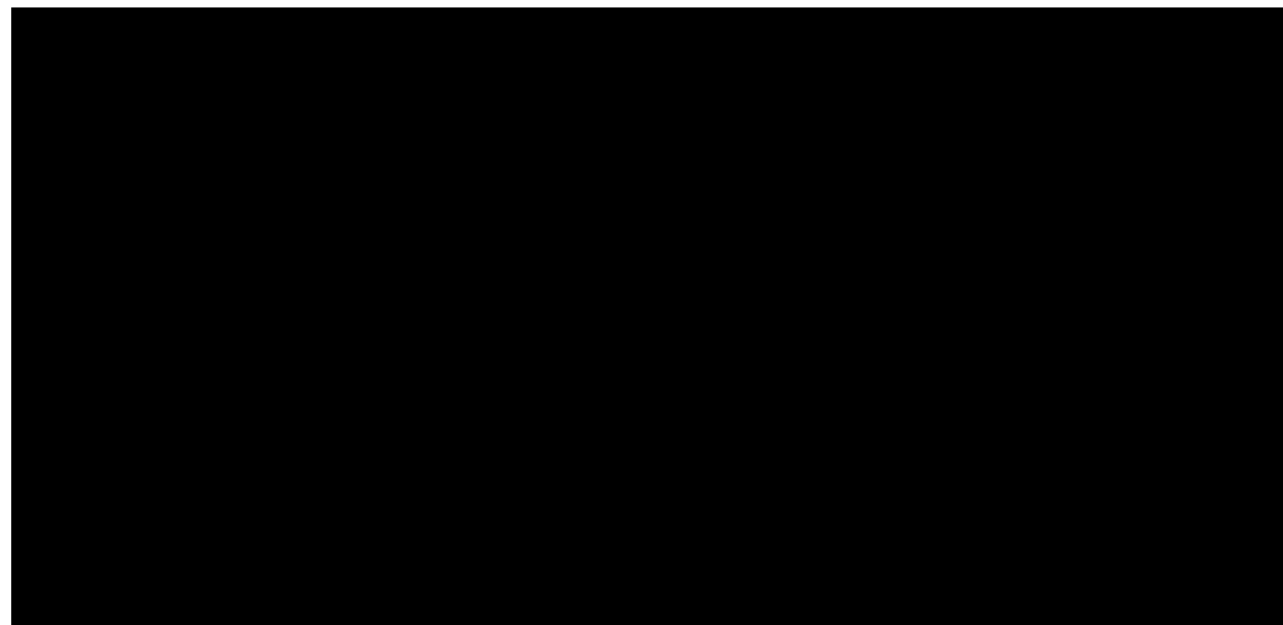
**SEPARATE MEETING OF
NON-EXECUTIVE DIRECTORS**
(To be chaired by the Lead Independent Director)

D A T E : December 9, 2024

T I M E : Immediately after the Special Board Meeting

V E N U E : Hybrid Meeting
Boardroom
47th Floor, Yuchengco Tower, RCBC Plaza
6819 Ayala Avenue cor. Gil J. Puyat Ave.
Makati City
Via Zoom

- A. PRESENTATIONS OF THE HEADS OF CONTROL UNITS**
- 1. Risk
 - 2. Compliance
 - 3. Audit
- B. PRESENTATION OF THE EXTERNAL AUDITOR**
- Punongbayan and Araullo



VI. COMPLIANCE PROGRAM

The Compliance Program sets out the planned activities of the compliance function consisting of the following components:

A. Policies and Procedures

All applicable regulations and reportorial requirements shall be mapped to the lines of business and the Risk Stewards shall be responsible for embedding the obligations arising from new regulations across various lines of business by plotting these to the Bank's policies and procedures; consequently, Risk Stewards shall review the changes on the existing policies and procedures to ensure alignment and sufficiency and accordingly provide endorsement for the Board and Management's approval. Owners for each business unit shall be assigned to monitor and track any updates. A repository of all laws, regulations and controls shall be housed with the RAG.

B. Compliance Assurance Framework

The Compliance Assurance Framework aligns itself with the Bank's Operational Risk Management Framework and best practices in embedding the Three Lines of Defense model. As Second Line of Defense, the Regulatory Affairs Group (RAG) will focus its Compliance Assurance Officers in providing an independent quality assurance of key controls by building on the assurance activities within the First Line of Defense, Risk Management Group and Internal Audit Group.

The framework comprises two types of reviews - Continuous Monitoring Plan ("control-driven") and the Specialized Assurance Review ("risk prioritization-driven")

Continuous Monitoring Plan (CMP)

The Continuous Monitoring Plan (CMP) is a set of quality assurance reviews on key control areas and will focus on giving risk and control owners the assurance that controls are operating effectively on an on-going basis.

CMP further assess the adequacy of and compliance with internal control system and the specific controls embedded in the processes, such as but not limited to the following: product / services (e.g. deposit/fund transfer), transaction processing, account maintenance, regulatory requirements and other banking services contained in operating policies and procedures of the Bank.

RAG will also assess the results of the quality assurance reviews conducted by the First Level of Defense on the effective implementation of the Money Laundering and Terrorist Financing Prevention Program (MTPP) particularly in the areas of Customer Identification System, including dealings with Politically Exposed Persons (PEPs). Likewise, independent assurance will be done on other processes such as but not limited to On-going Monitoring of customers and their transactions, Covered Transactions (CT) Report Filing and Suspicious Transactions (ST) Report Case Investigation, Handling of Freeze Orders, Material Related Party Transactions and Directors, Officers, Stockholders and Related Interest (DOSRI) accounts.

Specialized Assurance Review (SAR)

Specialized Assurance Review (SAR) is a thematic review and is driven by risk prioritization based on senior management discretion, current and emerging risks, and other regulatory focus. This also addresses specific lines of products / services and businesses that are offered by more complex business units, thus, present elevated challenges (i.e., Treasury, Trust & Investment, Wealth Management, etc.).

Below are the underlying factors for the review under SAR:

1. Results of Bank's Risk & Control Self-Assessment or RCSA (including the new products and services) that are assessed with residual risk of High and Very High
2. New bank initiatives which materially impact the risk profile of the Bank
3. Areas of regulatory focus by the BSP communicated during bilateral discussions

For the Specialized Assurance Reviews (SAR), RAG has identified regulatory compliance risk taxonomies that require to be mitigated in accordance with BSP regulations.

C. Compliance Monitoring

Compliance Certification from Deputized Compliance Officers (DCO)

This is a quarterly Certification signed by the designated DCOs indicating a unit's compliance (or non-compliance) to regulations. As part of RAG's annual work plan, these DCO quarterly certifications are subjected to periodic review and validation during compliance monitoring and assurance activities.

Though the primary responsibility of the designated DCO remains with the business units, and only has reporting lines to the Regulatory Affairs Group, the effective performance of

the DCO function forms part of the Key Result Areas (KRAs), and carries a five percent (5%) weight in the annual performance evaluation of the officer designated as DCO. A separate percentage weight for AML compliance is imposed on the Bank's officers for non-compliance with the Anti-Money Laundering laws and the Money Laundering and Terrorist Financing Prevention Program (MTPP) of the Bank.

Compliance-Related Issues Management

The RAG has existing procedures on reporting, monitoring and closure of compliance related issues in order to minimize regulatory penalties and sanction against the Bank. This is managed through the Risk Stewardship Division.

Report of Examination Commitments

Compliance risk is also monitored via the progress of corrective actions relating to Report of Examination (ROE) findings. Quarterly status updates of corrective actions and/or actions taken/to be taken on BSP findings are reported to the Audit & Compliance Committee (ACC) and submitted to the Bangko Sentral's Financial Supervision Sector as required .

Monitoring and Reporting of BSP conditions

Upon the receipt of BSP conditions on new applications, RAG ensures the proper assurance, embedding, monitoring, and reporting of the Bank's action plans to satisfy such conditions through its partnership with various business units. The RAG may perform a specialized assurance review if assessed as emerging risks or upon the recommendation of senior management.

D. Reporting and Communication

The Regulatory Affairs Group shall advise the Board of Directors and Senior Management on relevant laws, rules and standards, including keeping them informed on the developments in the area.⁶

The Regulatory Affairs Group shall also periodically report to the Audit and Compliance Committee and to the AML Committee on compliance matters. The reports to the said committees should (1) refer to the risk assessment that has taken place during the reporting period, including any changes in the risk profile based on relevant measurements such as performance indicators, (2) summarize any identified breaches and/or deficiencies and the corrective measures recommended to address them, and (3) report corrective measures already taken.⁷

E. Compliance Training

RAG shall assist Senior Management in educating officers and staff on compliance issues, and acting as a contact point within the institution for compliance queries from staff members. Guidance and education shall be implemented through the drafting of Compliance Bulletins on appropriate implementation of laws, rules and other standards, and other documents such the Compliance Manual and MTPP, among others.

RAG shall work closely with the Human Resources Group in developing training plans, both at the enterprise and line of business/shared services levels and in updating and maintaining training content which is anchored in regulatory requirement and guidance. Ongoing training for other employees shall also be conducted to reinforce the staff members / officers knowledge of banking laws and regulations and make them aware of changes in the regulatory environment.

F. Regulatory Interaction and Coordination

The Bank shall maintain a constructive working relationship with the Bangko Sentral and other regulators.⁸ The Bank, through the CCO, as the primary liaison officer between the Bank and the regulatory agencies, and/or other authorized compliance officers, may consult with BSP and other regulators for clarifications on specific provisions of related laws and regulations. Similarly, BSP and other regulators may initiate dialogue with the institution to discuss the compliance program and implementation.⁹

H. Compliance Oversight on Subsidiaries

One of the responsibilities of RCBC's Board of Directors is defining an appropriate corporate governance framework for group structures which shall facilitate effective oversight over entities in the group.¹⁰ In line with this function; the Board is required to adopt a policy that defines the compliance framework that shall apply to all entities across the RCBC Group. The policy shall provide the structure that should be adopted by the group either to establish the compliance function centrally at the parent bank or in each of the identified subsidiary. Such policy shall also include overall responsibility of the parent bank's compliance function with respect to the management of compliance risk exposures of subsidiaries/affiliates.¹¹

Regulations provide that the Chief Compliance Officer of the parent bank shall define the compliance activities for the entire group: Provided, that this shall be done in consultation and coordination with the respective board of directors and CCO of the subsidiary or affiliate BSFI: Provided, further, that the board of directors of the subsidiary or affiliate BSFI, shall remain ultimately responsible for the performance of compliance activities.¹²

The Manual of Regulations for Banks ("MORB") and the Manual of Regulations for Non-Bank Financial Institutions ("MORNBI") require the compliance program to set out the planned activities of the compliance function, such as: the review and implementation of specific policies and procedures; compliance risk assessment; compliance testing, educating staff on compliance matters; monitoring compliance risk exposures; and reporting to the board of directors or board-level committee.¹³

RCBC and its subsidiaries have adopted the Hub and Spoke Model of Compliance. Under the Hub and Spoke Model, certain compliance activities will be centralized at the hub (RCBC) while residual functions not performed at the hub shall be discharged by the spokes (Subsidiaries).

The Spokes shall continue to be the owners of their respective compliance risks notwithstanding the performance of the compliance activities by the Hub. The respective board of directors of the Spokes shall remain ultimately responsible for the performance of the compliance risk management activities.

⁸Section 161 of the MORB.

⁷Section 161 of the MORB and BSP Memorandum No. M-2013-023 dated 28 May 2013.



DIVIDEND POLICY

Accounting Circular
Ref. No. CG-AC-003

June 28, 2021

Document version 5.0

Prepared by:

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ANNEXES:

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- ANNEX B - Part III (*Capital Conservation Buffer*) and Part IV (*Countercyclical Capital Buffer*) of Appendix 59 of the MORB
- ANNEX C - BSP Circular No. 1051 entitled *Amendments to the* Framework for Dealing with Domestic Systemically Important Banks (*D-SIBs*)
- ANNEX D - BSP Circular No. 888 *entitled Amendments to Regulations on Dividend Declaration and Interest Payments on Tier 1 Capital Instruments*
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I. OBJECTIVE

This policy is being issued to provide the guidelines to be observed by the Bank in the declaration, reporting, verification and recording of dividends in accordance with the Bangko Sentral ng Pilipinas (BSP) Manual of Regulations for Banks (MORB) **and the pertinent sections under Article VII (Disclosure Rules) of the Philippine Stock Exchange (PSE) Consolidated Listing and Disclosure Rules (please see Annex A)**. This policy is also intended to provide the documentary requirements set by the BSP and to specify the business units responsible in ensuring compliance of the Bank with the said documentary requirements prior to dividend declaration.

Furthermore, this policy shall also include the general guidelines for the declaration and payment of dividends by the Bank's subsidiaries.

This effectively supersedes Accounting Circular No. CG-AC-003 dated March 1, 2018 entitled Dividend Policy (Version 4.0).

II. GENERAL POLICY STATEMENT

On an annual basis, 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 had stipulated dividend payment obligations, the Bank shall declare dividends in accordance with its commitment. For the preferred shares issued by the Bank, the dividend declaration shall be made on a quarterly basis subject to availability of unrestricted retained earnings. The Bank shall ensure compliance with the requirements on the declaration of dividends. The Bank shall declare dividends only up to the extent of available "Retained Earnings" in accordance with the BSP Regulations. In no case shall the Bank declare dividends if, at the time of declaration, it has not complied with all the requirements.

In addition, the Board and Senior Management of each subsidiary of the Bank shall consider payment of dividends depending on its performance or result of operations. Each subsidiary must ensure that all capital and compliance requirements are met and proper approvals are sought prior to declaration and payment of dividends.

The provisions herein shall govern the declaration of dividends on shares of stocks, regardless of feature, as well as interest payments on unsecured subordinated debt which meet the qualification requirements of Additional Tier 1 or Hybrid Tier 1 capital as defined under existing risk-based capital adequacy framework.

III. IMPLEMENTING GUIDELINES

1. Definition of Terms

For purposes of this policy, the following definitions shall apply:

- 1.1 Dividend - is a payment made to stockholders from the Bank's earnings, whether those earnings were generated in the current period or in previous periods. It also refers to corporate profits allocated, lawfully declared and ordered by the directors to be paid to the stockholders on demand or at a fixed time.

- 1.2 Bad debts - shall include any debt on which interest is past due for a period of six (6) months, unless it is well secured and in process of collection.

A loan payable in installments with an automatic acceleration clause shall be considered a bad debt within the contemplation of this **policy** where installments or amortizations have become past due for a period of six (6) months, unless the loan is well secured and in process of collection.

For a loan payable in installment without an acceleration clause, only the installments or amortizations that have become past due for a period of six (6) months and which are not well secured and in the process of collection shall be considered bad debts within the contemplation of this **policy**.

- 1.3 Well secured - a debt shall be considered well secured or fully secured, if it is covered by collateral in the form of a duly constituted mortgage, pledge or lien on real or personal properties, including securities, having a loan value sufficient to discharge the debt in full, including accrued interest and other pertinent fees and expenses.

- 1.4 In process of collection – A debt due to a bank shall be considered in process of collection when it is the subject of continuing extrajudicial or judicial proceedings aimed towards its full settlement or liquidation or otherwise to place it in current status. The extrajudicial proceedings, such as the writing of collection or demand letters, must have been initiated by the bank and/or its lawyers before the interest or installments or amortizations on the debt have become past due and unpaid for a period of six (6) months.

The debt shall continue to be considered in process of collection for a period of six (6) months counted from date of the first collection or demand letter and if, within this period, the debtor fails to make a payment of at least twenty percent (20%) of the outstanding balance of the principal on his account, plus all interest which may have accrued thereon, the same shall automatically be classified as bad debts unless judicial proceedings are instituted.

The debt shall continue to be considered in process of collection during the pendency of the judicial proceedings. When judgment against the debtor has been obtained, the bank must be active in enforcing the judgment for the debt to continue to be considered in process of collection.

- 1.5 Retained earnings – the accumulated profits realized out of normal and continuous operations of the business after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts. The retained earnings shall be the amount as shown in the financial statements audited by the Bank's independent auditor. If applicable, such amount shall refer to the retained earnings of the parent company but not the consolidated financial statements.

- 1.6 Unrestricted retained earnings – the amount of accumulated profits and gains realized out of the normal and continuous operations of the Bank after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts, and which is:

- 1.6.1 Not appropriated by the Board of Directors for the Bank's expansion projects or programs;

- 1.6.2 Not covered by a restriction for dividend declaration under a loan agreement; and
- 1.6.3 Not required to be retained under special circumstances obtaining in the Bank such as when there is a need for a special reserve for probable contingencies.
- 1.7 Outstanding capital stock – means the total shares of stock issued to subscribers or stockholders, whether or not fully or partially paid (as long as there is a binding subscription agreement) except treasury shares.
- 1.8 Delinquent subscription – refers to a subscription that has been declared by the Board as such after the subscriber failed to settle the same after a period of thirty (30) days from the date the subscription became due as specified in the contract of subscription or in the call made by the Board of Directors.
- 1.9 Paid-in capital – the amount of outstanding capital stock and additional paid-in capital or premium paid over the par value of shares.

2. Prerequisites on the Declaration of Dividends

- 2.1 Per BSP MORB, the Bank shall ensure its compliance with the requirements on the declaration of dividends ***and shall not declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts, and the corresponding responsible unit.*** It shall be the responsibility of the concerned offices to ensure compliance ***with*** the following requirements at the time of declaration of dividends.

BSP Requirements	Responsible Unit
2.1.1 Clearing account with the BSP is not overdrawn	Treasury Group – Liquidity Management <i>Division</i>
2.1.2 Minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital adequacy framework.	<i>Financial Accounting and Management Division (FAMD) - Regulatory Reports Department (RRD)</i>
2.1.3 <i>The combined requirement for Capital conservation buffer and the countercyclical capital buffer</i> as defined in Appendix 59, Parts III <i>and IV</i> of the MORB, for universal and commercial banks and their subsidiary banks and quasi-banks (Annex <i>B</i>)	<i>FAMD-RRD</i>
2.1.4 Higher loss absorbency requirement, phased-in <i>on</i> January 1, 2017 with full implementation <i>on</i> January 1, 2019, in accordance with Domestic Systemically Important Banks (DSIBs) Framework based on the existing DSIB Framework of the BSP (Annex <i>C</i>) for universal/commercial banks and their subsidiary banks and quasi-banks that are identified as DSIBs.	<i>FAMD-RRD</i>

2.1.5 Has not committed any unsafe or unsound banking practice as defined under existing regulations and/or major acts or omissions* as may be determined by the BSP to be ground for suspension of dividend distribution, unless this has been addressed by the Bank as confirmed by the Monetary Board or the Deputy Governor **of the appropriate sector**, as may be applicable, upon recommendation of the appropriate **supervising** department of **the BSP**.

* Major acts or omissions – defined as the Bank's individual failure to comply with the requirements of banking laws, rules and regulations as well as Monetary Board directives having material impact on the Bank's capital, solvency, liquidity or profitability, and/or those violations classified as major offenses under the Report of Examination, except those classified under unsafe or unsound banking practice.

Compliance Office

Note: Per BSP Circular No. 996 entitled Amendments to Liquidity Floor and Foreign Currency Deposit Unit (FCDU) Regulations, liquidity floor reserve requirement for universal and commercial banks is at 0% on government deposits and government deposit substitutes. This shall continue to be subject to the reserve requirements provided under Section 251 of the MORB.

2.2 **FAMD-RRD** shall ensure compliance with the minimum capital requirements and risk-based capital ratios even after the dividend distribution.

3. Documentary Requirements

3.1 For Cash Dividend Declaration

The following are the documents required by the BSP in the declaration of cash dividends [per BSP Circular Letter No. CL-2009-042 and BSP Circular No. 888 (Annex **D**)]:

BSP Documentary Requirements	Responsible Unit
3.1.1 Duly notarized Report on Dividends Declared certified by the Chief Compliance Officer, Controllership Group Head and the President or a Senior Executive/Executive Vice President.	FAMD
3.1.2 Schedule of Bad Debts* as of date of dividend declaration	Enterprise Risk Division of Risk Management Group (RMG)

<i>*List of accounts that are past due for more than 180 days with no specific reserves.</i>	
3.1.3 Financial Reporting Package (FRP) Balance Sheet/Consolidated Statement of Condition and FRP Income Statement/Statement of Income and Expense (Month-end immediately preceding the date of declaration)	FAMD
3.1.4 Duly notarized Corporate Secretary's Certificate showing the board resolution approving the cash dividend declaration and indicating the cut-off date or record date the stockholders are entitled to dividends or a copy of the memorandum on the declaration of dividends duly stamped as approved and initialed by the Corporate Secretary.	Corporate Secretariat Division upon proper request made by General Accounting Division (GAD) (or the proper unit who requested the item to be included in the agenda)

3.2 For Stock Dividend Declaration

The following are the documents required by the BSP in the declaration of stock dividends [per BSP Circular Letter No. CL-2009-042 and BSP Circular No. 888 (Annex **D**)]:

BSP Documentary Requirements	Responsible Unit
3.2.1 Duly notarized Report on Dividends Declared certified by the Chief Compliance Officer, Controllership Group Head and the President or a Senior Executive/Executive Vice President.	FAMD
3.2.2 Schedule of Bad Debts as of date of declaration	Enterprise Risk Division of RMG
3.2.3 FRP Balance Sheet / Consolidated Statement of Condition and FRP Income Statement / Statement of Income and Expense (Month-end immediately preceding the date the date of declaration)	FAMD
3.2.4 Duly notarized Corporate Secretary's Certificate showing the board resolution approving the stock dividend declaration and indicating the cut-off date or record date the stockholders are entitled to dividends or a copy of the memorandum on the declaration of dividends duly stamped as approved and initialed by the Corporate Secretary.	Corporate Secretariat Division upon proper request made by GAD (or the proper unit who requested the item to be included in the agenda)

BSP Documentary Requirements	Responsible Unit
<p>3.2.5 Duly notarized Corporate Secretary's Certificate or excerpt of the minutes of meeting of the Bank's stockholders, showing the following:</p> <ul style="list-style-type: none"> a. Stockholders' Resolution ratifying or confirming the board resolution approving the stock dividend declaration; b. Total percentage of stockholdings approving the stock dividend declaration; and c. Place where the stockholders' meeting was held. 	<p>Corporate Secretariat Division upon proper request made by GAD (or the proper unit who requested the item to be included in the agenda)</p>
<p>3.2.6 Duly notarized Certification of the Corporate Secretary on the following:</p> <ul style="list-style-type: none"> a. Profile of the authorized capital stock of the Bank, with breakdown as to class and number of shares; b. Profile of the total subscribed capital stock, with breakdown as to class and number of shares; and c. Profile of the total paid-in capital stock, with breakdown as to class and number of shares. 	<p>Corporate Secretariat Division upon proper request made by GAD (or the proper unit who requested the item to be included in the agenda). The Corporate Secretariat Division and the Board should be provided with the information enumerated under item no. 3.2.6. It shall be the duty and responsibility of GAD to ensure that the required information is provided at the time approval for the declaration of dividends is first made.</p>

- 3.3** The documents mentioned above should be properly acknowledged by the personnel authorized by **BSP-Central Point of Contact Department IV (BSP-CPCD IV)** to receive the documents.

4. Net Amount Available for Dividends

- 4.1 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 (FRP) as of the calendar/fiscal year-end immediately preceding the date of dividend declaration.
- 4.2 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.

Note: 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.

5. Declaration of Dividends

- 5.1 The management shall determine the amount of dividends to be declared subject to certain factors to be considered. In case of stock dividend declaration, no dividend shall be issued without the approval of the stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose.
- 5.2 If the Bank has stipulated dividend payment obligations, it shall declare dividends in accordance with its commitment. For the preferred shares **and hybrid perpetual securities** issued by the Bank, the dividend declaration shall be made **based on their respective terms and conditions such as on the timing (e.g., quarterly, semi-annually, etc.),** subject to availability of unrestricted retained earnings.
- 5.3 Preparation of the request for dividend declaration for the Board of Directors' approval shall be made by GAD of the Controllership Group **based on the recommendation of Management through the Controllership Group Head.**
- 5.4 ***Corporate Secretariat Division shall disclose to the PSE the dividend declaration within ten (10) minutes from the happening or occurrence of said event. Disclosure of the dividend declaration must be made to PSE prior to its release to the news media. The original copy of the disclosure must be delivered to PSE within twenty four (24) hours from the time of initial disclosure.***
- 5.4.1 ***The Corporate Secretariat Division shall clear its disclosures with the Corporate Secretary and the Corporate Information Officer prior to submitting the same to the PSE. The Corporate Secretariat Division shall be in charge only of the disclosures pertaining to the approval of the dividend declaration by the Board. All other disclosures shall pertain to the Corporate Planning Group.***
- 5.4.2 ***Declaration of dividend/distribution on Hybrid Perpetual Securities is not included in the PSE disclosure requirement.¹***
- 5.4.3 ***The Bank should observe events mandating prompt disclosure to the PSE. The PSE will decide to halt trading upon receipt of disclosure. The Issuer may request for "voluntary halt" should there be an upcoming disclosure or event that will affect the market/shareholders.***
- 5.5 ***Record date of the disclosure of dividend declaration shall be set in accordance with the Rules of the Securities and Exchange Commission (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.***

6. Reporting and Verification

Banks and quasi-banks that meet the prequalification criteria including capital adequacy requirements shall be qualified to declare and pay dividends without prior BSP verification. It will be the Bank's responsibility to determine and certify its compliance with BSP requirements.

¹ The required PSE disclosure pertains to the dividends described in the [PSE Consolidated Listing and Disclosure Rules](#) as "the payment in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them out of the unrestricted retained earnings as declared by the board of directors of a stock corporation".

- 6.1 Upon approval of the dividend declaration by the Board of Directors, the AMSS shall be responsible for:
- 6.1.1 **requesting a** copy of the duly notarized Secretary's Certificate **from the Corporate Secretary and providing the copy to FAMD within five (5) banking** days after Board approval; and
 - 6.1.2 notifying Treasury Group and Trust and Stock Transfer Operations Department (TSTOD) about the same.
- 6.2 **FAMD** shall be responsible for reporting the declaration of dividends to the appropriate supervising and examining department of the BSP on or before the tenth (10th) banking day after date of dividend declaration in the following manner:
- 6.2.1 Submission of a duly notarized certification (Exhibit I) signed by the President and the Chief Compliance Officer stating that the Bank has complied with the requirements on the declaration of dividends provided under **Section III.2** above.
 - 6.2.2 Submission of the duly notarized Report on Dividends Declared (Exhibit II), which shall be considered a Category A-1 report.
- 6.3 Nevertheless, if the Bank is cited with major supervisory concerns such as those initiated under Prompt Corrective Action (PCA) or is issued with specific Monetary Board directive to suspend/ refrain/ restrict dividend declaration, the Bank shall be subject to prior BSP verification by the appropriate **supervising** department of the **BSP**.
- Notes:**
- a. A letter of request for approval, signed by the Bank President shall be submitted to the BSP. The letter should contain reasonable explanation to allow the declaration of dividend.
 - b. Any disclosure shall be made only after receipt of the BSP's approval, which notice of approval shall be promptly provided to the Office of the Corporate Secretary by the Compliance Office.
- 6.3.1 **Furthermore, the following procedures must also be administered:**
- a. The Head of Asset Management and Sundry Section (AMSS) under GAD-Asset Management, Disbursement and Sundry Department (AMDSD) shall be responsible for the preparation of the application letter, obtaining all the documents required, and submission of the same to the BSP-CPCD IV. Upon submission to BSP-CPCD IV, the AMSS shall also forward to the Compliance Office a copy (either hard or soft copy) of the documents submitted to BSP-CPCD IV **and the preparation of the Notice of Dividend Declaration.**
 - b. AMSS must ensure that the documents are complete before submitting the same to BSP-CPCD IV as applications/requests with incomplete documents will be returned within five (5) banking days from receipt thereof. However, BSP-CPCD IV may require submission of additional documents/information which it may later on consider relevant to complete its evaluation of the application/request.

Note: The documents mentioned above should be properly acknowledged by the personnel authorized by BSP-CPCD IV to receive the documents.

7. Recording of Dividends

- 7.1 If the Bank meets the prequalification criteria, the liability for dividends declared shall be taken up by AMSS in the Bank's books upon approval by the Board of Directors. However, for dividend declarations that are subject to prior BSP verification, the liability for dividends declared shall be taken up by AMSS in the Bank's books upon receipt of BSP advice thereof. A memorandum entry may be made to record the dividend declaration on the date of approval by the Board of Directors.
- 7.2 For dividends declared that are still subject to prior BSP verification, disclosure by means of a footnote should include a statement to the effect that the dividend declaration is subject to review by the BSP. ***Controllership shall state the need for BSP review in their Memo to the Board seeking approval for the declaration of dividends.***

8. Issuance of Fractional Shares

Whenever the declaration of stock dividend results in the issuance of fractional shares, the following guidelines shall be observed:

- 8.1 The amount corresponding to the fraction should be given in the form of cash dividend; and
- 8.2 The certificate of stock issued should be in whole numbers, and the fractional shares shall be issued in the form of scrip certificates. In no case shall the certificate of stock be issued including such fractional share. The scrip certificate is temporary in nature and should be redeemed in cash or stockholders holding such scrip certificates may negotiate with other stockholders for the purchase or sale of such shares to convert them into full shares, subject to the limitations on stockholdings as provided by law.

9. Payment

- 9.1 ***The Payment Date must be in accordance with the Rules of the SEC and when appropriate, the Rules of BSP. Moreover, the payment date shall not be more than eighteen (18) trading days from the record date.***

- 9.2 If the Bank meets the prequalification criteria, upon approval of the dividend declaration by the Board of Directors, the AMSS shall send ***an e-mail advice*** to TSTOD, ***FAMD***, Treasury Group and Compliance Office informing the same of the Board approval, including the record date and payment of the dividend. Payment is counted from record date, which is based on BOD approval date.

On the other hand, upon receipt of the BSP approval for dividend declarations that are subject to prior BSP verification, the Compliance Office shall forward the same to AMDSD, Corporate Secretariat ***Division***, Trust and Investment Group, and Treasury Group.

- 9.3 TSTOD shall send an electronic advice thru the ***Philippine Depository and Trust Corp. (PDTC) Notes Q*** to all brokers and custodian banks with shareholdings held under

Philippine Central Depository (PCD) Nominee Corporation account requesting for the certification of withholding tax to be applied on the dividend.

- 9.4** Immediately after record date of dividend but prior to payment date of dividend, TSTOD shall send a memo to AMSS, requesting to fund the Trust account for the payment of dividends and the amount of tax to be withheld and remitted to the Bureau of Internal Revenue (BIR) based on existing revenue regulations on dividend payment.

Note: TSTOD shall inform Treasury - Liquidity Management **Division** of the total cash dividend to be funded as well as the date of check payments.

- 9.5** Upon receipt of the memo to fund the dividend payment, AMSS shall pass the entries stated in item no.10.2.1. **At least two (2) banking days before booking**, AMSS shall also notify, through e-mail, the Liquidity Management **Division** under Treasury Group and **FAMD** (for preferred shares amount) for earmarking and reporting of the dividend payment, respectively.

Note: AMSS shall notify **FAMD** regarding all cases of dividend payment whether in common and preferred shares, etc.

- 9.6** For funding of dividend payment, AMSS shall send a trade ticket, together with a credit advice, to Makati Support Center Department 1. AMSS shall also send **a** trade ticket to TSTOD for the booking of withholding tax on dividend payment.

- 9.7** Upon receipt of the trade ticket and credit advice from AMSS, the Makati Support Center Department 1 shall credit the RCBC Trust Account in accordance with the details/instructions stated in the trade ticket and credit advice. In crediting the RCBC Cash Dividend Account, the Makati Support Center Department 1 shall also observe the Bank's existing policies and procedures in handling Current Account/Savings Account (CASA) posting transactions.

- 9.8** After verifying that the funding has been made, TSTOD shall prepare the dividend checks and facilitate the issuance of demand draft (DD) in coordination with RCBC Main Business Center or other acceptable settlement instructions for peso and US dollar dividend payment, respectively. TSTOD shall be responsible for the issuance of the Certificate of Final Tax Withheld at Source (please see Exhibit III for the BIR Form 2306) on dividend payments upon request of the stockholder.

Note: The BIR Form 2306 should be furnished to the stockholders not later than January 31 of the succeeding year. Hence, even if there is no request, TSTOD should ensure that stockholders should have received their BIR Form 2306 not later than January 31 of the following year.

Cost of issuance of DD **in USD currency for RCBC Preferred Series and customized dividend check in PHP currency for RCBC common and preferred shares**, as identified by RCBC Main Business Center, is minimal. Therefore, it is chargeable to Corporate Overhead based on Finacle system-generated rate multiplied by the number of issued DD **in USD currency and customized dividend check in PHP currency.**"

- 9.9** On the 5th calendar day after the reference month (if the 5th calendar day falls on **a** holiday, transaction shall be done **on** the next banking day), TSTOD shall send a trade ticket, together with the summary/alphalist of final withholding taxes on dividend payment

(please see Annex **E**), to Taxes and Remittances Section (TRS) of Tax Planning and Compliance Department (TPCD) for the transfer of booking of final withholding tax on dividend payment. The alphalist must contain complete and accurate information which include the name of the dividend recipient, taxpayer identification number (TIN), amount of dividend payment, final withholding tax rate and final taxes withheld, among others. The hardcopy, duly signed by the preparer and reviewer, and the softcopy shall both be forwarded to TRS.

Note: For reference purposes, please see Exhibit IV for the Schedule of Final Withholding Taxes (FWT) with their corresponding rates and alphanumeric tax code (ATC).

- 9.10** On the 15th calendar day after the reference month (if the 15th calendar day falls on a holiday, transaction shall be done **on** the next banking day), the TRS shall remit the final tax withheld on dividend payments to the BIR via Philippine Payments and Settlements System (PhilPaSS) of the BSP.

10. Accounting Entries

- 10.1 To record the declaration and payment of dividends:

- 10.1.1 Upon BOD approval or upon receipt of BSP approval, if the Bank does not meet the pre-qualification criteria, AMSS shall pass the following entries:

Dr.	310000001	Retained Earnings Free (RC 096)
Cr.	262200001	Dividends Payable (RC 096)

- 10.1.2 For funding of the dividend payment, the following entries shall be passed by:

- a. AMSS

Dr.	262200001	Dividends Payable (RC 096)
Cr.	181200002	Inter-System – Makati Support Center Dept. 1 (RC 093)*
Cr.	181200002	Inter-system - TSTOD (RC 072)**

*Net of final withholding tax

**For the final withholding tax

- b. Makati Support Center Department 1

Dr.	181200002	Inter-System – AMSS (RC 093)
Cr.		RCBC Cash Dividend Account

Note: USD currency for RCBC Preferred Series and customized dividend check in PHP currency for RCBC common and preferred shares.

- 10.1.3 To record cost of demand draft issued by RCBC Main BC as forwarded to AMSS:

Dr.	540500015	Miscellaneous Expense (Corp. Overhead – RC 096)
Cr.	181200002	Inter-system – MBC/AMSS (RC 411)

10.2 To record the declaration and payment of dividends on Hybrid Perpetual Securities:

10.2.1 Upon BOD approval, AMSS shall pass the following entries:

Dr.	310000001	Retained Earnings Free (RC 096)
Cr.	262200001	Dividends Payable (RC 096)

10.2.2 Upon payment, responding to the Inter-system of Treasury Operations

Dr.	262200001	Dividends Payable (RC 096)
Cr.	181200002	Inter-system - Treasury Operations (RC 073)

10.2.3 Payment remittance

Dr.	181200002	Inter-system - Treasury Operations (RC 073)
Cr.	110100025	Nostro (009)

10.3 To record booking and remittance of the final withholding tax on dividend payments:

10.3.1 Upon receipt of the trade ticket from AMSS per item 10.1.2 (a) above, TSTOD shall pass the following entries to book final withholding tax on dividend payment:

Dr.	181200002	Inter-system – AMSS (RC 072)
Cr.	261500012	Withholding Tax Payable - Income Payment (RC 072)

10.3.2 Upon sending of the trade ticket to TRS, TSTOD shall **initiate the inter-system to TRS**:

Dr.	261500012	Withholding Tax Payable - Income Payment (RC 072)
Cr.	190000003	Inter-Department – TRS (RC 072)

10.3.3 Upon receipt of the trade ticket from **TSTOD**, TRS shall pass the following entries:

Dr.	190000003	Inter-Department – TSTOD (RC 072)
Cr.	261500012	Withholding Tax Payable - Income Payment (RC 072)

10.3.4 Upon remittance of final withholding tax to the BIR, TRS shall pass the following entries:

Dr.	261500012	Withholding Tax Payable - Income Payment (RC 727)
Cr.	100200001	Due from BSP - Clearing (via BSP PhilPaSS) (RC 727)

11. Dividend Policy for Subsidiaries

11.1 Depending on the performance of each subsidiary, its Board and Senior Management shall consider payment of dividends. The subsidiaries may pay dividends from the balance of cash flows taking into account the following:

- 11.1.1 the capital expenditure requirements of the subsidiary company; and
- 11.1.2 compliance with requirements on dividend declaration.
- 11.2 All subsidiaries must comply with applicable regulations and requirements as set by the BSP and/or SEC. Subsidiaries must consider its respective level of capital, risk exposure, growth rates, and earnings retention in determining dividend payments to the Parent Bank.
- 11.3 Dividend declaration should not preclude a subsidiary from making dividend payment thru installments if cash balance does not permit one-time payment at declaration date.
- 11.4 Financial subsidiaries, under permissible circumstance, shall consider payment of dividends to the Parent Bank annually, in order to support the Bank's capital base and liquidity position.
- 11.5 Declaration of dividends is subject to the approval of the Board of Directors and Senior Management of each subsidiary company and paid out of its unrestricted retained earnings.

IV. SANCTIONS

1. External Sanctions

- 1.1 In accordance with the existing Supervisory Enforcement Policy of the BSP, it may deploy enforcement actions to promote adherence to the provisions governing dividend declaration and implement timely corrective actions. The BSP may issue directives to suspend/refrain/restrict from performing a particular activity, or impose sanctions to regulate the level of or suspend any business activity that has adverse effect on the Bank's safety and soundness, among others. Sanctions may likewise be imposed on the Bank and/or its Directors, Officers and/or employees.
- 1.2 The imposition of sanctions shall be without prejudice to the imposition of administrative sanctions under Section 37 of the New Central Bank Act (Republic Act No. 7653), hereto attached as Annex F, including declaring as unsafe or unsound the inappropriate dividend declarations and/or to the filing of appropriate criminal charges against the responsible persons as provided under Section 35 of the said RA for the willful making of a false or misleading statement.
- 1.3 Furthermore, if the Bank is subsequently found to have violated the provisions on dividend declaration or has falsely certified or submitted misleading statements, the Bank shall be reverted to the prior BSP verification wherein the Bank can only make an announcement or communication on the declaration or payment of dividends upon receipt of BSP advice thereof.
- 1.4 ***The BSP shall impose a penalty of ₱3,000.00 for each occurrence (in case of erroneous report) or for each day (in case of delayed or unsubmitted report) which will accumulate until such time the report has been determined compliant with the prescribed reporting standards.***

2. Internal Sanctions

- 2.1 Each instance of non-compliance with this circular shall be considered as a minor offense. As defined in Policy No. VIII of the Human Resources (HR) Policies and Processes Manual entitled Employee's Code of Conduct; a minor offense is a policy violation that does not manifest insubordination, dishonesty, ill motives or loss of integrity. Note, however, that a minor offense may become serious or grave if committed habitually or if actual monetary loss eventually results therefrom.
- 2.2 If the failure to comply with this circular resulted in monetary losses for the Bank, the erring employee shall be asked to restitute the amount lost. Furthermore, in accordance with Policy No. VIII of the HR Policies and Processes Manual, the failure to properly and reasonably secure bank funds and property through the non-observance or non-implementation of bank policies and procedures, shall be considered a minor offense if due to negligence and the act results in an actual or potential loss of below P50,000.00; a serious offense if the negligence results in an actual or potential loss of P50,000.00 to below P100,000.00; and a grave offense if due to willful disobedience, gross and/or habitual negligence.
- 2.2.1 Negligence is gross if the oversight/mistake results in an actual or potential loss of at least P100,000.00.
- 2.2.2 Negligence is habitual if the oversight/mistake occurs repeatedly, regardless of whether or not the acts result in actual losses, and the neglect already exposed the Bank to reputational/operational risks and/or risk of monetary loss.
- 2.3 For everyone's guidance, below is the gradation of penalties for each type of offenses as stated under Policy No. VIII of the HR Policies and Processes Manual:

TYPE OF OFFENSES	1st CITATION	2nd CITATION	3rd CITATION	4th CITATION
Minor Offense	Reprimand	Warning	Suspension	Termination
Serious Offense	Suspension	Termination		
Grave Offense	Termination			

- 2.4 Violation of any internal Bank policy which results in an actual or potential loss to the Bank of at least One Million Pesos (P1,000,000.00) shall be subject to the administrative cases procedure under the powers and authorities of the Personnel Evaluation Review Committee (PERC).

FSVP FLORENTINO M. MADONZA

RIZAL COMMERCIAL BANKING CORPORATION
CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE (Committee)
MINUTES OF THE MEETING
14 May 2025, 9:00AM
RCBC Plaza, 6819 Ayala Avenue, Makati City

Members:¹

Dir. Juan B. Santos (JBS)	Chairman
Dir. Gabriel S. Claudio (GSC)	Member
Dir. Erika Fille T. Legara (ETL)	Member
Dir. Masayuki Kawakami (MK)	Advisor

Apologies:

Dir. Shih Chiao (Joe) Lin (JL)	Advisor
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Others Present:

Ms. Sheila Ricca G. Dioso (SGD)	Chief Compliance Officer/Head, Compliance Group
Atty. Joyce Corine O. Lacson (JOL)	Assistant Corporate Secretary / Head, Corporate Secretariat Office
Atty. Harold S. Talledo (HST)	Head, Compliance Operations Division, Compliance Group
Mr. Geril Mark V. Gabriel (GVG)	Head, Wholesale Banking Compliance, Compliance Group
Atty. Mikhail G. Romulo (MGR)	Head, Compliance Oversight Division, Compliance Group
Ms. Catherine C. Bruce (CCB)	Compliance Oversight Officer, Compliance Group
Ms. Hannah Abigail R. De Guzman (HRD)	Compliance Oversight Officer, Compliance Group

I. CALL TO ORDER

Dir. Juan B. Santos (JBS) presided over the meeting, called the meeting to order, and declared the agenda open for deliberation at 9:02A.M.

II. CERTIFICATION OF QUORUM

Atty. Mikhail G. Romulo (MGR) acted as secretary of the meeting and certified the existence of a quorum to transact business. He also certified that the notice and agenda of the meeting were furnished to the members of the Committee including relevant supporting papers.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING OF THE COMMITTEE

JBS presented the minutes of the meeting of the Committee on 14 April 2025 for approval. Upon motion duly made and seconded, the Committee approved the said minutes.

¹ Meeting conducted via Zoom video conference in compliance with the Memo dated 13 March 2020 issued by the Office of the Chairperson regarding the holding of Board and Committee meetings during the Community Quarantine.

IV. MATTERS ARISING FROM PREVIOUS MEETING

V. MATTERS FOR REVIEW AND ENDORSEMENT TO THE BOARD

1. -
2. Results of the 2024 Board Performance Evaluation

MGR presented the results of the 2024 Board Performance Evaluation. He explained that the Bank engages an external third-party facilitator to conduct the Board self assessment every three (3) years with last year’s evaluation conducted by Korn Fery. For 2024, the assessment was facilitated internally by the Compliance Group. He then shared that the Compliance Group circulated the structured questionnaire based on the questionnaire created by Korn Ferry with minor adjustments reinstating some sections from ICD’s questionnaire, the Bank’s external facilitator for 2020’s assessment. MGR then proceeded to present the rating scale used and the results of the Board performance evaluation for the year 2023 and 2024, as shown below:

RATING SCALE		
Rating	Percentage	Description
4.5 – 5.0	90% - 100%	Exemplary
4.0 - 4.4	80% - 89%	Exceeds Expectation
3.5 - 3.9	70% - 79%	Meets Expectation
3.0 - 3.4	60% - 69%	Partially Meets Expectation
1.0 - 2.9	20% - 59%	Needs Improvement

MGR shared to the Committee that the Director’s self-assessment was not part of the Korn Ferry questionnaire but was included since it is one of the requests made by the BSP in the previous examination. He also added that the assessment on RCBC’s key officers was also not part of the assessment made by Korn Ferry but for 2024 it was included with the majority of the officers having received an “Exceeds Expectation” rating.

JBS asked the covering period for the key officers’ assessment. MGR replied that the assessment is for the year 2024.

Aside from the summary rating, MGR presented the areas for improvement and the areas needing greater focus.

Dir. Erika Fille T. Legara (ETL) commented that a distinction between “Exemplary” and “Exceeds Expectation” might provide useful context on the meaning of each rating.

RESTRICTED

Dir. Masayuki Kawakami (MK) inquired about the decline in rating for 2024 against the rating in 2023 from “Exemplary” to “Exceeds Expectation” and what were the deviations.

SGD replied that one of the notable reasons was that in 2023, all 15 directors were able to perform the self-assessment as compared to only 14 out of 15 directors in 2024 which would affect the general average. The change in numerical value of the rating is also minimal but crossed categories.

After further discussion, the Committee suggested that the matter be presented to the next Committee meeting in June once the results of the Board performance evaluation has been discussed with the Management.

VI. MATTERS FOR DISCUSSION

There was none.

VII. OTHER MATTERS

There was none.

VIII. ADJOURNMENT

There being no other matters to be taken up, JBS declared the meeting adjourned at 10:00A.M.

Minutes Taken By:

HANNAH ABIGAIL R. DE GUZMAN
Compliance Oversight Officer

Reviewed by:

SHEILA G. DIOSO
Chief Compliance Officer

ATTY. MIKHAIL G. ROMULO
Head, Compliance Oversight Division

Minutes read and approved:
CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE
14 May 2025

JUAN B. SANTOS
Chairman

GABRIEL S. CLAUDIO
Member

ERIKA FILLE T. LEGARA
Member



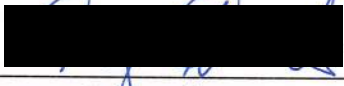
CERTIFICATION


We, Eugene S. Acevedo, Kristine I. Aguirre and Shiela Ricca G. Dioso, the incumbent President and Chief Executive Officer (CEO), the Chief Audit Executive (CAE) and the Chief Compliance Officer (CCO), respectively, of Rizal Commercial Banking Corporation, do hereby certify that for the year ended 2024, the internal audit, internal control and compliance systems of the Bank generally conform with the standards, rules and policies, and are continuously being improved pursuant to noted Bangko Sentral ng Pilipinas observations in order for the aforesaid systems to work more effectively.

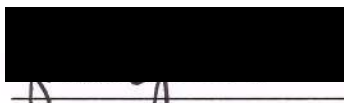
Issued this **MAY 14 2025**, 2025, at Makati City, Philippines.

RIZAL COMMERCIAL BANKING CORPORATION


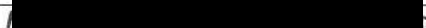

By:


Eugene S. Acevedo
 President & CEO


Kristine I. Aguirre
 Chief Audit Executive
 Group Head, Internal Audit Group


Shiela Ricca G. Dioso
 Chief Compliance Officer
 Group Head, Regulatory Affairs Group

SUBSCRIBED AND SWORN TO BEFORE ME, a duly authorized notary public for and in the above-named jurisdiction, on this **MAY 14 2025** day of _____ affiants exhibiting to me the following competent evidence of identity.

Name	Competent Evidence of Identity	Valid Until
Eugene S. Acevedo		06/10/2028
Shiela Ricca G. Dioso		1/16/2030
Kristine I. Aguirre		

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 Page No. **184**
 Book No. **310**
 Series of 2025

ATTY. CATALINO VICENTE L. ARABIT
 Notary Public for Makati City
 Appointment No. 10485633 (2025-2026)
 PTR No. 10485633; 01/02/25; Makati City
 IBP No. 492612; 01/02/25; Makati City
 ROLL NO. 40145
 MCLE Compliance No. VIII-0007518-15 Mar. 2024
 21st Floor Yuchangco Tower 2, RCBC Plaza
 6819 Ayaia Avenue, Makati City