

# RCBC

Annual and Sustainability  
Report 2019

Building a Solid Foundation for a Sustainable Future



# Building a Solid Foundation for a Sustainable Future

At RCBC, we believe in playing our part as one of the largest financial institutions in a country that ranks among the most vulnerable in the world to climate change. The emerging challenges in our world do not deter us, but all the more embolden us, to help more Filipinos tackle tomorrow's challenges today. Embedded in our corporate DNA is our ability to forge partnerships with various stakeholders. We bring people together to achieve a shared purpose, thus magnifying the impact of our actions to build a sustainable future for all.

We recognize that the path to sustaining the trust of our investors, customers, regulators, employees, and all of our stakeholders is through transparent and responsible reporting. Thus, in addition to our financial performance, we are also reporting our economic, environmental, and social contributions as a bank for the first time.

This 2019 Annual & Sustainability Report was prepared in accordance with the guidelines of the Bangko Sentral ng Pilipinas, and the Sustainability Reporting Guidelines for Publicly Listed Companies of the Securities and Exchange Commission.

Our report's content and scope are based on our primary business areas and sustainability-related initiatives undertaken in RCBC Plaza in Makati City, A.T. Yuchengco Centre in Taguig City, in our subsidiaries and associate offices, and in our 507 branches nationwide between January 1, 2019 and December 31, 2019. The economic value tables, including audited financial statements, reflect consolidated figures.





As part of our ongoing efforts to engage stakeholders and to improve our reporting performance, RCBC welcomes your feedback. You may reach us at:

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An electronic version of this Report is also available at:  
[www.rcbc.com/annual-reports](http://www.rcbc.com/annual-reports)



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## Our Business at a Glance

Rizal Commercial Banking Corporation (RCBC) traces its beginnings as a development bank established in 1960. It has grown to become one of the largest universal banks in the Philippines with total consolidated resources of Php767.1 billion as of 31 December 2019. In 2019, RCBC merged with its thrift unit, RCBC Savings Bank.

RCBC operates from its corporate headquarters in Makati City, Philippines. It has more than 6,611 employees as of end-2019.

### PRODUCTS AND SERVICES

As a diversified financial services institution, RCBC serves corporate and individual banking needs, providing a wide range of financial services to its customers through its retail and investment bank, microfinance unit, foreign exchange brokerage house, leasing company and overseas remittance tie-ups. In synergy with SunLife GREPA Financials (SLGFI) and Malayan Insurance Company, Inc. (MICO), RCBC also offers investment-linked life insurance products, auto, fire, personal accident, and other non-life insurance products. It also serves the country's microenterprise and small business operators, as well as value chain players in the agricultural sector, through its microfinance arm, Rizal MicroBank (RMB).

### DELIVERY CHANNELS

RCBC has a strong and extensive domestic distribution network of 507 branches. Through RMB, our presence extends to key areas in Luzon, Visayas and Mindanao with a total of 17 branches and four micro-banking offices.

In addition to its branch locations, its traditional delivery channel, it also serves customers via its 1,530 ATMs all over the country, through the internet, and mobile banking (IOS and android applications).

### BUSINESS MODEL

RCBC lends to corporations and individuals. It derives its funding from customer deposits, which account for nearly 60.0% of its total resources. This is supported by other borrowings at 30.0% and capital at 11.0%. Its main source of revenue is from its lending business, which account for 59.0% of total resources.

Net interest income comprises 62.0% of its total operating income, while 38.0% of the balance is derived from fees or commissions from other financial services and activities, and trading income from proprietary trading activities.

### OWNERSHIP

RCBC is majority-owned by the Yuchengco Group of Companies (YGC), one of the oldest and largest conglomerates in Southeast Asia covering over 60 businesses. YGC businesses include Malayan Insurance (non-life insurance), SunLifeGREPA Financial, Inc. (life insurance joint venture with Sun Life Financial Philippines); EEI Corp. (construction); educational institutions, and vehicle dealerships. Aside from YGC, RCBC's other significant investors include Cathay Life Insurance Co., Ltd., a wholly owned subsidiary of Cathay Financial Holding., Ltd.; and the World Bank's International Finance Corporation.

### AWARDS AND RECOGNITIONS

As a financial institution noted for various pioneering innovations, RCBC continued to reap major awards in 2019, a year when many banks felt the pinch from many global challenges.

These awards and recognitions from various institutions included "Best Banking Group in the Philippines" from World Finance, and "Best in Private Banking" from AI Global Awards. RCBC was also recognized by several international award-giving bodies for taking the lead in financing some of the country's major infrastructure projects. These recognitions are: "The Asset Benchmarking Award for Excellence in Environmental, Social, and Governance (ESG) – Titanium Award," "Best Issuer for Sustainable Finance – Financial Institution," and "Best Sustainability Bond" for the Bank's Php8.0-billion ASEAN Sustainability Bond, the first ASEAN Sustainability Bond issued in the Philippines.

### CORPORATE CITIZENSHIP

RCBC is committed to uplifting the quality of people's lives through its corporate social responsibility (CSR) and environmental sustainability programs. Through the AY Foundation, the CSR arm of the YGC, RCBC helps rehabilitate calamity-stricken areas, bankrolls projects on sustainable livelihood, and grants educational scholarships for the youth.



### VISION

To be the most admired and trusted profitable financial services group providing and adapting to customers' changing needs - for every Filipino worldwide - through innovative products, excellent service and a highly motivated, committed and impassioned team.

### MISSION

We are a leading universal bank, providing quality Integrated Financial Services that best meet our clients' needs. We are committed to conducting our business with utmost integrity, excellence, and commitment as responsible corporate citizens; and, providing professional growth opportunities to develop a talented base of officers and employees, and achieving the best returns for our stockholders.

## Message from the Chairperson



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**“NOW MORE THAN EVER, WE NEED PASSIONATE AND MOTIVATED EMPLOYEES TO GET OUR CUSTOMERS OUT OF THIS STORM AND TO SAFER HARBOR; A STRONG BALANCE SHEET THAT ALLOWS US TO INVEST IN GOOD TIMES AND IN BAD TIMES; A PROACTIVE RISK ASSESSMENT AND MANAGEMENT MODEL TO GUIDE US IN MAKING QUICK AND ACCURATE DECISIONS; AND AN INNOVATIVE SPIRIT, ENABLED BY TECHNOLOGY.”**

**HELEN YUCHENGCO DEE**

## DEAR SHAREHOLDERS, CUSTOMERS, COLLEAGUES, AND PARTNERS:

As we prepare this annual letter to our shareholders, the whole world is battling a global pandemic from COVID-19 — one that threatens our survival and is bound to have a profound impact on the way we live.

The fact that this global threat emerged just as we are preparing to release our 2019 Annual and Sustainability Report forces us to confront the question: how do we talk about sustaining the future post-COVID-19?

In recent history, the term “new normal” has been used to describe financial conditions following the 2008 global financial crisis. In 2019, we faced the lingering U.S.-China trade war, the United Kingdom’s exit from the European Union (‘Brexit’), the political unrest in Hong Kong, the slowdown on global trade, and the exodus of foreign funds from the Philippine stock market. We thought these might put a brake to our economies when, in fact, they were just part of the “new normal.” These market uncertainties, however, pale very much in comparison to the ongoing coronavirus pandemic and the impending threat of a global economic recession. In just a quarter, the virus has given new meaning to “new normal.”

No matter the challenge or the new level of normalcy, we must hold steadfast to our principles that have stood the test of time. Throughout our 60-year history, we have built a reputation for being there for our customers, shareholders, employees, and communities in the most critical times. This very difficult operating environment is no different. How we act during this global crisis is going to define who we are as an institution for years to come.

Together, we have weathered many unprecedented challenges, but they did not stop us from accomplishing some extraordinary things. In 2019, at a time of uncertainty to many industry players, we continued to play our part in reducing global warming and supporting activities that are beneficial to the environment and society. This earned us the Titanium Award at The Asset ESG Corporate Awards 2019 — Benchmark Award for Excellence in Environmental, Social and Corporate Governance. The spiraling effects of

this pandemic will pose a challenge to our business, as with others, but will not make us waver in our commitment to do more as a responsible corporate entity.

As a bank, we remain strong, resilient, and well-positioned to support our clients, customers, communities, and our nation particularly during this difficult time. But, as this global pandemic has taught us, we need each other to pull us through. That is why we are not only stepping up our commitment, but also in the way we collaborate. This crisis offers us yet another opportunity to foster a collaborative culture of bayanihan where everyone will have equal access to services and benefits, including access to much-needed financing. We believe that technology will play a crucial role in our economic recovery post-COVID-19 and so we will continue investing in digital initiatives to serve the needs of our customers better.

Now more than ever, we need passionate and motivated employees to get our customers out of this storm and to safer harbor; a strong balance sheet that allows us to invest in good times and in bad times; a proactive risk assessment and management model to guide us in making quick and accurate decisions; and an innovative spirit, enabled by technology.

On behalf of the Board of Directors, let me express my deep gratitude and appreciation to our clients who continue to support and trust us and to the employees of RCBC, particularly the frontliners in our branches. We all gain an appreciation for the tremendous character and capabilities you have demonstrated throughout this quarantine and how you have helped our customers and local communities cope with this trying time. I am confident that we will emerge as an even stronger institution after this pandemic.

With the continuing trust and confidence of our shareholders and customers, we will rise to the challenge.

**Helen Yuchengco Dee**  
Chairperson



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**“THIS PANDEMIC IS A CALL TO ACTION – FOR EVERYONE, EVERYWHERE. IN MOMENTS LIKE THESE, OUR PURPOSE AND VALUES MATTER TO EVERYONE WE SERVE. IN THESE DIFFICULT TIMES, WE AT RCBC WANT NOTHING ELSE BUT OUR VALUES TO SHINE. THIS IS THE TIME TO MAKE THAT EXTRA EFFORT, TO GO THE EXTRA MILE, TO REACH OUT TO THOSE IN NEED, WHETHER THEY ARE OUR CUSTOMERS OR NOT.”**

**EUGENE S. ACEVEDO**

President & Chief  
Executive Officer

As we enter our 60th year as a financial institution, the entire world is battling its biggest challenge yet: the coronavirus (COVID-19) pandemic. It is not just posing a threat to human life, but to the wealth of nations as well. Understandably, there is less reason to celebrate our milestone, given the great sense of unease everywhere.

Yet it is in these trying times that opportunities emerge. And if there is one that is dawning upon us, it is the reality that being ‘digital’ is no longer just an option.

Since the enforcement of social distancing and lockdown policies in most parts of the world, consumer demand for digital channels has never been greater. Those who used to go to the branches to deposit or encash physical checks are now being indoctrinated into the world of mobile banking. Entrepreneurs who used to ply physical goods and services and get cash payment now resort to offer online deliveries and digital payment options.

Unfortunately, this pandemic has caught many local companies flat footed, without the ability to provide a positive digital experience to consumers. The good news is that RCBC has already started embarking on digital transformation even before the pandemic. We regarded this as part of our intelligent bet on the future of banking: agile, responsive, and aligned with customers’ fast-paced lives. We did not foresee that this global health crisis will accelerate the need for the digital banking future we initially envisioned and one in which we are prepared to lead.

**Relying on our financial strength**

RCBC entered this crisis with a healthy financial position and robust committed financing in place. The merger of RCBC and its thrift bank arm, RCBC Savings Bank, in July 2019, was timely; it also contributed to further strengthening our balance sheet.

In 2019, we solidified our position among the country’s largest lenders in terms of assets. Our net income grew by 25% to Php5.4 billion from Php4.3 billion the previous year, as the expansion in our core business got an added boost from our high margin, strong trading gains, and higher fee-based income.

Our gross revenues surged by 35% to Php35.9 billion as interest income from loans and receivables expanded by 21%. This was primarily driven by the solid volume growth and sustained margins across all customer segments. Our non-interest income jumped by 125% due to stronger contributions in treasury-related and fee-based income, including deposit and branch fees, trust fees, and card-related fees.

Our total assets expanded by 19% to Php767.1 billion, with investment securities and regular loans (net of interbank loans) driving the growth. With our capital funds at Php82.9 billion, a capital adequacy ratio (CAR) of 13.8%, and Common Equity Tier (CET1) ratio of 12.9%, RCBC continued to exceed the minimum regulatory requirements. Our return on equity (ROE) improved by 69 basis points to 6.5% during the period.

Even with the ongoing global pandemic, we believe our strong performance in 2019 sets the stage for the kind of growth we want to see in the future: produced by well-positioned businesses in the key market segments we operate in through innovative products and quality service.

### Renewing our focus

When I took over the position as RCBC President on July 1, 2019, my mandate was to pursue the fastest-growing segments in the industry and firmly plant ourselves in the areas of consumer lending and small and medium enterprise (SME) lending. Both remain untapped markets which will play an important role in the future we are envisioning.

In 2019, our consumer lending and SME lending booked solid double-digit growth rates of 18% and 29%, respectively. Consumer loans accounted for 30% of our total loan portfolio of Php434.0 billion while SME loans have a 17.0% share.

While we are forced to reimagine the so-called “New Normal” after this pandemic, particularly on how it will change consumer behavior and alter our service delivery, what we do know is that our recent merger will raise our operational efficiency and boost our long-term competitive position.

### Accelerating our digital pivot

As people face mandates to practice social distancing in response to the COVID-19 pandemic, the need to go digital has never been considered as a staple than now. Fortunately, even before this crisis, we have already been stepping up our investments in digital technology and process improvements to serve our customers better.

In 2019, we embarked on a massive digital transformation starting with all our delivery channels. We introduced new features in our mobile banking application and upgraded customer experience, resulting in high app ratings on Google Play and the Apple App Store. We also re-engineered our core products and services. On the corporate banking side, our transaction banking team digitized important functions such as payments, collections, and check warehousing. They have also migrated from the usual check disbursements to the use of electronic funds transfer services, PESONet and InstaPay.

On the retail front, we laid the groundwork for the launch of our digital-only rural bank as part of our digital banking roadmap. Not only will this signal our entry into this space, we also aim to reach the majority of the population who do not have access to formal banking channels. By serving low-income segments or those with an average daily balance of Php1,000, we enlarge our retail market base and promote financial inclusion.

In 2019, we also poured significant investment into equipping our relationship managers with new efficiencies, mainly through the use of cloud-based customer relationship management platform Salesforce and its related marketing automation capabilities. We started exploring the use of robotic process automation (RPA), where we move routine, repetitive tasks to a robotic function for faster turnaround times and enhanced customer relationships fostered by our frontliners. RCBC currently has 10 branches (Branch of Today) in Metro Manila that have been robotized. We are the first bank to leverage robotics in the country, and we intend to ride on this momentum by integrating artificial intelligence (AI) and machine learning for further digitization in our processes.

Vital digital initiatives rely on Big Data. Being a data-hungry enterprise arms us with better decision making as it eliminates the guesswork in everything we do. We take pride in our growing data science capability which properly guides us in targeting banking leads and prospects and their individual needs; conducting internal credit scoring, which enables us to lend to customers immediately; and predicting current and future deposit and lending services.

### Responding as One RCBC

As nations face an unprecedented crisis and the prospect of a deep recession, we at RCBC regard ourselves as a reliable partner of our customers and local communities.

We are enabling people to bank remotely and leverage our digital channels to continue meeting their needs such as basic commodities and medicines, or collecting payment from their customers and paying their suppliers if they are running their own businesses. Our goal is to minimize the disruptions to their lives or businesses, and sustain commercial activity as much as possible.

On March 16, 2020, the Philippine government implemented a lockdown in Luzon, which restricted the mobility of millions of Filipinos and limited the operation of bank branches. This prompted us to implement these rapid responses to support our customers as well as non-customers equally affected by the pandemic:

- Allowing BancNet cardholders to make basic banking transactions such as withdrawals, account inquiries, and fund transfers through any partner rural bank, drug stores, microfinance firms and even *sari-sari* stores through our rebranded mobile point-of-sale device product, ATM Go.

- Enabling the “poorest of the poor” who are beneficiaries of the national government’s “Pantawid Pamilyang Pilipino” to access their social amelioration emergency cash subsidy using ATM Go. The payouts of the cash assistance were simultaneously held in over 70 provinces via over 1,250 mobile ATM terminals. In the first quarter of 2020 alone, RCBC ATM Go has disbursed over Php1.5 billion or 138.0% more than in the same period in 2019 as the majority of the transactions were related to the emergency cash subsidy.
- Partnering with more rural banks, cooperatives, microfinance firms, and Bayad Center outlets to encash the government’s Php200-billion social amelioration program. We are rolling out an additional 1,800 terminals across the country for this.
- Enabling customers to make cardless automated teller machine (ATM) withdrawals in our 1,537 ATM outlets across the country. Since the ECQ started, we recorded a 628.0% growth in cardless ATM withdrawals. Apart from this, we also launched other initiatives to ease the burden of our customers amid the lockdown through a mobile ATM service.
- Rolling out the quick response (QR) code feature in our mobile app, RCBC Online Retail, to facilitate quick cashless payments. This enables push and pull payments via QR Ph in addition to real-time bank-to-bank transfers via PESONet and InstaPay.
- Enabling overseas Filipino workers transmitting money to recipients with or without bank account to remit through M Lhuillier, LBC, and Bayad Center outlets, apart from RCBC branches. The cash remittance is done through the Send Cash feature of our online platform. Since the Luzon-wide lockdown, Send Cash transactions had risen by 156%, the second-biggest uptick among our online transactions during the period.
- Launching of Diskartech, a financial inclusion accelerator app, to tap unbanked and underserved Filipinos in the provinces to promote financial inclusion, in line with the government initiatives.

Within our organization, we have also taken measures to protect the health and well-being of our people, especially the frontliners in our branches. Before the ECQ took effect, we already activated our crisis management response, including the adoption of a Work from Home policy, to maintain business continuity as much as we possibly can. The safety of everyone remains paramount. We can only make a positive impact if we stay safe and COVID-free. I would like to thank all our employees for what they have done to weather this crisis and to get our company prepared to cope with this situation. Your commitment makes all the difference.

### Sustaining our commitment

The global pandemic has deepened poverty, exposed weak health systems, and widened digital divides, among others. And while our immediate attention will be focused on restoring economic prosperity, we must not relent on pursuing our sustainability commitment. This pandemic should even further spur us to accelerate and deepen our efforts to build a healthier, safer, and greener world.

In 2019, we have made great strides in sustainable financing, where we were guided by a green finance framework in our operations, partnerships, and entire business ecosystem. We funded several renewable energy projects, foremost of which is the 330-megawatt solar farm in Southeast Asia as the sole lender. In September 2019, we also raised US\$300 million from dollar-denominated bonds under our sustainable finance framework — considered a landmark transaction in the Philippines and in ASEAN. Despite the crisis, we remain optimistic about helping meet the country’s commitments to the landmark 2015 Paris Agreement by issuing green bonds and making sustainable investments.

### Moving forward

This pandemic is a call to action – for everyone, everywhere. In moments like these, our purpose and values matter to everyone we serve. In these difficult times, we at RCBC want nothing else but our values to shine. This is the time to make that extra effort, to go the extra mile, to reach out to those in need, whether they are our customers or not. The road to recovery after this pandemic will not be easy. Consumer appetite will weaken, economic engines will falter, many lives and livelihoods will be upended.

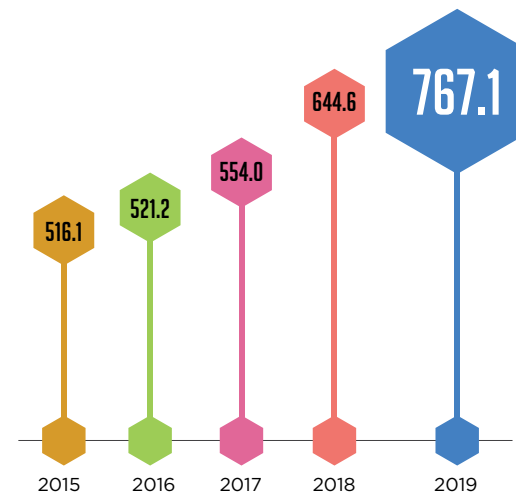
It is in these times of crisis that heroes are born. And so we must not lose sight of who we are as a people. We have managed to thrive amid the downturns. After all, we are not named Rizal Commercial Banking Corporation — after our national hero — for nothing. Over the course of six decades, RCBC has been forged in the fire of many crises, including the 1997 East Asian financial contagion and the 2008 global financial crisis. We have every reason to believe that we will overcome this one, too.

We must go beyond being a narrative of resilience, and emerge as the best turnaround story yet. With your continued trust and belief in us, we shall overcome.

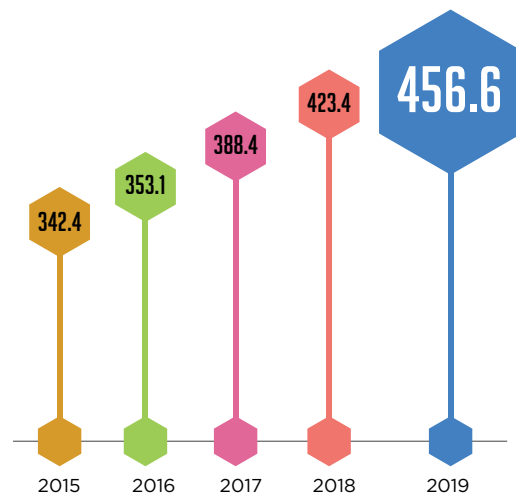


Eugene S. Acevedo  
President and Chief Executive Officer

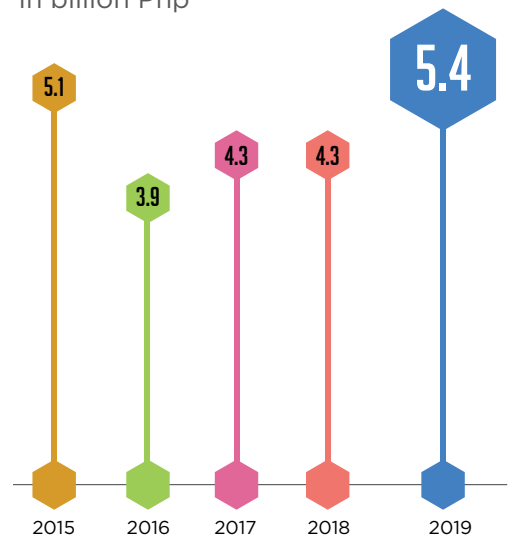
## Financial Highlights



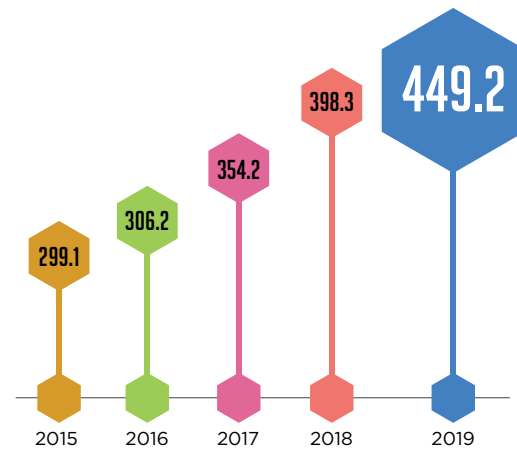
**TOTAL RESOURCES**  
In billion Php



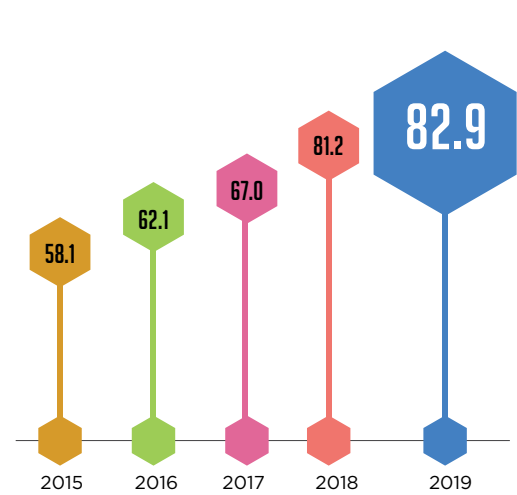
**TOTAL DEPOSITS**  
In billion Php



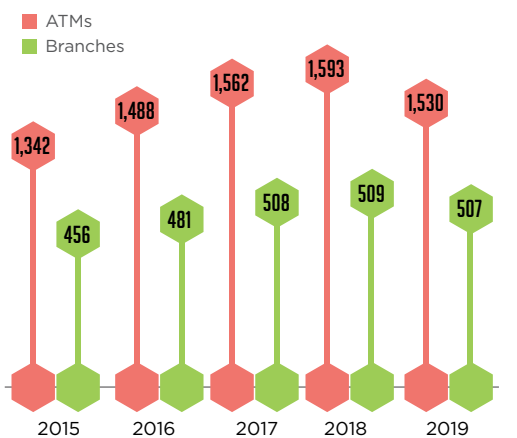
**NET INCOME**  
In billion Php



**NET LOANS\***  
In billion Php



**NET WORTH**  
In billion Php



**DISTRIBUTION NETWORK**

\*Includes Receivables, Net of Interbank Loans

### Financial Conditions

Total Assets grew by 19.0% or Php122.5 billion to Php767.1 billion from Php644.6 billion, year-on-year, attributable to the increase in Bangko Sentral ng Pilipinas (BSP) placements, investments securities, and loans and receivables.

Due from BSP increased by 54.5% or Php30.8 billion to Php87.3 billion from Php56.5 billion, primarily due to higher term deposit placements. This represented 11.4% of Total Resources. On the other hand, Loans under reverse repurchase agreement decreased by 42.5% or Php4.3 billion to Php5.8 billion from Php10.0 billion.

Total Investment Securities, representing 21.0% of Total Resources, increased by 35.7% or Php42.3 billion to Php160.7 billion from P118.5 billion. This was due to the 146.7% or Php32.3 billion increase in Financial Assets at Fair Value through other Comprehensive Income (FVOCI) to Php54.2 billion from Php22.0 billion, as well as the 13.5% or Php12.0 billion increase in Investment Securities at Amortized Cost to Php100.9 billion from Php88.9 billion.

Loans and Receivables-net went up by 12.8% or Php50.9 billion to Php449.2 billion from P398.3 billion, and represented 58.6% of Total Resources. The increase was primarily driven by the higher volume of loan releases.

Bank Premises, Furniture, Fixtures & Equipment-net increased by 31.4% or Php2.6 billion to Php11.1 billion from Php8.4 billion. This was attributable to the recognition of the right of use of asset in accordance with the Bank's adoption of PFRS 16 Leases. Investment Properties-net increased by 14.1% or Php511.0 million to Php4.1 billion from Php3.6 billion, mainly due to additional foreclosed properties. Other Resources-net increased by 17.6% or Php1.6 billion to Php10.6 billion from Php9.0 billion.

Deposit Liabilities grew by 7.8% or Php33.2 billion to Php456.6 billion from Php423.4 billion and represented 59.5% of Total Resources. Demand deposits increased by 25.0% or Php14.1 billion to Php70.5 billion from Php56.4 billion and accounted for 9.2% of Total Resources. Savings Deposits amounted to Php179.2 billion and accounted for 23.4% of Total Resources. Time deposits grew by 7.2% or Php13.9 billion to Php206.8 billion from P192.9 billion and had a 27.0% share.

Bills payable increased by 81.4% or Php45.6 billion to Php101.6 billion from Php56.0 billion, primarily due to the increase in foreign borrowings. It represented 13.3% of Total Resources. Bonds payable grew by 82.4% or Php43.7 billion to Php96.8 billion from Php53.1 billion, primarily as a result of the Php15.0-billion ASEAN green bonds issuance, Php8.0-billion ASEAN Sustainability Bond, and Php15.5-billion senior notes and Php7.5-billion Peso Bonds the Bank issued. This represented 12.6% of Total Resources. In October 2019, the Bank retired the Php10.0-billion issued subordinated debt.

Accrued taxes, interest and other expenses payable increased by 17.5% or Php925.0 million to Php6.2 billion from Php5.3 billion, mainly due to the increase in accruals for interest.

Other Liabilities grew by 46.9% or Php7.4 billion to Php23.0 billion from P15.7 billion, primarily due to the recognition of lease liability in accordance with the Bank's adoption of PFRS 16.

Total liabilities grew by 21.4% or Php120.8 billion to Php684.2 billion, representing 89.2% of Total Resources.

Net Unrealized Gains on Financial Assets at Fair Value through Other Comprehensive Income declined by 42.5% or Php661.0 million to Php894.0 million from Php1.6 billion, mainly as a result of the revaluation of investment securities. Actual Gains on Remeasurement of Net Defined Benefits fell by 134.0% or P1.8 billion to a negative balance of P3.1 billion from a negative balance of P1.3 billion.

Retained Earnings increased by 13.7% or P3.6 billion to Php30.1 billion from P26.5 billion as a result of an increase in net profit for the period, net of cash dividends paid and transfer to general loan loss reserve.

Total Capital Funds was recorded at Php82.3 billion and accounted for 10.8% of Total Resources.

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

### Results of Operations

Total interest income increased by 21.5% or Php6.6 billion to Php37.6 billion from Php30.9 billion and accounted for 104.8% of total operating income. Interest income from loans and receivables was up by 20.8% or Php5.6 billion to Php32.6 billion from Php27.0 billion and accounted for 91.0% of total operating income. This was mainly due to the increase in average volume of Loans and Receivables and in the average yield of loans and receivables.

Interest income from investment securities went up by 32.2% or Php1.1 billion to Php4.5 billion from Php3.4 billion, mainly due to the increase in the average volume and yield of investment securities. This accounted for 12.5% of total operating income. Other interest income declined by 12.0% or Php59.0 million to Php434.0 million from P493.0 million, primarily as a result of lower BSP placements.

Total interest expense grew by 45.6% or Php4.8 billion to Php15.2 billion from P10.4 billion. This accounted for 42.4% of total operating income. Interest expense on deposit liabilities increased by 37.0% to Php8.6 billion from P6.3 billion, representing 24.1% of total operating income. The increase was as a result of higher volume and cost of time deposits. Interest expense on bills payable and other borrowings increased by 58.7% or Php2.4 billion to P6.6 billion from P4.1 billion mainly due to the increase in volume and yield of Bonds Payable.

As a result, Net Interest Income increased by 9.2% or Php1.9 billion to P22.4 billion from P20.5 billion.

Financial Highlights

The Group booked higher impairment losses at Php7.4 billion, up by 289.5% or Php5.5 billion from Php1.9 billion and represented 20.6% of total operating income. Increase in impairment losses-net was mainly due to higher specific provisioning and additional provisions following the Bank’s ECL methodology.

Other operating income ballooned by 124.6% or Php7.5 billion to Php13.5 billion from Php6.0 billion, and accounted for 37.6% of total operating income. This is broken down as follows:

- Trading and securities gain-net recorded an increase to a gain of Php7.5 billion from nil in end-2018, attributable to realized trading gain from investment securities. It accounted for 20.9% of total operating income.
- Service fees and commissions grew by 16.0% or Php531.0 million to Php3.9 billion from Php3.3 billion and accounted for 10.8% of total operating income. The increase is primarily due to higher credit card-related fees, loan- and deposit-related fees, and BancNet fees.
- Foreign exchange gains declined by 58.8% or Php496.0 million to Php347.0 million from Php843.0 million primarily due to lower foreign exchange gains.
- Trust fees expanded by 16.2% or Php45.0 million to Php323.0 million from Php278 million.
- Share in net earnings of subsidiaries and associates increased by 50.0% or Php7.0 million to settle at Php21.0 million from Php14.0 million.
- Miscellaneous income declined by 6.1% or Php95.0 million to Php1.5 billion from Php1.6 billion, brought about by lower dividend income and income from assets acquired.

Operating expenses went up by 12.3% or Php2.4 billion to Php21.8 billion from Php19.4 billion and accounted for 60.8% of Total Operating Income. This is broken down as follows:

- Manpower costs amounted to Php6.8 billion and accounted for 19.1% of total operating income.
- Occupancy and equipment-related declined by 19.0% or Php657.0 million to Php2.8 billion from Php3.5 billion, mainly due to the prospective adoption of PFRS 16 Leases.
- Taxes and licenses expanded by 38.7% or Php865.0 million to Php3.1 billion from Php2.2 billion, largely due to the impact of the gross receipt tax on higher gross revenues and higher documentary stamps tax as a result of the increase in Peso Bonds and growth in Time Deposits.
- Depreciation and amortization went up by 37.5% or Php682.0 million to Php2.5 billion from Php1.8 billion due to the prospective recognition of amortization of right to use asset under PFRS 16.
- Miscellaneous expenses went up by 23.2% or Php1.2 billion to Php6.6 billion from Php5.3 billion, primarily as a result of higher service fees, communication and information expenses, and ROPA-related costs. It accounted for 18.3% of total operating income.

Tax expense increased by 46.2% or Php403.0 million to Php1.3 billion from Php872.0 million, mainly due to the higher final tax paid for the period and lower setup of deferred tax assets.

Net profit attributable to non-controlling interest was at Php1.0 million.

Net income was recorded at Php5.4 billion, 24.7% or Php1.1 billion higher than Php4.3 billion in 2018.

RIZAL COMMERCIAL BANKING CORPORATION & SUBSIDIARIES

Financial Highlights

	CONSOLIDATED		PARENT BANK (SOLO)	
Minimum Required Data	2019	2018	2019	2018
<b>Profitability for the year</b> <i>in million Php except for ratios and net earnings per share</i>				
Total Net Interest Income	22,368	20,489	21,883	19,954
Total Non-Interest Income	13,490	6,006	12,767	5,494
Total Non-interest Expenses	21,798	19,403	20,926	18,609
Pre-Provision Profit	12,785	6,220	12,579	6,102
Impairment Losses	7,397	1,899	7,192	1,782
Net Income	5,388	4,321	5,387	4,320
<b>Selected Balance Sheet Data</b> <i>in million Php</i>				
Liquid Assets <sup>1/</sup>	207,344	143,340	202,995	137,295
Gross Loans and Receivables	462,649	408,591	454,819	401,849
Total Resources	767,079	644,595	758,118	636,207
Deposits	456,581	423,399	456,593	423,529
Net Worth	82,850	81,170	82,762	81,075
<b>Selected Ratios</b>				
Return on Equity	6.47%	5.78%	6.48%	5.79%
Return on Assets	0.80%	0.73%	0.81%	0.74%
CET I Capital Ratio	12.89%	13.38%	12.29%	13.24%
Tier 1	12.89%	13.38%	12.29%	13.24%
CAR (Basel 3 starting Jan. 1, 2014)	13.76%	16.13%	13.16%	16.50%
<b>Per common share data</b>				
Net Income per Share:				
Basic	2.78	2.62	2.78	2.62
Diluted	2.78	2.62	2.78	2.62
Book Value	42.71	41.92	42.91	41.88
<b>Others</b>				
Cash Dividends Declared (in Php million)	863	863	863	863
Headcount	6,611	6,886	6,344	6,655
Officers	4,008	4,141	3,854	4,014
Staff	2,603	2,745	2,490	2,641

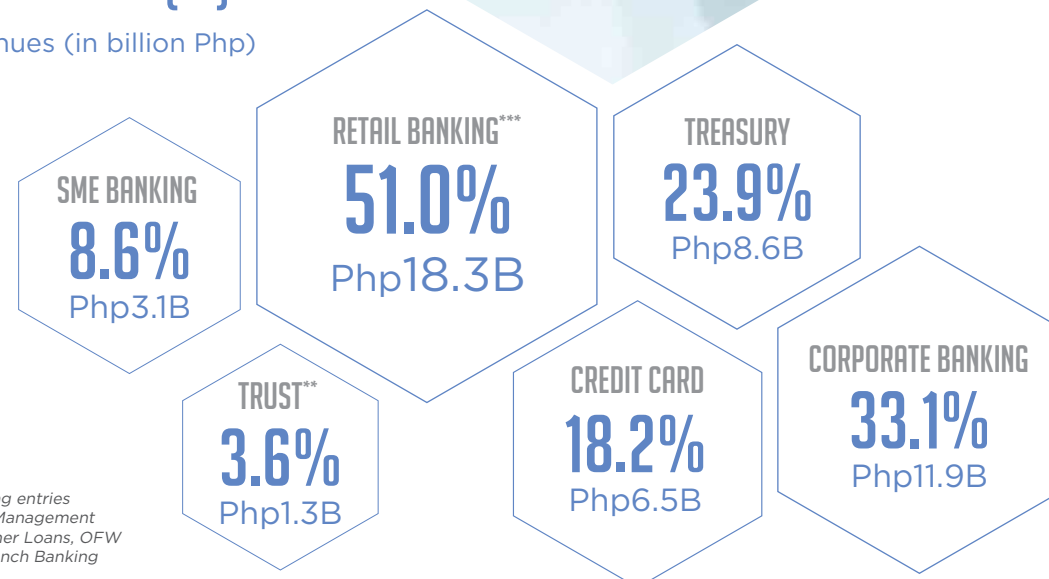
<sup>1/</sup>- COCI, Due BSP, Due from other banks, FVPL, AFS, Interbank loans

## Business Review



## CONTRIBUTIONS TO TOTAL INCOME [%]\*

Gross Revenues (in billion Php)



\*Gross of eliminating entries  
 \*\*Includes Wealth Management  
 \*\*\*Includes Consumer Loans, OFW Remittances, Branch Banking

## CORPORATE BANKING

We maintain relationships with our corporate customers, ranging from the country's largest conglomerates, multinational corporations, large local corporations, to the mid-sized middle market. Through our Corporate Banking Group (CBG), we provide a wide array of solutions — deposit products, cash management offerings, various financing facilities for working capital, trade financing, capital expenditures and other expansion projects — tailor fit to the needs of our clients.

In 2019, we embarked on a rationalization program to better serve our corporate customers. We consolidated our Conglomerates & Strategic Corporate Banking Group and our National Corporate Banking Group under one Corporate Banking Group (CBG). We also spun off our SME Banking into a separate group. CBG is now made up of five segments, namely: Conglomerates, Large Local Corporates, Global Ecozone, Chinese Banking, and the Middle Market/Commercial segments. This setup was meant to ensure the widest relationship coverage across our target market.

Aligned with our thrust to promote a culture of excellence, our Relationship Managers (RMs) went through a series of training programs to improve both their technical and soft skills.

We continued with our winning formula of teamwork. Our RMs worked with product partners such as the Global Transaction Banking Group, Trust and Investments Group, Treasury, RCBC Capital Corporation, among others, in delivering services and solutions to our customers.

In 2019, we registered a 1% uptick in wholesale loans as a result of tempered demand, and our focus on risk-based pricing. Total deposits from Corporate Banking grew by 12.0%, with low-cost deposits accounting for 57.0%, as more customers availed of our various cash management products.

Consistent with our direction to support projects that will positively impact a bigger population, we successfully closed several notable project finance deals and partnerships in 2019:

- Financial closing of the Cavite Laguna Expressway (CALAX) Project Finance deal
- Financial closing of the Cebu-Cordova Link Expressway (CCLEX) Project Finance deal
- Financial closing of the AC Energy and BIM Group: Solar Power Plant expansion in Vietnam
- RCBC Partnership with Shoko Chukin Bank
- RCBC and Korean Embassy Partnership for Korean Internship

As a solid testament to the growing trust and confidence in our capability to lead and arrange financing for noteworthy corporate banking deals, we reaped the following awards and recognition:

- The Asset Triple A Awards 2019:
  - “PPP Deal of the Year” for MPCALA Holdings (Php24.2-billion Omnibus Loan & Security Facility)
  - “Renewable Energy Deal of the Year” for the BIM Renewable Energy Joint Stock Company (USD211.5-million Financing Facility)
  - “Transport Deal of the Year” for the Cebu Cordova & Link Expressway Corp. (Php19.0-billion financing facility)
- Asian Banking & Finance Corporate and Investment Awards 2019: “Syndicated Loan of the Year” for the Cebu-Cordova Link Expressway



*Aerial view of the Cebu-Cordova Link Expressway, a toll bridge expressway being constructed in Cebu. The Php19.0-billion financing facility, led by RCBC, won the “Transport Deal of the Year” from The Asset Triple A Awards 2019.*

## Business Review

### SME BANKING

Through our Small and Medium Enterprise Banking Group (SMEBG), we are able to promote financial inclusion by serving entrepreneurs, particularly those in the provinces where access to banking and financial services is critical. In 2019, SME Banking contributed 8.6% to our total income, posting gross revenues of Php3.1 billion\*.

Total SME loans reached Php52.3 billion, 20.8% higher than a year ago, while deposits rose by 32.4% to Php49.1 billion.

New SME borrowers boosted our loan portfolio by Php12.3 billion in 2019, as we were able to leverage on our wide branch network. Branch referrals accounted for 83.7% of our total approved SME facilities of Php12.3 billion for new accounts.

The year also saw the reorganization of SMEBG to align with our “One SME” goal and with the merger of RCBC with RCBC Savings Bank. Under the reorganization, SMEBG was subdivided into smaller teams for greater customer focus. A division was created to focus on clients with borrower relationships of Php10.0 million and below.

The reorganization also led to the establishment of more lending centers, bringing our network to 35 lending centers and satellite offices in strategic locations across the nation.

To enhance operational efficiency, we further improved our SME Credit Program to cater to accounts of Php10.0 million and below, enabling us to simplify our SME loans underwriting process, better manage risks, increase cross-selling opportunities, and expand its customer base.

We also embarked on a Business Process Reengineering (BPR) project to further improve our operations. The new SME Banking Model — SME Transformed — aims to improve loan processing turnaround time by automating 50.0% of processes to maximize productivity and monitor leads.

### RETAIL BANKING

We continue to offer a wide suite of deposit products and strengthen customer loyalty through our Retail Banking Group (RBG).

In addition to our network of 486 branches nationwide, we also make our financial products available through cross-selling initiatives with two leading institutions under the Yuchengco Group of Companies (YGC): Sunlife Grepa Financials, Inc. (life insurance) and Malayan Insurance Company Inc. (non-life insurance). These initiatives contributed almost Php20.0 billion in total revenues to our partners.

RBG, including our other various retail banking segments — Rizal MicroBank (RMB), Global Filipino Banking (overseas Filipino workers' remittances), Digital Enterprise and Innovations Group, and Consumer Lending business — generated combined revenues of Php18.3 billion\* in 2019. This accounted for 51.0% of our total income.

#### SME LOANS GROWTH

↑ **20.8%**  
Php52.3B

Through our branch channels, the average daily balance of CASA deposits reached Php237.0 billion, or 3.2% more than in 2018. To boost our CASA, we offered special rates to qualified customers. This promotional campaign increased our average daily balance by Php6.0 billion in 2019. Our consumer loan portfolio grew by 13.2% to Php101.2 billion, year-on-year, despite the intensifying competitive pressures and market uncertainty. We attribute our robust performance to our ability to harness technology in our loan processes, which led to greater operational efficiency, improved asset quality, wider market share, and stronger relationships with our dealers, developers, and agents.

Higher consumer confidence as a result of the decline in interest rates in 2019 and our intensified marketing efforts led to a 30.6% in credit cards issued, of which RBG contributed an additional 5,000 cards.

Among our major initiatives in 2019 was the launch of the **Hexagon Club** that targets affluent individuals and retail entrepreneurs with existing RCBC accounts. The premiere club offers members premium banking service and perks, inside and outside our branches.

To stay ahead of competition, we continued to pursue several training programs for our sales personnel: from basic refresher courses and Sales Bootcamp for new hires, to a two-month leadership training at the Regional Sales Directors Learning Academy. A new sales management process was also implemented in September 2019, which enables us to track our performance on standard key activities such as lead generation, appointment setting, field visits, and customer onboarding and deepening.

In the coming years, we aim to seize more opportunities to differentiate RCBC from competition, especially in the consumer banking business where product offerings of banks are almost similar. We are confident we can meet future business challenges such as growing competition, the rise of fintechs, greater demand for talent and people retention, and having the agility to adapt to rapidly evolving systems and processes.

### GLOBAL TRANSACTION BANKING

Through our Global Transaction Banking (GTB) Group, we are able to serve the banking needs of corporate and SME clients, and overseas Filipino workers (OFWs). Gross revenues from this business grew by 52.3% to Php4.8 billion\* and fee income by 68.3% to Php1.3 billion in 2019 versus the year-ago level.

The four business lines under the GTB Group performed well in 2019:

- Corporate Cash Management (CCM) posted a 46.6% increase in revenues, as it continued its momentum in 2018 and rolled out newer services in collections and electronic payments nationwide.
- Trade Product Management (TPM) grew its net revenue from trade loans by 13.5%.
- Retail Cash Management (RCM), which extends financial services through our ATMs, debit and prepaid cards for clients' in-store and online purchases, cash withdrawals, bills payment, and funds transfers, saw its revenues skyrocket by 102.7% year-on-year.



RETAIL CASH MANAGEMENT  
REVENUE GROWTH  
↑ **102.7%**



## Business Review

A major contributor to this growth is the ATM Business. In 2019, we adopted an effective terminal rationalization strategy which involved identifying new profitable sites that can replace existing deployments, efficiently generating more revenue. Another essential contributor is the Debit Card Business, in which we intensified marketing campaigns and promotions, resulting in higher revenues.

- Global Filipino Banking (GFB), which addresses the remittance needs of OFWs through our global network of 72 remittance partners and 50 shipping company tie ups in 15 countries, was able to generate gross revenues of Php407.3 million\* in 2019, a growth of 21.7% versus 2018.

### CONSUMER BANKING

We cater to individual consumers' banking needs through products that help them manage their money, have access to credit, and deposit their money in a secure manner. In 2019, our total Consumer Banking loan portfolio rose by 17.7% to Php131.4 billion from year-ago's Php111.6 billion. Mortgage loans accounted for 40.6% of the total and grew by 11.4%, year-on-year. This was followed by Auto Loans, which had a 35.4% share and a 14.5% growth; Credit Card with a 22.8% share and 39.0% growth; and Personal and Salary Loans, which accounted for the rest.

#### RCBC BANKARD

RCBC Bankard continued to be a formidable player in the local credit card industry as well as a significant contributor to our bottom line. Gross revenues rose to Php6.5 billion\*, accounting for 18.2% to the total income we generated through fee-based transactions. RCBC Bankard Services Corp. registered a net income of Php41.5 million, which translates to a return on average equity of 18.48% and return on average assets of 9.87%.

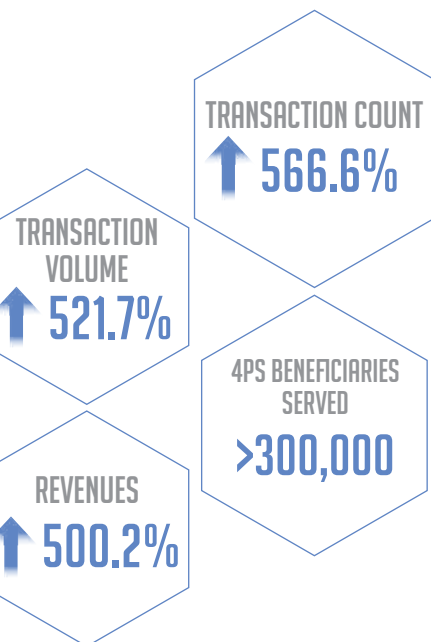
In 2019, RCBC Bankard climbed a notch higher in industry ranking to land in the top 5 in terms of billings. It issued billings worth Php63.6 billion or 29.5% higher than in 2018.

Through strong acquisition, aggressive top-of-wallet usage offers, and well-executed campaigns, RCBC Bankard was able to grow its card base to 876,678 cardholders, 26.2% higher than the previous year. RCBC Bankard issued 270,438 new cards, 48.0% more than a year ago, while its receivables outstanding jumped 44.1% to Php31.0 billion.

A testament to its solid performance, RCBC Bankard bagged the "Best New Product Launch of the Year" (Highly Acclaimed) for its JCB Platinum card at The Digital Banker's 2<sup>nd</sup> Annual Global Retail Banking Innovation Summit Awards held in Singapore in September 2019. The premium card provides distinct privileges such as more rewards points for card purchases in Japan.

2019 also saw the launch of the RCBC Bankard NOW, which enables our clients to apply for their preferred RCBC Bankard product at any of our partner stores, get approval in as fast as one hour, and shop with a zero-percent installment right away.

# ATM Go



### DIGITAL BANKING

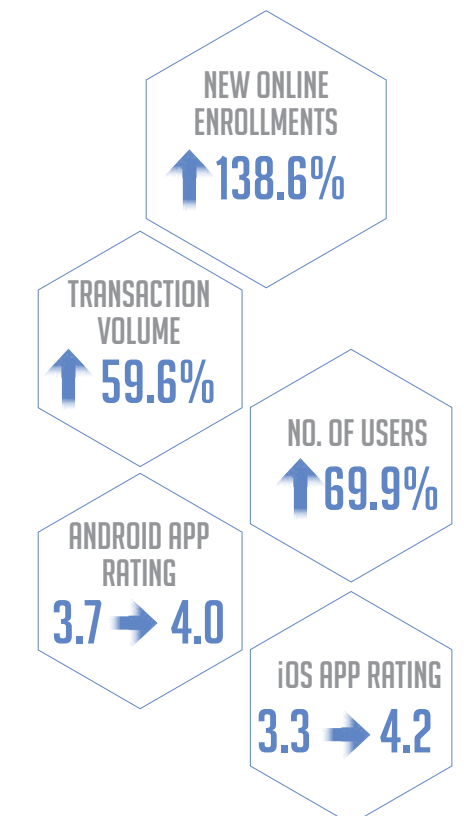
We reorganized our Digital Banking Group in July 2019 and renamed it as Digital Enterprise and Innovations Group (DEIG), aligned with its primary thrust to accelerate digital transformation so we can deliver customer-centric banking products and services with an awesome user experience. We also rationalized, harmonized, and optimized our various digital assets in 2019. This included the creation of innovative, inclusive, and interoperable digital solutions aligned with the BSP's thrust on promoting financial inclusion among the underserved and unbanked segments.

With a revitalized DEIG, we were able to exponentially grow our digital initiatives to include the following:

- ATM Go** (formerly known as Cash Express) is the country's first neighborhood ATM that enables any BancNet ATM cardholder to withdraw cash through various merchant partners nationwide. Customers can also deposit cash, do balance inquiries, pay bills, transfer funds, and purchase electronic load for prepaid mobile phones through this service. In 2019, we rationalized the deployment of these devices to focus on high-impact and volume-intensive partners such as rural banks, *sari-sari* stores, drugstores, cooperatives, and microfinance institutions nationwide. This resulted in the fivefold year-on-year growth of ATM Go's transaction count, volume, and revenues. Majority of the transactions came from household beneficiaries under the government's Pantawid Pamilyang Pilipino Program.
- Our online platform and mobile application, **RCBC Online Retail**, also saw record-breaking growth performance in 2019. In addition to exceeding key metrics, our improved mobile banking app also has an enhanced user interface and other new features to optimize digital customer experience. Among these new features are the following: push and pull payments through QR Ph, in-app enrolment, online check deposit for RCBC checks, improved security features (biometrics log-in, one-time password verification, and device registration), multi-currency foreign exchange or a buy-and-sell service that supports six currencies (Euro, British pound, Hong Kong dollar, Japanese yen, Singapore dollar, and U.S. dollar), online time deposit placement up to Php10.0 million or USD 200,000, and online and mobile government payments via PESONet in partnership with the Land Bank of the Philippines.
- 2019 also saw our record collaboration with over 50 entities from the public and private sectors and civil society. RCBC became the first payment industry participant to launch **eGov Pay**, the government e-payments facility. From enabling tax payments electronically, our participation in the BSP's National Retail Payments System continues to grow. In March 2020, we piloted the adoption and alignment with **QRPh**, the national QR code standard, which streamlines fragmented QR-driven payment services into an interoperable payment solutions platform. Other entities that became our strategic partners in 2019 include the Liga ng mga Barangay, which adopted the **DiskarTech** app as the country's national financial inclusion accelerator program and capacity-building initiative. DiskarTech was also integrated in the training modules of over 1,000 Negosyo Centers nationwide run by the Department of Trade and Industry.



## RCBC ONLINE AND MOBILE APP



## Business Review

## TREASURY

Through our Treasury Group, we are able to meet our liquidity and capital requirements, withstand any future financial stresses brought about by the volatility in the market, and comply with regulatory guidelines and thresholds. Our Treasury's ability to remain financially strong, stable, and able to function efficiently enables us to address our clients' funding needs. It also ensures that our excess cash is properly invested.

In 2019, we generated gross revenues of Php8.6 billion\* as income from trading of fixed income securities and foreign exchange and other fees grew. This contributed 23.9% to our total income.

On the asset side of the balance sheet, we increased our exposure to the Philippine and US rates markets, with our domestic exposure considered one of the best-performing asset classes globally in 2019. We took advantage of increasing the accrual and capital returns on our investment books.

On the liability side, we continued to lengthen the duration of borrowings and diversify our investor base. We raised Php30.5 billion worth of two-year peso-denominated bonds in the domestic market and USD300 million of 5-year U.S. dollar-denominated bonds in the international market. Both issuances were multiple times oversubscribed based on the initial announcement of the issue size.

We also demonstrated our agility when we pivoted and focused on new business opportunities to compensate for areas encountering headwinds in a year marked with higher volatility and uncertainty. The total volume of foreign exchange dealt with clients amounted to USD7.0 billion in 2019.

During the year, RCBC was recognized as one of the Top 5 brokering desks and Top 10 government securities eligible dealers by the Bureau of the Treasury. The Securities and Exchange Commission (SEC) also recognized the bank in issuing the first publicly distributed ASEAN-labeled green bond in the local market under the ASEAN Green Bond Standards 2018 and the first Sustainability Bond from the Philippines issued under the ASEAN Sustainability Bond Standards 2018. We also became the first Philippine bank to roll out an FX Digital Trading platform that allows our clients to buy and sell foreign currency at any given time from the safety of their own homes, or even from abroad.

## PRIVATE BANKING

As our private banking arm, RCBC Wealth Management is dedicated to serving our high net worth clients. Our Assets under Management (AuM) continued to steadily grow in 2019, with Php122.0 billion or 11.5% higher than in 2018.

Our relationship managers went through certification programs to become Registered Financial Consultants and Registered Financial Planners. This will enable us to offer financial advisory services to our clients by 2020, including financial and investment advice, retirement planning and estate planning, and risk management.

Our clients gained more flexibility after we made available online access to their Consolidated Wealth Management Statement of Account (SOA) in 2019. With this, RCBC Wealth clients now have the option to choose from three modes to receive their SOA: printed copy, e-SOA (through email), and online access.

## TRUST AND INVESTMENTS

Through RCBC Trust and Investments Group's (TIG), we continue to be one of the leading retirement fund managers in the country, as well as a fund manager of choice of a number of large private and government institutions. Together with Wealth Management, we generated Php1.3 billion\* in gross revenues from our trust and investments business, contributing 3.6% to our total revenues.

In 2019, our AUM from this business grew by 7.8% to Php94.4 billion versus 2018. This was mainly driven by our Unit Investment Trust Fund (UITF) products and Investment Management Accounts (IMA).

We generated trust fees of Php323.3 million, growing by 16.3% or Php45.3 million from the previous year's level. Our corporate trust or non-traditional products such as facility agencies and bond trusteeships mainly contributed to the improved performance.

2019 also saw enhancements in our UITF products to make them more accessible and affordable to our customers. We lowered the minimum investment amount to Php5,000 or USD200 and removed the holding period for our money market funds. We also launched two new products: the R25 Blue-chip Equity Fund and R25 Dividend Equity Fund, both industry firsts. Using formulas or algorithms, the Funds choose the 25 companies to invest in and the investment amount per company. With these funds, anyone can now afford to invest in the largest 25 companies listed in the Philippine Stock Exchange (PSE) with just Php5,000.

In addition to UITF product enhancements, 2019 also saw the surge in our UITF Online clients. Enrollments increased by 100.7%, with 25.7% of our UITF clients already online versus 9.57% the previous year.

We were also able to grow our IMA volume by 18.9% or Php6.3 billion, year-on-year due to the enhancements in customer onboarding, which resulted in improved experience for both our selling partners and clients.

We expect our trust and investment business to get a further boost from the launch of more products, giving our clients more options to diversify their portfolio. The merger of RCBC and RCBC Savings Bank (RSB) is also expected to further boost our trust business, given that RSB Trust serves high net worth clients through IMA products. We will continue to improve our documentation and processes to sustain the growth of our IMA business.

## INFORMATION TECHNOLOGY SHARED SERVICES

We regard information technology as a vital enabler of our business growth. Through our Information Technology Shared Services (ITSS) Group, we are able to deliver quality services to our clients and provide the required technology to enable us to meet our business goals.

In 2019, we rolled out the following initiatives:

- **RCBC-RSB Merger:** We ensured minimal or no disruption to customer service when the two systems were integrated. Former RSB clients were able to continuously avail of our banking services even when they started transacting in RCBC branches. RCBC clients had the same experience when they started to transact in former RSB branches.



## WEALTH AUM GROWTH

↑ 11.5%  
Php122.0B

## TRUST AUM GROWTH

↑ 17.8%  
Php94.4B  
total

## Business Review

Internal processes and controls remained intact and internal and regulatory reporting were unhampered.

- **Branch of Today (BOT):** The program entailed installing in our branches cutting-edge technologies such as robotics process automation for reducing account opening time to 20 minutes from one hour, and the API Management layer for enabling our internal and external systems to quickly interconnect without compromising security and data privacy. After its successful pilot in two branches (Greenbelt and Arranque), we were able to add 14 branches under the program in 2019.
- **New Mobile App:** Our latest mobile app version enhanced customer experience with our mobile banking channel as it introduced more ease of use, intuitive interface, enhanced security, QR for receiving and sending payments, and other functions relevant to meeting customers' daily banking needs. The app utilized new phone features such as facial recognition and biometrics authentication for logging in and confirmation of financial transactions for faster and safer banking.
- **Second Data Center:** To further enhance the resiliency of our IT infrastructure, we established a second data center at Clark PLDT, which was completed and went online in July 2019. Designed and configured to have the same capacity and capability as the primary data center, this ensures that there is no customer impact in the event of a major disaster or business disruption.
- **New Core Banking System for Rizal MicroBank (RMB):** We launched RMB's new core banking system, which is now in production in the AWS cloud — making this our first cloud implementation that provides RMB and its clients a highly resilient platform and new capabilities to fulfill its primary objective of financial inclusion.

## OPERATIONS

We continued to strive for operational efficiency and excellence by harnessing technology, implementing process re-engineering initiatives, focusing on people development, and strict adherence to compliance. These efforts enabled our operational agility to support a rapidly evolving customer market.

A major strategic initiative in 2019 was the RCBC-RSB merger. To ensure a consistent customer experience and standard of compliance across all branches, all RSB personnel were trained and certified on RCBC's policies and procedures prior to the actual merger.

Strengthening our culture of compliance is a continuing process in RCBC. We demonstrated this anew in 2019 when we obtained an overall passing rate on internal audits and compliance reviews, including the 2019 BSP examination where we obtained an improved rating on anti-money laundering compliance.

In addition, our various Regional Support Centers (RSCs) also won these accolades from the BSP: the Dadiangas RSC, Verification Choice Award for the second year in a row; Davao RSC, Most Punctual Bank; Carmen RSC, the Least Fit Note Deposit Award; Bacolod RSC, Least Discrepancy on Bank Note Deposits. These awards are proof of our RSCs' high level of compliance and service standards.

We continued to streamline our processes through automation using robotics, application processing interfaces, and digitization. These initiatives enable our people to focus on more value-creating experiences which contribute to our overall business growth. Pioneering innovation, we implemented the Branch of Today (BOT). Non-customer facing functions were transferred from the branch to the Operations Centers of Excellence. Moreover, the implementation of cash forecasting programs resulted in the reduction of idle cash for enrolled ATMs by 36.17%.

We consider our people to be the core of our operations. As such, we continue to equip them with the mindset, tools, and skills needed to improve performance. Our Branch Service Support Segment (BSSS) embarked on the training of all RSB personnel using the Branch Certification Program to ensure that the customer experience and standard of compliance across all branches are aligned and consistent even with the merger of RCBC and RSB. Job roles were also redefined by shifting from highly specialized to universal processing roles to empower our branch service personnel in processing all types of transactions, providing a single point of contact for customers. Our central operations associates underwent our Lean Six Sigma program to reinforce continuous improvement and efficiency in our processes.

Upholding our commitment to provide continued and efficient services to our customers, we further strengthened our business resiliency and readiness initiatives. We ensured Business Contingency Plans (BCP) are evaluated and updated to proactively respond to fast-changing and evolving situations related to pandemic scenarios and natural disasters.

## ASSET MANAGEMENT AND REMEDIAL

We manage our impaired assets portfolio through restructuring, settlement, or foreclosure of non-performing assets. This is done by our Asset Management and Remedial Group.

In 2019, we successfully offloaded \$64.0 million out of the \$145.0 million worth of non-performing loans of Hanjin Heavy Industry & Construction Philippines, Inc. (HHIC-Phil.). This was done through a successful conversion into listed shares of HHIC-Korea. The balance of \$81.0 million will be substantially recovered when the Subic shipyard is sold to a foreign investor consortium. Negotiations are in full swing to close a deal in the second half of 2020.

Another transaction involved the construction of a residential development project in Silang, Cavite. With the sale of condominium and house/lot units to interested end-users, we will be able to recover our exposure to the major property developer.

In 2019, we also completed the integration of the Collection, Remedial, Asset Consolidation & Disposal teams of RSB into RCBC after the merger.

These and other initiatives generated an income of Php146.0 million\* in 2019 from this business. We were able to dispose real and other properties acquired worth Php8.3 million and generated Php296.2 million in lease income from our various premises.



RCBC CAPITAL GROWTH  
 ↑153.6%  
 Php278.3M  
 net income

## SUBSIDIARIES

## RCBC CAPITAL CORPORATION

RCBC Capital Corporation (RCBC Capital), our investment banking arm, booked Php278.3 million in net income in 2019, 153.6% higher than Php109.7 million year-on-year.

Arranging and underwriting fees continued to be the top revenue source of RCBC Capital in 2019. The company also completed more deals than the previous year. Nevertheless, total fee income declined year-on-year as growing industry competition led to generally lower fee rates.

2019 saw RCBC Capital acting as lead arranger, issue manager, and underwriter in a number of noteworthy capital market transactions, generating revenues of Php205.6 million. Fee-based income, which mainly includes arranging and underwriting fees, delivered 42.5% of RCBC Capital's total income of Php483.4 million in 2019.

Trading revenues significantly improved, with a much smaller net trading loss of Php16.4 million versus Php177.4 million year-on-year. This was mainly due to the market jitters in the last trading days of 2019 when the Philippine Stock Exchange index fell in just three days after Malacañang threatened to revoke the water concessionaires' contracts. This single event dramatically contributed to negative trading revenues in the last quarter of 2019, wiping out net trading gains in the previous quarter. Other income, mainly from dividends and interest income of investment securities, went up by 21.6% or Php63.5 million from Php231.8 million, previously.

## RCBC SECURITIES, INC.

RCBC Securities is our stockbrokerage unit. In 2019, its total income fell 7.0% to Php70.4 million due to a decline in trading volume.

RCBC Securities continued to pursue its client acquisition strategy by conducting stock market seminars in cooperation with the Philippine Stock Exchange and RCBC's Retail Banking, Wealth, and Treasury groups. It also provided market briefings and corporate access services to Japanese institutional clients through its partnership with Okasan Securities.

## RCBC LEASING &amp; FINANCE CORPORATION

RCBC Leasing & Finance Corporation, a wholly owned subsidiary of RCBC, provides Finance Lease, Term Loan and Receivable financing as its core products.

In 2019, RCBC Leasing generated gross revenues of Php1.3 billion\*, 14.4% higher than the previous year's Php1.1 billion. The year-on-year increase in total portfolio by 11.9% to Php8.7 billion fueled its revenue growth. Total production volume in 2019 was at Php4.2 billion versus Php4.0 billion in 2018. The Company achieved its net income target of Php189.0 million for 2019. However, this went down to Php105.6 million after it decided to fully provide an allowance for credit losses for old accounts. This was lower by 12.3% than the previous year's Php120.5 million.

## RIZAL MICROBANK

Rizal MicroBank (RMB), our microfinance arm, sustained its profitability for the second straight year by posting a net income after tax of Php8.7 million in 2019 from year-ago. This would have been higher if not for the additional loan loss provision it set aside as a result of the Taal volcano eruption in January 2020. Under PFRS 9, RMB is mandated to charge additional provision against its 2019 operations to take into account the adverse impact of the event to its loan portfolio.

Compared with the previous year, RMB's loan growth was minimal, with loan releases and portfolio rising by 3.4% and 3.9%, respectively. RMB took a cautious stance in extending loans due to the prevalence of pyramiding scams and other issues that may hurt its portfolio quality in 2019. Despite this, RMB's loan portfolio of Php1.3 billion yielded an interest income of Php221.8 million, registering an 18.1% growth.

The bank subsidiary mounted the following strategic initiatives in 2019, aligned with its mission to be a leader in the country's financial inclusion space:

- RMB became the first thrift bank in the country to migrate to a cloud-based solution and Software-as-a-Service model for its core banking system. The move paves way for efficiently introducing new banking platforms that could benefit its digital financial inclusion strategy.
- In June 2019, it launched Pangarap Savings and Munting Pangarap Savings, the basic deposit account (BDA) products for adults and school-age children. As a financial inclusion product, the BDA enables the unbanked and underserved market to open accounts due to the very minimal documentary requirement, low account opening amount (only P50), and no maintaining balance. As of end-2019, the BDA products generated 4,129 customers with an outstanding balance of Php5.7 million.
- In December 2019, the subsidiary was chosen by the Asian Development Bank (ADB) as one of only five banks in the country to participate in the BSP-ADB Agricultural Value Chain Financing Pilot Project. The pilot project is part of the BSP's financial inclusion strategy that aims to help financial institutions assess and minimize attendant risks when they offer financing to specific agricultural crops or commodities producers. The five banks chosen are expected to become showcases here and abroad given their experiences in doing agricultural value chain financing.

## RCBC LEASING GROWTH

↑ 14.4%  
Php1.3B  
gross revenues



Our Approach  
to Sustainability



02

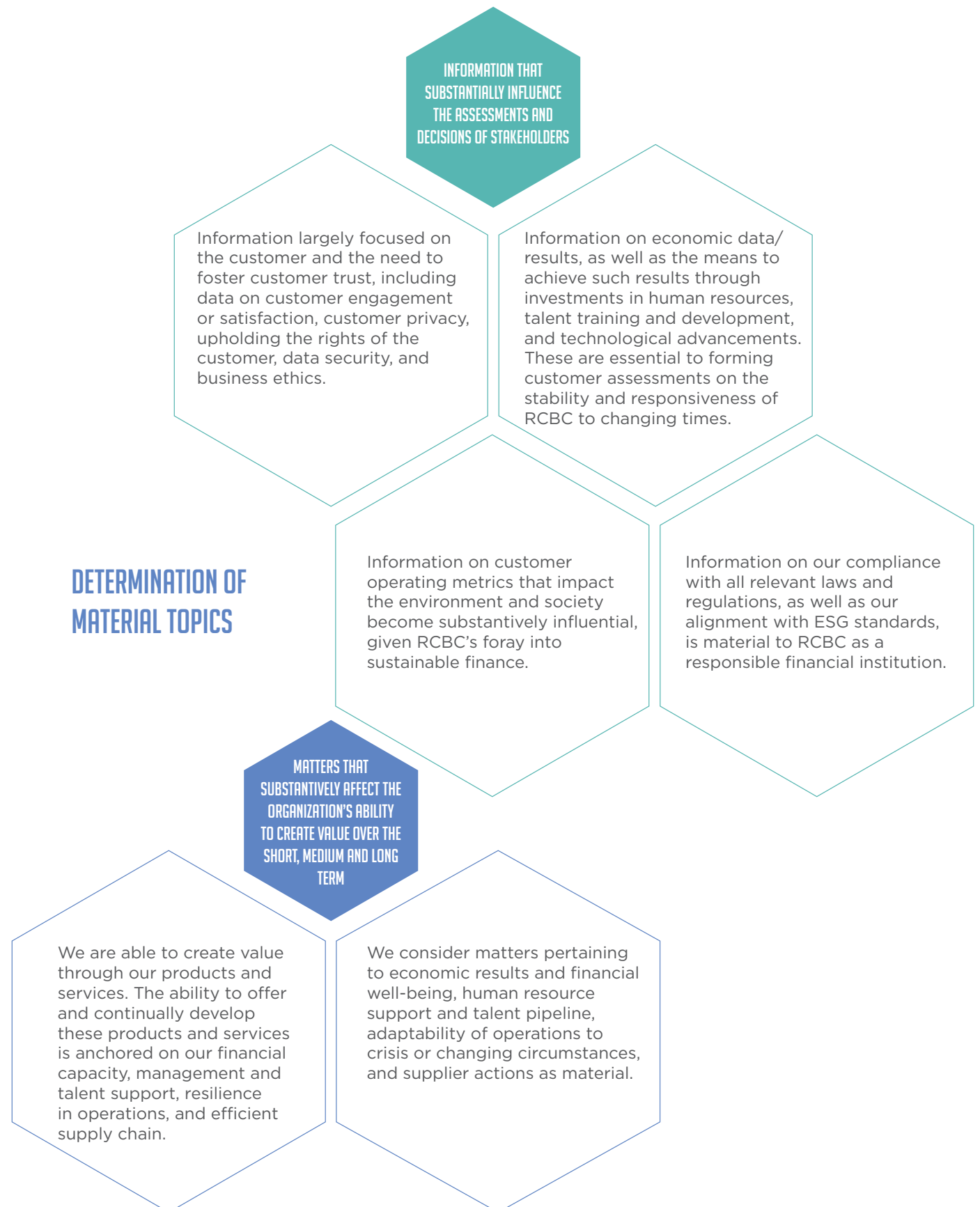
“WE RECOGNIZE THAT BALANCING NON-FINANCIAL FACTORS SUCH AS ENVIRONMENTAL AND SOCIAL SAFEGUARDS WITH FINANCIAL PRIORITIES IS ESSENTIAL TO BEING A GOOD CORPORATE CITIZEN, AND IS FUNDAMENTAL TO RISK MANAGEMENT AND THE LARGER INTEREST OF OUR STAKEHOLDERS.”

## RCBC on Sustainability

As one of the largest banks in the Philippines, RCBC recognizes its role in creating a positive influence on the financial services sector while carrying out its business in accordance with regulatory requirements. As a diversified financial institution that provides banking products and services to corporate and retail customers, we are conscious of the economic, environmental, and social impact in creating long-term value.

By investing in our employees and tapping essential technology, we are able to provide products and services that create opportunities to our customers. Our inclusive financial business model enables us to respond to the needs of the small and medium enterprise (SME) and microfinance sectors. These and our expanded reach, in turn, bring about environmental and social benefits to our communities and contribute to economic growth.

By taking a leading role in sustainable finance, RCBC contributes in addressing the increasing concern on the environment and society. This stimulates an encouraging trend in the Environmental, Social, and Governance (ESG) space within the banking industry.



## Economic Contributions



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# 03



## ECONOMIC CONTRIBUTIONS

“WITH AN INCLUSIVE FINANCIAL BUSINESS MODEL IN MIND, RCBC PROVIDES BANKING AND FINANCIAL PRODUCTS AND SERVICES, GENERATES REVENUES THAT BENEFIT OUR STAKEHOLDERS, AND DISTRIBUTES ECONOMIC VALUE THROUGH EMPLOYEE WAGES AND BENEFITS, PAYMENTS TO SUPPLIERS, DIVIDENDS TO STOCKHOLDERS, TAXES TO THE GOVERNMENT, AND INVESTMENTS TO LOCAL COMMUNITIES.”

OUR ECONOMIC PERFORMANCE

With an inclusive financial business model in mind, RCBC provides banking and financial products and services, generates revenues that benefit our stakeholders, and distributes economic value through employee wages and benefits, payments to suppliers, dividends to stockholders, taxes to the government, and investments to local communities.

Disclosure Items	Amounts in billion Php (Consolidated)		
	2019	2018	2017
Direct economic value generated (revenues)	35.9	26.5	25.1
Direct economic value distributed			
a. Total operating costs	24.3	20.9	19.1
b. Employee wages and benefits	6.8	6.6	6.0
c. Payments to suppliers, other operating costs	12.1	10.1	9.9
d. Dividends given to stockholders	0.9	0.9	0.8
e. Taxes given to government	4.4	3.3	2.4
f. Investments in communities (e.g., donations, corporate social responsibility programs)	0.7	0.5	0.5

Our Impact

We make economic contributions through our primary business operations, supply chain, and in our organization. These contributions benefit our various stakeholders in various ways that correspond to their needs:

- **Our customers:**
  - **Our employees:**
  - **Communities:**

assurance of financial stability that we provide;  
preservation of their financial well-being;  
promotion of responsibility over the environment and society through our sustainable lending activities;
- **Domestic economy:**
  - **Local industries:**

contribution to fiscal growth through the taxes we pay; and  
livelihood generation and jobs creation by tapping locally based suppliers.

Stakeholders	Relevant Issues (in relation to economic value generated and distributed by the organization)
Stockholders	<ul style="list-style-type: none"><li>• Financial performance/health: Revenue, operating costs, remaining value retained in the company for liquidity and future investments</li><li>• Fiscal and risk management to enhance profitability and bank operations</li><li>• Regulatory compliance with BSP, SEC and PSE and international best practices</li><li>• Contributions to the domestic economy</li><li>• Dividends received</li><li>• Community investments</li></ul>
Loan/Fund Providers and Creditors/Depositors	<ul style="list-style-type: none"><li>• Equitable interest rates and sound financial advice</li><li>• Value creation: financial contribution and impact to UN SDGs</li></ul>
Customers/Clients	<ul style="list-style-type: none"><li>• Evidence of financial capacity</li><li>• Reliability of operations, unusual decline in financial results</li></ul>

Stakeholders	Relevant Issues (in relation to economic value generated and distributed by the organization)
Employees	<ul style="list-style-type: none"><li>• Equitable wages and benefits</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Payments made</li></ul>
Government	<ul style="list-style-type: none"><li>• Taxes paid by the Bank</li></ul>
Community	<ul style="list-style-type: none"><li>• Corporate social responsibility programs</li><li>• Community investments with positive impact</li><li>• Periodic partnerships and sponsorships</li><li>• Participation in and support of worthy causes</li></ul>

Management Approach to Risks

In the course of our business operations, we encounter unforeseen events or circumstances that may alter customer behavior or adversely affect employee welfare, disrupting our ability to generate revenues. As we are engaged in sustainable finance activities, the risks we face also include lending to the energy sector whose operations are highly associated with climate-related risks due to significant greenhouse gas (GHG) emissions.

We are mindful of the risks to our economic performance and have established management approach to address these risks:

Risks Identified	Management Approach to Risks
Financial Distress	<p>A bank’s distress or failure is more likely to damage the local economy or financial markets if its activities comprise a large share of the domestic activity. The distress or failure of a large bank is also more likely to damage confidence in the financial system as a whole. Financial distress at one institution can materially increase the likelihood of distress at other institutions given the network of contractual obligations in which they operate. The more difficult it is for its activities to be quickly replaced by other banks, the greater the chance that distress or failure will disrupt financial markets. The more complex a bank is, the greater are the costs and time needed to resolve the bank.</p> <p>As a Domestic Systemically Important Bank, RCBC is required to have higher loss absorbency (HLA) to ensure it has the maximum degree of effective loss absorbing capacity. Consequently, RCBC is required to have additional 1.5% Common Equity Tier 1 (CET1) capital. As of 31 December 2019, our CET1 ratio is 12.3% (parent) and 12.9% (consolidated), both above the 10.0% total CET1 requirement.</p> <p>Our Internal Capital Adequacy Assessment Process (ICAAP) document also includes concrete and reasonable recovery plans which shall be implemented in case of breach in the HLA capital requirement. The recovery plans include guidelines and action plans, consisting of specific initiatives, to be taken to improve our capital position and to restore our financial condition to viable levels in cases of significant deterioration in certain scenarios.</p>
Disasters and Critical Events	<p><b>Business Continuity Plan (BCP):</b> We have a separate functional unit wholly dedicated to the conduct and management of its BCP and Disaster Recovery Plan. These plans aim to establish a planned process, procedure or strategy that can assure and provide for the continuity of major and critical services and operations during any critical event which may prevent or diminish the Bank’s capacity to perform normal business operations.</p> <p><b>Pandemic Contingency Plan (PCP):</b> We have a PCP that has been in place since 2015. Even before COVID-19 was declared a global pandemic, we already invoked the PCP, which includes ongoing split work arrangements, work from home, and skeleton staff set up in key locations. Potential affected businesses, as well as consumers who might be affected by the crisis, have been identified. RCBC also has existing policies in place that would allow granting of financial assistance (e.g., by way of suspension of payments, adjustment in due dates) to all affected customers.</p>
Climate-Related Risks	<p>We believe in understanding, measuring, and mitigating the risks associated with transition to a low-carbon and climate-resilient future. We will align our business strategy with national priorities and over time rebalance our portfolio mix that creates value and benefits our stakeholders. We have taken important first steps to reduce corporate carbon footprint and finance the flow of funds into a low-carbon and climate-resilient future not only in the Philippines but also within ASEAN. These are detailed in the next page.</p>

Economic Contributions

Opportunities

We recognize opportunities that could improve our economic performance, and have identified corresponding management approaches to take advantage of these:

Opportunities Identified	Management Approach to Opportunities
Drive towards inclusiveness and accessibility	We have developed products and services to respond to the needs of SMEs, the unbanked and underserved sectors. These include various financing options such as agricultural finance loans and microfinance loans. Services also include information networking events that involve talks from industry experts, and the creation of the eWoman Program, geared toward the needs of women entrepreneurs. In October 2018, RCBC received the AsiaMoney award for Best Bank for SMEs.  Initiatives have also been pursued in the area of digital finance. A new virtual banking platform, DiskarTech, was launched and aims to reach the retail grassroots. It is the country's first financial inclusion accelerator virtual bank.
Drive for Market Innovation in the area of Sustainable Banking and Sustainable Finance	We support sustainability through the development of appropriate products and services offered to customers. We will play an active role in this pursuit in 2020, to contribute to the transition to a low-carbon economy and support global sustainability goals.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Sustainable Finance

Being a leading domestic financial institution and a responsible corporate entity, RCBC is doing its part to reduce global warming and helping the Philippine government meet its commitment under the Paris Agreement on Climate Change to reduce 70% of its greenhouse gas emissions and decrease global warming to 1.5 degrees Celsius by 2030.

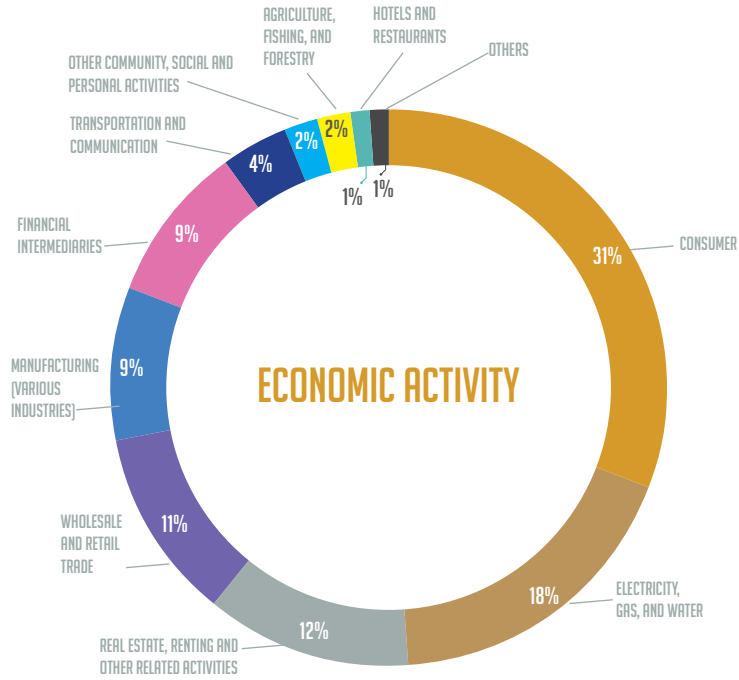
It is our policy to promote sustainable practices that will minimize the negative environmental, social, and reputational impact of RCBC’s financing activities and its clients’ operations. The sustainable practices that we pursue aim to encourage borrowers to adhere to the preservation and development of the natural, social, and cultural environment. We believe that good sustainable practices eventually pay dividends and are in the best interest of borrowers.

Environmental and Social Management System (ESMS)

Our ESMS, which has been in place since 2011, requires that all our lending relationships, both pipeline and portfolio, are vetted from an environmental and social risk perspective. This process systematically identifies and assesses the type and impact a project may have on the environment and on communities. The ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client.

We have the following lending relationships as of 2019:

Economic Activity	Amount (Php M)	%
Consumer	133,123	31
Electricity, gas and water	78,553	18
Real estate, renting and other related activities	52,881	12
Wholesale and retail trade	42,698	11
Manufacturing (various industries)	40,271	9
Financial intermediaries	38,617	9
Transportation and communication	16,963	4
Other community, social and personal activities	7,595	2
Agriculture, fishing, and forestry	5,254	2
Hotels and restaurants	4,109	1
Mining and quarrying	1,082	-
Others	4,856	1
Total	426,002	100



The ESMS is implemented to safeguard our lending operations from exposure to activities with identified environmental and social risks. We aim to develop environmental awareness and social responsibility in our lending personnel, and ultimately, our clients. We work alongside our customers and as needed, advise them on how to reduce their impact on the environment and communities.

The ESMS Policy is a declaration of our commitment to sustainable development and management of environmental and social issues by integrating this in the lending process from initiation, evaluation, approval, documentation, implementation, and monitoring of loan accounts. The ESMS Policy goes through a comprehensive review process on a regular basis with latest revisions made effective and re-issued in January 2020.

All credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing and are screened using the applicable requirements – the Exclusion List, applicable national and international laws on environment, biodiversity, deforestation, marine environment, water risk, pollution prevention, indigenous peoples and protection of cultural heritage, health, human and labour rights, safety and social issues and any standards established therein, and the Performance Standards. Environmental Risk Categories are assigned, and credit approvals obtained in accordance with requirements depending on the risk category. Applicable environmental covenants are incorporated in the loan/credit agreement and these are periodically evaluated and monitored to ensure they are complied with for the entire duration of the loan.

Economic Contributions

8 Performance Standards to Benchmark Projects or Business Activities

- 1. Assessment and Management of Environmental and Social Risks and Impacts
- 2. Labor and Working Conditions
- 3. Resource Efficiency and Pollution Prevention
- 4. Community Health, Safety, and Security
- 5. Land Acquisition and Involuntary Resettlement
- 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
- 7. Indigenous Peoples
- 8. Cultural Heritage

We integrate E&S Due Diligence (ESDD) as part of our standard due diligence. We explain the importance of the environmental and social due diligence process to our clients and other stakeholders, and require them to engage in activities that meet our sustainability standards. Transactions that have potential environmental and social concerns are escalated for higher-level review and discussion.

ESDD site visits have indicated positive progress in terms of addressing E&S risks due to continued monitoring. These resulted in substantial positive outcomes such as:

- Addressing specific risks identified during the ESDD site visits;
- Follow-up ESDD site visits have resulted in clients taking action on identified E&S risks and on the reduction of the risk level, avoiding potential violations; and
- Decline in E&S risks, avoidance of potential violations, and significant reductions in environmental pollution.

We conduct environmental and social due diligence reviews on our investments in fossil fuel-fired power plants. We will continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.

To ensure faithful compliance with the set guidelines, the Bank appointed an Environmental and Social Risk Officer (ESRO) and created a Sustainable Finance Unit that oversees the effective implementation of the ESMS Policy. We also hired subject matter experts and regularly train frontline staff on our E&S standards.

All of these create long-term solutions to environmental and sustainability issues – mitigating negative impacts on the environment and affected communities, and enhancing positive sustainable development impacts.

Sustainable Finance Framework

Our Sustainable Finance Framework, issued in 2019, articulates our strategy to prioritize fundraising and lending to activities that have environmental and social benefits. This is part of our important first steps to reduce our corporate carbon footprint and finance the flow of funds into a low-carbon and climate-resilient future not only in the Philippines but also within ASEAN. Our initiatives to lower our carbon footprint support RCBC’s sustainable finance activities and the UN Sustainable Development Goals.

In the same year, we raised a total of Php39 billion (USD750 million) through three groundbreaking transactions that were met with strong demand from investors from all major financial centers of the world. These pioneering initiatives also earned for us several citations and recognitions that include the Titanium Award from the Asset ESG Corporate Awards for employing best practices in the areas of environmental and social responsibility and corporate governance; “Best Issuer for Sustainable Finance – Financial Institution” by The Asset Asian Awards; and “Best Sustainability Bond” also by The Asset Asian Awards for our Php8-billion ASEAN Sustainability Bond.

- February 2019: Under our Green Finance Framework, we raised Php15 billion (USD290 million) to fund our Eligible Green Assets. This is the first Green Bond from the Philippines under the ASEAN Green Bond Standards.
- June 2019: Under our Sustainable Finance Framework, we raised Php8 billion (USD160 million) to fund our Eligible Green and Social Assets. This is the first peso-denominated Sustainability Bond under the ASEAN Sustainability Bond Standards.
- September 2019: We issued additional USD300 million under our Sustainable Finance Framework to fund our Eligible Green and Social Assets.

Green and Sustainability Bond Issuances



Proceeds of our Green and Sustainability Bonds are allocated to finance and/or refinance loans in Eligible Green and or Social Categories such as renewable energy, energy efficiency, clean transportation, sustainable water management, access to essential services, and affordable housing.

In 2019, our eligible sustainable portfolio accounted for 10% of our total loans. Eligible sustainable financing amounted to Php52 billion (USD1 billion) and was extended to 17 Green and 9,347 Social category loans. More details can be found in our Green and Sustainability Bonds Impact Report. This is not only RCBC’s first report on its Eligible Sustainable portfolio, but also the first such initiative by a domestic bank. (A copy of the report can be downloaded here: [www.rcbc.com/sustainability](http://www.rcbc.com/sustainability))

Included in the 17 Green category loans is our participation in 12 renewable and energy efficiency financing deals. These included being the biggest funder to the 132.5-megawatt solar farm in the City of Cadiz in Negros Occidental, Philippines, as well as being sole lender (US\$232 million in project financing) to a 330-MW solar power plant in Vietnam, Southeast Asia’s largest solar power plant.

Our sustainable portfolio is growing and continues to be ahead of our investments in coal and other fossil fuel energy assets. Among our economic value risks is lending to the energy sector whose operations are highly associated with climate-related risks due to significant GHG emissions. To address these risks, we aim to maintain and increase the positive investment ratio of our sustainable portfolio to coal, align our business strategy with national priorities, and rebalance our portfolio mix over time to create more value and benefits to our stakeholders.

## ECONOMIC IMPACT THROUGH SUSTAINABLE FINANCING

As of 31 December 2019

### PHP 39.0 BILLION

Net proceeds from Green and Sustainability Bonds

### PHP 51.7 BILLION

Total amount of RCBC's Eligible Green and Social Assets

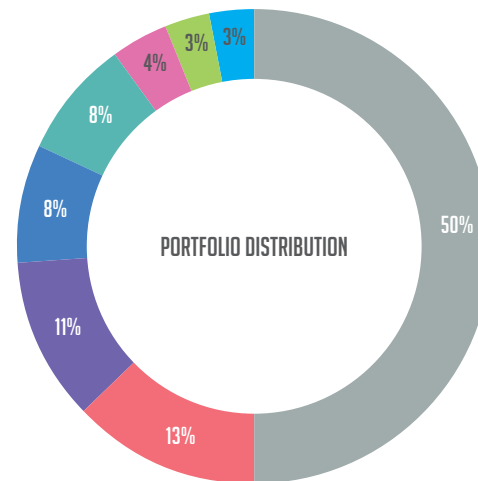
### 9,364 PROJECTS

Total eligible sustainable portfolio

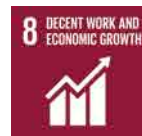


#### PORTFOLIO DISTRIBUTION

CATEGORY	%
Renewable Energy	50
Affordable Housing	13
Employment Generation	11
Access to Essential Services	8
Clean Transportation	8
Energy Efficiency	4
Socioeconomic Advancement and Empowerment	3
Sustainable Water Management	3



#### MEETING 10 OF THE 17 UN SDGS



#### Financial Inclusion

At RCBC, we believe in creating economic value by unlocking access to finance, particularly to the millions of Filipinos who are deprived of the opportunity to save and invest for the future. Lack of access to finance continues to be a major impediment to growth for micro, small and medium enterprises (MSMEs) which comprise the country's economic backbone. By lending to MSMEs, we are addressing two of the UN SDGs, namely Decent Work and Economic Growth, and Reducing Inequality.

Our renewed focus on retail and SME lending in 2019 strengthened our products and services to respond to the needs of SMEs, the unbanked and underserved sectors. These include various financing options such as agricultural finance loans and microfinance loans. Services also include information networking events that involve talks from industry experts, and the eWoman Program geared towards women entrepreneurs.

We also help reduce inequality by promoting digital finance initiatives that enable us to reach out to more Filipinos. In 2019, we launched Diskartech, the country's first digital financial inclusion-focused virtual bank. To build the ecosystem for Diskartech, we forged various strategic partnerships with more than 30 organizations and government agencies. Diskartech will also become a national financial inclusion accelerator program across 42,000 barangays nationwide under a national resolution forged by the Liga ng mga Barangay with RCBC in 2019. We plan to onboard about 1 million unbanked and underserved in Diskartech 2020.

#### Procurement Process

We conduct our business in a fair and responsible manner. We create economic impact and promote inclusion through our local procurement practices. This occurs in the supply chain and local community, is caused by the organization, and is linked to impacts through our business relationship with local suppliers.

Stakeholders	Relevant Issues (in relation to proportion of spending on local suppliers)
Management	Local sourcing can be a strategy to help ensure supply
Community	Payments to locally-based suppliers – economic inclusion as positive impact Local sourcing can support a stable local economy and maintain community relations By supporting local suppliers, an organization can indirectly attract additional investment to the local economy

#### Management Approach to Impact

We support the local economy and community by selecting local suppliers and promoting economic inclusion when selecting suppliers.

Risks Identified	Management Approach to Risks
Limiting procurement to only local suppliers may lead to higher costs; other suppliers must be considered to validate market prices.	We follow a standard procurement procedure in purchasing the best resources at reasonable prices. This procedure is reviewed and revised as necessary.
Risks Identified	Management Approach to Risks
Supporting local suppliers can indirectly attract additional investments to the local economy, making their prices lower and supply readily available. In addition, it could lead to job generation. The creation of new businesses could be a potential source of new clients for the Bank.	We support the local economy and community. We select local suppliers and promote economic inclusion when selecting suppliers.

## ECONOMIC IMPACT THROUGH PROCUREMENT

Proportion of spending on local suppliers:

# 96.88%

in 2019

96%

### Business Ethics

**Anti-Corruption.** Preventing corrupt practices and incidents is important in preserving our economic value, as well as the good reputation we strictly safeguard. We also conduct training activities and examinations to ensure that all our employees (from senior management to rank and file) are aware of and observe our anti-corruption policies and procedures. New employee hires are required to read the Bank's Code of Conduct, which contains these policies and procedures that they must abide through-out their tenure with the institution. Sanctions are imposed on erring employees for violating these policies.

Stakeholders	Relevant Issues (in relation to business ethics and anti-corruption)
Stockholders	<ul style="list-style-type: none"> <li>How the company ensures that it has the necessary capability to fight against corruption</li> <li>How serious the organization is on combating corruption</li> <li>Advocate of transparency and accountability</li> <li>Timely and transparent disclosures on governance</li> <li>Enforcement of policies on anti-corruption , AMLA and Fraud</li> </ul>
Loan/Fund Providers Creditors/ Depositors	How the company ensures that it has the necessary capability to fight against corruption How serious the organization is on combating corruption Protection of deposits and loans/credits provided
Employees	How the company ensures that it has the necessary capability to fight against corruption How serious the organization is on combating corruption Protection of employees
Government/ Regulators	Transparency and accountability of the Bank Compliance to rules and regulations set by BSP, SEC and PSE Annual conduct of internal and external audits Monitoring of ethics and compliance of the Bank How the company ensures that it has the necessary capability to fight against corruption How serious the organization is on combating corruption
Public, including media	How the company ensures that it has the necessary capability to fight against corruption How serious the organization is on combating corruption – potential reputational impact for public legal cases regarding corruption



Management Approach to Impact: We cultivate a corporate culture that is strongly founded on honesty and integrity. These initiatives impact our awareness and ability to prevent and combat corruption in our primary business operations.

Risk Identified	Management Approach to Risks
The risk of employees engaging in corrupt activities cannot be completely eliminated. Actual incidents of corruption may harm the Bank's reputation.	<ul style="list-style-type: none"> <li>We strictly implement anti-corruption policies to prevent any corruption incident.</li> <li>We conduct training and examinations to ensure that all employees (from senior management to rank and file) are familiar and reminded of the these policies and procedures.</li> <li>We discuss the Bank's Code of Conduct, including anti-corruption policies and procedures, with newly hired employees.</li> <li>Regular corporate announcements remind employees of warning signs associated with illegal, unethical, or questionable activities or transactions.</li> <li>Employees are reminded to immediately report (confidentially and without risk of reprisal) any suspicious behavioral traits, warning signs, and other legitimate concerns through the whistleblowing channel of the Yuchengco Group of Companies (YGC).</li> <li>Sanctions are imposed on erring employees. If an employee violates the company's anti-corruption policies, Management will take Legal action against them.</li> </ul> <p>For more details, please refer to the Corporate Governance Section of this report.</p>
Opportunities Identified	Management Approach to Opportunities
Our reputation risk may be reduced if the Bank is continuously able to prevent any form of corruption. A stellar reputation can result in increased trust and generate new business opportunities.	We continuously conduct training and provide regular and compulsory eLearning courses and examinations to ensure that all employees (from senior management to rank and file) are familiar with and reminded of the Bank's anti-corruption policies and procedures. Management reiterates via corporate announcements the importance and significance of the Bank's Code of Conduct, including anti-corruption policies.

### Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

### Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	%
Number of incidents in which employees were dismissed or disciplined for corruption	0	%
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	%

## Environmental Contributions



- 44 Resource Management
- 49 Environmental Impact Management
- 56 Environmental Compliance

# 04

## ENVIRONMENTAL CONTRIBUTIONS

“AS A FINANCIAL INSTITUTION, RCBC CREATES ENVIRONMENTAL IMPACT THROUGH THE EFFICIENT MANAGEMENT OF RESOURCES USED IN OUR PRIMARY BUSINESS OPERATIONS, SUPPLY CHAIN, AND IN OUR ORGANIZATION. THE NATURE OF OUR BUSINESS ALSO ALLOWS US TO INDIRECTLY CONTRIBUTE TO THE PROTECTION OF THE PLANET BY ENGAGING OUR CLIENTS AND SUPPORTING THEM IN SEEKING SOLUTIONS THAT REDUCE THEIR IMPACT ON THE ENVIRONMENT AND COMMUNITIES.”

Environmental Contributions

OUR ENVIRONMENTAL PERFORMANCE

As a financial institution, RCBC creates environmental impact through the efficient management of resources used in our primary business operations, supply chain, and in our organization. The nature of our business also allows us to indirectly contribute to the protection of the planet by engaging our clients and supporting them in seeking solutions that reduce their impact on the environment and communities.

Resource Management

**Energy Consumption**  
We make an environmental impact when we efficiently manage our energy consumption in our operations. Reducing our consumption and saving energy can help reduce the country’s significant reliance on fossil fuel-based energy.

For RCBC, efficient resource management starts in our choice of business location. Our Corporate Head Office is located in RCBC Plaza in Makati City, a building that has a gold certification from the Leadership in Energy and Environmental Design (LEED). This means the building’s design, construction, operation, and maintenance has to conform with global standards on environmental responsibility and resource efficiency. We continue to support the principles behind our LEED certification since obtaining gold certification on May 26, 2018 — the first multi-tenanted building in the Philippines to achieve such certification. These include adopting energy efficiency measures in our day-to-day operations.

Disclosure Items	Quantity (Consolidated)	Units
Energy Consumption Within the Organization		
Renewable sources	0	Gigajoules (GJ)
Gasoline	-*	GJ
LPG	0	GJ
Diesel	0	GJ
Electricity		
a. Head Office (RCBC Plaza)	7,945,043	Kilowatt hour (kWh)
b. A.T. Yuchengco Centre	842,417	
c. Branches	13,212,661	
Reduction of Energy Consumption		
Renewable sources	0	GJ
Gasoline	-*	GJ
LPG	0	GJ
Diesel	-*	GJ
Electricity	-*	kWh

\*RCBC is in the process of collating and verifying data, as may be applicable to its operations.  
\*\*With 2019 as the base year, energy reduction for electricity will be provided in the next submission.

Stakeholders	Relevant Issues (in relation to economic value generated and distributed by the organization)
Management	<ul style="list-style-type: none"><li>• Efficiency of managing resources</li></ul>
Stockholders	<ul style="list-style-type: none"><li>• Profitability of the organization</li><li>• Efficiency of managing resources</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• How much energy is used by the organization</li><li>• Also, the supplier’s actions can affect the organization’s ability to operate, implement its strategies, and achieve its objectives</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>• Extent of energy consumption alongside scarcity of supply</li></ul>
Public, including media	<ul style="list-style-type: none"><li>• Extent of energy consumption alongside scarcity of supply – potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
Inefficient energy management can raise greenhouse gas (GHG) emissions. It can also affect our business operations in the form of higher operating costs, revocation of LEED certification, and inability to be benchmarked against other banks that have sustainability goals and programs on energy conservation.	<p>We minimize these risks through energy conservation measures such as:</p> <ul style="list-style-type: none"><li>• Installing energy-saving mechanisms in our elevators to conserve electricity when not in use</li><li>• Upgrading our central cooling tower</li><li>• Replacing old chillers to circulate cold air throughout the building</li><li>• Rectificating Variable Air Volume (VAV) and Variable Frequency Drive (VFD) Connection to Building Management System (BMS)</li><li>• Minimizing the use of lights and relying more on natural lighting</li><li>• Switching computers off at the end of work day</li><li>• Switching to an LED lighting system</li></ul> <p>Aside from workplace initiatives, efforts to address global warming are also embedded in RCBC’s Sustainable Finance Framework, which articulates our commitment to bolster funding for projects that have clear environmental and/or social benefits. This includes investments in renewable energy to counter global warming.</p>
Opportunities Identified	Management Approach to Opportunities
<ul style="list-style-type: none"><li>• Reduced direct environmental impact</li><li>• Lower operational costs</li><li>• Hedging against future electricity rate hikes</li><li>• Increased shareholder value</li><li>• Improved market competitiveness among tenants</li><li>• Improved reputation, competitiveness, credibility, and overall bank image on good sustainability practices</li></ul>	We continue to support the principles behind our LEED certification by promoting energy conservation measures in our day-to-day operations. Through these measures, we can save more than 10% in energy consumption and lower energy costs as a building operator.

Environmental Contributions

**Water Consumption**  
The impact occurs on how we efficiently manage water consumption in our own operations. Reduction in consumption/water savings can be seen as contributory to preserving water as a limited resource.

Disclosure Items	Quantity (Consolidated)	Units
Water withdrawal	0	Cubic meters
Water consumption		
a. Head Office (RCBC Plaza)	59,362	Cubic meters
b. A.T. Yuchengco Centre	4,669	
c. Branches	117,481	
Water recycled and reused	0	Cubic meters

Stakeholders	Relevant Issues (in relation to water consumption)
Management	<ul style="list-style-type: none"><li>• Efficiency of managing resources</li></ul>
Stockholders	<ul style="list-style-type: none"><li>• Profitability of the organization</li><li>• Efficiency of managing resources</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• How much water is used by the organization</li><li>• Also, the supplier’s actions can affect the organization’s ability to operate, implement its strategies, and achieve its objectives</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>• Extent of water consumption alongside scarcity of supply</li></ul>
Public, including media	<ul style="list-style-type: none"><li>• Extent of water consumption alongside scarcity of supply - potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
Inefficient and improper use of water can lead to negative environmental impacts. It can also lead to higher operating costs, revocation of LEED certification, and inability to be benchmarked against other banks that have set sustainability goals and programs on water conservation.	<p>As part of being a LEED Gold-certified building, we adopt water conservation measures to minimize the adverse environmental impacts from water consumption. Since implementing these measures, we were able to cut our water use by 40%:</p> <ul style="list-style-type: none"><li>• Installing water meters in all toilets and in areas with plants in our Corporate Head Office</li><li>• Improving the landscape in RCBC Plaza to incorporate local trees and plants that need less water, enabling us to reduce our water consumption by 90%</li><li>• Using low-flow faucets and sensors in the bathrooms at RCBC Plaza and A.T. Yuchengco Centre</li><li>• Reporting leaking faucets</li></ul> <p>Aside from initiatives practiced internally to address risks in water consumption, efforts to address the need to consume water as a limited resource are ingrained in a larger scale in RCBC’s Sustainable Finance Framework. The Framework articulates our intention to bolster funding for projects that have clear environmental and/or social benefits. This includes investments in Sustainable Water Management through which efficient water treatment and consumption are promoted.</p>

Opportunities Identified	Management Approach to Opportunities
<ul style="list-style-type: none"><li>• Reduced direct environmental impact</li><li>• Lower operational costs</li><li>• Hedging against future water rate hikes</li><li>• Increased shareholder value</li><li>• Improved market competitiveness among tenants</li><li>• Improved reputation, competitiveness, credibility, and overall bank image on good sustainability practices</li></ul>	We continue to support the principles behind our LEED certification by promoting water conservation measures in our day-to-day operations.

**Materials Used**  
The impact is considered indirect as RCBC is not engaged in the manufacturing business. Impact is considered through RCBC’s choice of its suppliers.

Disclosure Items	Quantity (Consolidated)	Units
Materials used by weight or volume		
<ul style="list-style-type: none"><li>• Renewable</li><li>• Non-renewable</li></ul>	128,600 700	kg/liters kg/liters
Percentage of recycled input materials used to manufacture the organization’s primary products and services	1	%

Stakeholders	Relevant Issues (in relation to materials used by the organization)
Management	<ul style="list-style-type: none"><li>• Efficiency of managing resources</li></ul>
Stockholders	<ul style="list-style-type: none"><li>• Profitability of the organization</li><li>• Efficiency of managing resources</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• How much resources are used by the organization</li><li>• Also, the supplier’s actions can affect the organization’s ability to operate, implement its strategies, and achieve its objectives</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>• Extent of materials used and practices employed by suppliers</li></ul>
Public, including media	<ul style="list-style-type: none"><li>• Environmental effects of materials used and practices employed by suppliers and potential reputational impact</li></ul>



Environmental Contributions



Risks Identified	Management Approach to Risks
An organization might be involved with negative environmental impacts as a result of its business relationships with other parties (i.e., suppliers). If not managed effectively, this can lead to higher operating costs and inability to be benchmarked against other banks that have set sustainability goals and programs in its supply chain.	Due diligence prevents and mitigates negative impacts in the supply chain. Suppliers are assessed for a range of criteria. We initiate due diligence as early as possible in the development of a new relationship with a supplier. Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.
Opportunities Identified	Management Approach to Opportunities
We continue to improve our existing supply chain procedures to avoid negative environmental impacts.	<div>Improvements to mitigate the negative impact of our supply chain include:</div> <ul style="list-style-type: none"><li>• Changing our procurement practices and using sustainability-related metrics in vendor accreditation/vetting</li><li>• Adjusting performance expectations</li><li>• Capacity building or training</li><li>• Changes to processes</li><li>• Terminating relationships with suppliers that do not comply with our sustainability practices</li></ul> <div>We employ sustainability related questionnaires in the accreditation/vetting process of vendors. In addition, the Yuchengco Group of Companies (YGC) also holds information campaigns for vendors as part of its sustainability initiatives.</div>

**Ecosystems and Biodiversity (Whether in Upland/Watershed or Coastal/Marine)**  
Our operations are not located in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored habitats, or areas where the International Union for Conservation of Nature (IUCN) Red List species and national conservation list species have habitats. As such, we do not have a direct impact on ecosystems and biodiversity.

Our clients’ operations, however, may have negative environmental impacts and our business relationship with our clients make us cognizant of this environmental responsibility. Thus, it is our policy is to promote sustainable practices that will minimize the adverse impacts of our financing activities and our clients’ operations. The sustainable practices we pursue aim to encourage borrowers to adhere to the preservation and development of the natural, social, and cultural environment. We believe that good sustainable practices eventually pay dividends and are in the best interest of borrowers.

Disclosure Items	Quantity (Consolidated)	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	-	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	None	

Stakeholders	Relevant Issues (in relation to ecosystems and biodiversity)
Government (Department of Environment and Natural Resources)	<ul style="list-style-type: none"><li>• Compliance with environmental laws and regulation</li><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Public, including media	<ul style="list-style-type: none"><li>• Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
The operational sites of our clients may be in, or adjacent to, protected areas, areas of high biodiversity value, protected or restored habitats, or areas where IUCN Red List species and national conservation list species have habitats. As a consequence, our clients’ operations may have negative environmental impacts.	<div>Our Environmental and Social Management System (ESMS) requires that all our lending relationships, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.</div> <div>The environmental and social impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. The ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client.</div> <div>We will continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.</div>
Opportunities Identified	Management Approach to Opportunities
As financial intermediaries and capital-raising agents, banks directly affect the promotion of economic development. The role must also include the promotion of sustainable business practices and the protection of ecosystems and biodiversity.	We are aligning our business strategy to support the development needs of society, as articulated in the UN Sustainable Development Goals and the Paris Agreement. We aim to embed awareness of environmental and social issues within the organization, with our clients, and in the communities that we serve. We believe that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities.

Environmental Impact Management

Air Emissions

**Greenhouse Gas (GHG)**  
GHG emissions result from our consumption of electricity produced by the country’s power generation entities.

Disclosure Items	Quantity (Consolidated)	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	15,668.49*	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	0	Tonnes CO <sub>2</sub> e

\* RCBC Plaza, A.T. Yuchengco Centre, and Branches; emission factor for electricity at 0.7122 kgCO<sub>2</sub>e/kWh from DOE (<https://www.doe.gov.ph/electric-power/2015-2017-national-grid-emission-factor-ngef>)

Stakeholders	Relevant Issues (in relation to management of GHG emissions)
Stockholders	<ul style="list-style-type: none"><li>• Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment</li></ul>
Government (DENR)	<ul style="list-style-type: none"><li>• Compliance with environmental laws and regulation</li><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Public, including media	<ul style="list-style-type: none"><li>• Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
GHG emission from the generation of electricity contributes to global warming, and climate change.	<p>We minimize GHG impacts from electricity consumption through energy conservation measures.</p> <p>At the RCBC Plaza, lights were changed to LED. Energy-saving mechanisms were installed in the elevators. The central cooling system was upgraded and most of the chillers that produce and blow cold air throughout the building are new. Energy conservation (e.g., minimal use of lighting, turning off computers at the end of the day) is part of employees’ day-to-day practices.</p>
Opportunities Identified	Management Approach to Opportunities
<p>Managing and reducing GHG impacts, including those from electricity consumption, offers these opportunities:</p> <ul style="list-style-type: none"><li>• Reduced direct environmental impact;</li><li>• Lower operational costs;</li><li>• Increased shareholder value;</li><li>• Improved reputation, competitiveness, credibility, and overall bank image on good sustainability practices</li></ul>	<p>We reduce travel as much as possible by promoting carpooling and providing shuttle service to our staff when commuting from our Corporate Head Office in Makati City to A.T. Yuchengco Centre in Bonifacio Global City, and vice versa. We continue to support the principles behind our LEED certification by promoting energy conservation measures in our day-to-day operations.</p>

**Air Pollutants**  
As RCBC is engaged in traditional banking, we do not generate air pollutants in our operations. Our clients’ business activities, however, may be bring about this negative environmental impact.

Disclosure Items	Quantity (Consolidated)	Units
NO <sub>x</sub>	-	kg
SO <sub>x</sub>	-	kg
Persistent organic pollutants (POPs)	-	kg
Volatile organic compounds (VOCs)	-	kg
Hazardous air pollutants (HAPs)	-	kg
Particulate matter (PM)	-	kg

Stakeholders	Relevant Issues (in relation to management of air pollutants)
Stockholders	<ul style="list-style-type: none"><li>• Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment</li></ul>
Government (DENR)	<ul style="list-style-type: none"><li>• Compliance with environmental laws and regulation</li><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Public, including media	<ul style="list-style-type: none"><li>• Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
Our clients may be generating air pollutants in their operations which has negative implications on the environment.	<p>Our Environmental and Social Management System (ESMS) requires that all our lending relationships, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.</p> <p>The environmental and social impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. The ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client.</p> <p>We will continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.</p>
Opportunities Identified	Management Approach to Opportunities
As financial intermediaries and capital-raising agents, banks directly affect the promotion of economic development. The role must also include the promotion of sustainable business practices, pollution prevention and control, and environmental protection.	<p>We are aligning our business strategy to support the development needs of society, as articulated in the UN Sustainable Development Goals and the Paris Agreement. We aim to embed awareness of environmental and social issues within the organization, with our clients, and in the communities that we serve. We believe that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities.</p>



Solid and Hazardous Wastes

**Solid Waste**  
Our ability to properly manage solid waste impacts the communities near our operations, and the welfare of society. We minimize the impact of our operational solid waste through pollution prevention measures. We also strictly adhere to Philippine environmental laws.

Disclosure Items	Quantity (Consolidated)	Units
Total solid waste generated <ul style="list-style-type: none"><li>RCBC Plaza</li><li>A.T. Yuchengco Centre</li></ul>	519,325 111,776	kg
Reusable	0	kg
Recyclable (RCBC Plaza)	83,503	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled (RCBC Plaza)	235,822	kg

Stakeholders	Relevant Issues (in relation to solid waste management)
Stockholders	<ul style="list-style-type: none"><li>Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment</li></ul>
Government (DENR)	<ul style="list-style-type: none"><li>Compliance with environmental laws and regulation</li><li>Reduction of environmental impacts</li><li>Concern for environmental protection</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>Reduction of environmental impacts</li><li>Concern for environmental protection</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li></ul>



Risks Identified	Management Approach to Risks
The generation, treatment, and disposal of waste, including its improper transportation, can harm human health and the environment.	RCBC Plaza’s Solid Waste Management Plan includes reducing material costs and environmental impacts. We educate and encourage building tenants to reduce, reuse, and recycle for long-term purposes to minimize ecological impacts. Solid wastes are hauled by a third party. Total amounts are recorded and tabulated to ensure that we are able to systematically track and manage our solid waste.
Opportunities Identified	Management Approach to Opportunities
Managing and reducing solid waste offers these opportunities: <ul style="list-style-type: none"><li>Reduced direct environmental impact;</li><li>Lower operational costs;</li><li>Hedging against future hikes in costs of materials used and garbage hauling costs;</li><li>Increased shareholder value;</li><li>Improved market competitiveness among tenants; and</li><li>Improved reputation, competitiveness, credibility, and overall bank image on good sustainability practices.</li></ul>	We promote materials conservation and solid waste management measures through these practices: <ul style="list-style-type: none"><li>Reusing paper and printing on both sides of the paper;</li><li>Cutting down on plastic waste and promoting the use of glass or mug over disposable, single-use plastic cups or bottles.</li><li>Segregating waste and disposing food waste in the pantry waste bin.</li></ul>

**Hazardous Waste**  
We do not generate hazardous waste in our banking operations. However, we may have an indirect environmental impact through our business relationships with our clients, which may be generating hazardous waste in their operations.

To mitigate this indirect environmental impact, we promote sustainable practices that will minimize our environmental and social impacts, as well as protect our reputation, through our financing activities and our clients’ operations. These sustainable practices aim to encourage borrowers to adhere to the preservation and development of the natural, social, and cultural environment. We believe that good sustainable practices eventually pay dividends and are in the best interest of the borrowers. Our ESMS requires that all lending relationships/credits, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.

Disclosure Items	Quantity (Consolidated)	Units
Total weight of hazardous waste generated	-	kg
Total weight of hazardous waste transported	-	kg

Stakeholders	Relevant Issues (in relation to hazardous waste management)
Stockholders	<ul style="list-style-type: none"><li>Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment</li></ul>
Government (DENR)	<ul style="list-style-type: none"><li>Compliance with environmental laws and regulation</li><li>Reduction of environmental impacts</li><li>Concern for environmental protection</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>Reduction of environmental impacts</li><li>Concern for environmental protection</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
Our clients may be generating hazardous waste in their operations, which may have negative impact on the environment.	Our Environmental and Social Management System (ESMS) requires that all lending relationships/credits, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective. This is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client.  We will continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.
Opportunities Identified	Management Approach to Opportunities
As financial intermediaries and capital-raising agents, banks directly affect the promotion of economic development. This role must include the promotion of sustainable business practices, pollution prevention and control, and environmental protection.	We align our business strategy to support the development needs of society, as articulated in the UN Sustainable Development Goals and the Paris Agreement. We aim to embed awareness of environmental and social issues within the organization, with our clients, and in the communities that we serve. We believe that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities.

**Effluents**  
We do not generate effluents in our banking operations. However, we may have an indirect environmental impact as a consequence of our business relationships with our clients which may be generating effluents in their operations.

To mitigate this indirect environmental impact, we promote sustainable practices that will minimize our environmental and social impacts, as well as protect our reputation, through our financing activities and our clients' operations. These sustainable practices aim to encourage borrowers to adhere to the preservation and development of the natural, social, and cultural environment. We believe that good sustainable practices eventually pay dividends and are in the best interest of the borrowers. Our ESMS requires that all lending relationships/credits, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.

Disclosure Items	Quantity (Consolidated)	Units
Total volume of water discharges	-	Cubic meters
Percent of wastewater recycled	-	%

Stakeholders	Relevant Issues (in relation to management of effluents)
Stockholders	<ul style="list-style-type: none"><li>Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment</li></ul>
Government (DENR)	<ul style="list-style-type: none"><li>Compliance with environmental laws and regulation</li><li>Reduction of environmental impacts</li><li>Concern for environmental protection</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>Reduction of environmental impacts</li><li>Concern for environmental protection</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
Our clients may be generating effluents in their operations which has negative implications on the environment.	Our ESMS requires that all our lending relationships, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.  The environmental and social impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. The ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client.  We will continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.
Opportunities Identified	Management Approach to Opportunities
As financial intermediaries and capital-raising agents, banks directly affect the promotion of economic development. The role must also include the promotion of sustainable business practices, pollution prevention and control, and environmental protection.	We are aligning our business strategy to support the development needs of society, as articulated in the UN Sustainable Development Goals and the Paris Agreement. We aim to embed awareness of environmental and social issues within the organization, with our clients, and in the communities that we serve. We believe that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities.



Environmental Compliance

**Non-compliance with Environmental Laws and Regulations**  
Our ability to comply with performance standards, environmental laws and regulations impacts the communities near our operations, and the overall welfare of society. We are committed to comply with all environmental laws and regulations, and conform to performance standards.

Disclosure Items	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	20,000.00*	Php
Non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
Cases resolved through dispute resolution mechanism	0	#

*\*Fines paid to the Environmental Management Bureau of the DENR for operating an Air Pollution Source Installation without a Permit to Operate (the existing generator set came from an old RCBC site and was transferred to the new Malabon branch site; no permits were given), and for operating a facility (septic tank) that discharges regulated water pollutants without Discharge Permit in RCBC Navotas branch. This notwithstanding, RCBC remains committed to comply with all environmental laws and regulations as well as fulfill any penalty that may arise from non-compliance.*

Stakeholders	Relevant Issues (in relation to environmental compliance)
Management	<ul style="list-style-type: none"><li>• Monetary fines</li><li>• Non-monetary sanctions</li></ul>
Stockholders	<ul style="list-style-type: none"><li>• Compliance with environmental laws and regulation – potential reputational impact that may lead to divestment</li></ul>
Clients	<ul style="list-style-type: none"><li>• Interruption of business /operations due to breach of environmental laws/regulations</li><li>• Reputational impact</li></ul>
Employees	<ul style="list-style-type: none"><li>• Interruption of business /operations due to breach of environmental laws/regulations</li><li>• Reputational impact</li></ul>
Government (DENR)	<ul style="list-style-type: none"><li>• Compliance with environmental laws and regulation</li><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Community, including environmental NGOs	<ul style="list-style-type: none"><li>• Reduction of environmental impacts</li><li>• Concern for environmental protection</li></ul>
Public, including media	<ul style="list-style-type: none"><li>• Reduction of environmental impacts and concern for environmental protection – potential reputational impact</li></ul>

Risks Identified	Management Approach to Risks
<p>Given the scale of our operations as a major universal bank, there may be certain requirements on environmental compliance that may not be addressed in a timely manner.</p> <p>Non-compliance within an organization can indicate the inability of management to ensure that operations conform with certain performance parameters. In some circumstances, non-compliance can lead to cleanup of obligations or other costly environmental liabilities such as penalties and fines.</p>	RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards.
Opportunities Identified	Management Approach to Opportunities
The strength of an organization’s compliance record can also affect its ability to expand operations or gain permits.	RCBC is committed to comply with all environmental laws and regulations, and conform to performance standards.

## Social Contributions



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# 05



## SOCIAL CONTRIBUTIONS

"WE MEASURE OUR SOCIAL IMPACT THROUGH THE STRENGTH OF THE RELATIONSHIPS WE BUILD WITH PEOPLE, BOTH WITHIN OUR WORKPLACE AND IN THE COMMUNITIES WE TOUCH. NOT ONLY IS THIS ESSENTIAL TO BEING A GOOD CORPORATE CITIZEN, IT ALSO PLAYS A CRUCIAL ROLE IN DELIVERING SUSTAINABLE VALUE."

Social Contributions

OUR SOCIAL PERFORMANCE

We measure our social impact through the strength of the relationships we build with people, both within our workplace and in the communities we touch. Not only is this essential to being a good corporate citizen, it also plays a crucial role in delivering sustainable value.

Our People

Employee Management

We create social impact in our primary business operations when we satisfy the needs of our employees and build equity in the workplace.

In support of our growth strategy and plans, our Human Resources Group (HRG) is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being as well as corporate social responsibility (CSR).

We invest in human resources by ensuring the quality of benefits we provide for full-time employees, a key factor in retaining employees.

Stakeholders	Relevant Issues (in relation to employee hiring)
Management	<ul style="list-style-type: none"><li>Direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees</li><li>Efficiency of employees</li><li>Quality of service provided by employees</li></ul>
Stockholders	
Employees	<ul style="list-style-type: none"><li>Satisfaction among employees</li><li>Equity in the workplace</li></ul>
Clients	<ul style="list-style-type: none"><li>Efficiency and quality of service provided by employees, sufficient number of employees</li></ul>
Government (Department of Labor and Employment)	<ul style="list-style-type: none"><li>Protection of employees</li></ul>
Community	<ul style="list-style-type: none"><li>Optimal use of available labor and talent in different regions</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Ability to attract diverse and qualified employees, inclusive recruitment practices, satisfaction among employees, and equity in the workplace (potential reputational impact)</li></ul>

Employee Hiring and Benefits	Consolidated
Total number of employees	6,344
Attrition rate*	10.3%
Ratio of lowest paid employee against minimum wage	1.0

\*Computed as the number new hires minus the number of turnover divided by the average of the 2018 and 2019 total number of employees

Compensation and Rewards Program

We commit to pay our employees salaries and compensation commensurate to their job performance. We also ensure we comply with the requirements of Philippine labor laws and our salary and compensation package is competitive with the banking industry. We give importance to equitable pay differentials for different types of work and pays within an established salary structure for different job levels. We also provide our officers with incentives and rewards for their contribution to the achievement of our business objectives.

Our sound Compensation and Incentive Program has the following objectives:

- To establish a basis for determination and management of compensation, salary increase, and performance incentives;
- To provide financial incentives through the proper administration of salaries and other means of compensation for each individual to motivate them to do their best on their job;
- To maintain competitive salary levels/structures consistent with those in the banking industry; and
- To ensure retention and attraction of performing and key talents in the organization.

To guide us in managing the compensation levels of our employees, a salary structure was designed and developed using the following parameters:

- Job Evaluation:* This is a systematic procedure for analyzing, measuring and classifying positions in terms of common job elements or factors found in every position. The current salary structure is based on the existing job grading system for Officer levels, ranging from First Officer up to Senior Executive Vice President. The HRG is responsible for ensuring that jobs are rated properly and continuously as they change over time due to reconfiguration of functions or reorganizations
- Target Market Group:* The salary structure was based on market data of banks we deemed as our peers. Data on these peer banks are obtained from industry and national surveys conducted by private consultancy companies and trade and employee associations.
- Target Positioning Objective:* Management determines the desired positioning in relation with the Target Market Group or the banking industry in general. This positioning is targeted at both the market's guaranteed pay and total annual cash compensation.

HRG performs a regular review of our salary structure to maintain its relevance and competitiveness internally and externally. In case surveys and studies reveal that our salary structure is losing competitiveness compared to the industry or its Target Market Group, HRG is tasked to recommend to management ways to correct the disparity. Final approval for recommended changes in the compensation structure and policies will need to be secured from the Corporate Governance Committee.

HRG, particularly its Group Head, Department Head for Compensation and Benefits and Department Head for Career Management, is directly responsible for administering, implementing, and maintaining our Compensation and Incentive Program.

The Program shall be composed of:

- Basic Pay:* Employee's monthly take-home pay, exclusive of overtime pay.
- Guaranteed Pay:* Part of the annual compensation supplementary to the Basic Pay such as the 13<sup>th</sup>-month pay.
- Variable Pay:* Additional incentives, merit increase (for Officers), and promotional increase (for Non-Officers and Officers), given to eligible employees based on their contributions to the Bank's overall objectives.

Recognizing the continuing competition for talent, HRG's retention programs helped keep our attrition rate at 10.26% — below the industry level.

Employee Benefits	Availment	Employees Who Availed in 2019 (% of Total)	
		Female	Male
SSS	✓		
Maternity	✓	7.9	
Sickness	✓	2.2	0.5
Salary Loan	✓	19.3	13.9
PhilHealth	✓	62.3	47.7
Pag-ibig	✓	10.6	6.2
Parental leaves	✓		8.0
Vacation leaves	✓	85.9	83.4
Sick leaves	✓	60.3	51.4
Medical benefits (aside from PhilHealth)	✓	62.3	47.7
Housing assistance (aside from Pag-IBIG)	✓	0.2	0.6
Retirement fund (aside from SSS)	✓	2.4	3.6
Further education support	✗		
Company stock options	✗		
Telecommuting	✗		
Flexible Working Hours	✗		

FEMALE EMPLOYEES



63.8%  
of total workforce

MALE EMPLOYEES

36.2%  
of total workforce



Social Contributions

TOTAL TRAINING HOURS PROVIDED TO EMPLOYEES

31,340

AVERAGE TRAINING HOURS PER EMPLOYEE

4.9

TRAINING OF FEMALE EMPLOYEES

21,812 total hours

5.4 hours/employee

TRAINING OF MALE EMPLOYEES

9,528 total hours

4.1 hours/employee

Risks Identified	Management Approach to Risks
While we constantly improve our employee benefit packages, employees may deem those of other companies to be more attractive.	<p>The quality of benefits we provide to full-time employees is a key factor in our ability to retain employees and attract new applicants. In addition to benefits mandated under Philippine labor laws, we also offer 17<sup>th</sup>-month pay for rank-and-file employees, which is superior to other peer banks.</p> <p>Job promotion is based on full-year performance and accomplishments are measured through predefined Key Results Areas (KRAs). All non-officer employees, even those who are not members of the RCBC Employees Association, are covered by a Collective Bargaining Agreement (CBA). In December 2019, the Bank (excluding its subsidiaries) and the RCBC Employees Avocation agreed to the economic provisions of the last 2 years of the 5-year CBA for the period 01 October 2016 to 30 September 2021.</p>
Opportunities Identified	Management Approach to Opportunities
Equitable gender choice for parental leave and other leave entitlements can lead to the improved recruitment and retention of qualified employees, as well as boost employee morale and productivity.	We are ahead in the adoption of new benefits mandated by law. For example, we have implemented the new maternity leave benefit, applicable to all employees, before it was announced in our internal network messaging platform. By so doing, our employees know that we are immediately compliant with the new law and encourage qualified employees to avail of these.

**Employee Training and Development**  
We believe in continuous learning and invest in training and developing employees, and upgrading employee skills across all job levels.

Our Human Resources Group (HRG) is committed to organizational capability building and continues to lead programs and initiatives on talent management and development, leadership continuity, retention programs, employee well-being, as well as corporate social responsibility.

**Learning and Development**  
HRG continued to strengthen the talent pipeline

and brought further competencies on the job by facilitating various training programs and seminars that benefited 11,195 attendees. These programs addressed the competencies of Leadership, Customer Service, Sales Planning and Management, Product and Technical Knowledge, Risk Management, Anti-Money Laundering/Compliance. In addition, we also sent 355 employees to various external training programs, including 22 employees who attended specialized/IT training programs. HRG also conducted coaching workshops as we promote a coaching and mentoring culture across the organization.



Our effort to provide careers to fresh graduates and ensure an effective talent development resulted to the deployment of 16 Officers Development Program (ODP) graduates to junior officer positions across the organization.

Ten trainees graduated from the General Operations Learning and Development (GOLD) Program for Customer Support Services Segment and four trainees from the Branch Support Services Segment. This seven-month program, conducted by HRG in partnership with the Operations Group, aims to develop a pool of junior officers with strong operations background and risk orientation for our Head Office and branch operations. The 2019 graduates comprised the seventh batch of the program.

HRG also continues to implement our Succession Planning Program to ensure that our organization has a deep bench of internal candidates ready to assume higher leadership responsibilities. To attain this objective, HRG conducted the 8th Middle Management Development Program (MMDP). This six-month internal training program aims to accelerate the development of our next generation of leaders. The MMDP was designed in partnership with the De La Salle University's Center for Professional Development in Business.

In 2019, we also launched 10 e-Learning programs which included these topics: Information Security, Money Service Business, Online Gaming Business, Signature Verification, Effective email Communication, Cash Management Services part 1 and part 2, UITF, Deposit Products, and Consumer Loans.

Stakeholders	Relevant Issues (in relation to employee training and development)
Stockholders	<ul style="list-style-type: none"><li>Organization's investment in training, and the degree to which the investment is made across the entire employee base – efficiency and quality of service provided by employees</li></ul>
Employees	<ul style="list-style-type: none"><li>Talent acquisition and development: organization's investment in training, and the degree to which the investment is made across the entire employee base</li></ul>
Clients	<ul style="list-style-type: none"><li>Efficiency and quality of service provided by employees, properly trained employees</li></ul>
Community	<ul style="list-style-type: none"><li>Organization's investment in training, and the degree to which the investment is made across the entire employee base, which allow members of the community to decide whether to work for the organization – the organization's ability to attract talent / potential employees in the community can affect its ability to operate, implement its strategies, and achieve its objectives</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Organization's investment in training, and the degree to which the investment is made across the entire employee base (potential reputational impact)</li></ul>

Training Programs for Various Groups	Brief Description	Attendees
RBG Academy Sales Leadership Track	25-day training program for the Retail Banking Group	19 Regional Sales Heads
RBG BRO Sales Bootcamp (held twice)	15-day training program aimed at providing Branch Relationship Officers with product certification and sales skills	43 Branch Relationship Officers
Core Credit Course (held twice)	10-day program for Relationship Managers aimed at standardizing and improving knowledge on Financial Analysis and Projections, and Credit Fundamentals	51 Relationship Managers from the Corporate Banking Group, Credit Officers and Auditors
Registered Estate Planner Program and Registered Financial Consultant Certification	Program for estate planning	20 Relationship Managers from Wealth Management Group
Association of Certified Anti-Money Laundering (ACAMS) Review	To raise our capability to address and mitigate Money Laundering and Terrorist Financing concerns, the Bank set out to attain certification with ACAMS, the largest international membership organization dedicated to enhance the knowledge and expertise of financial crime detection and prevention professionals. The CAMS credential is internationally recognized by private institutions, governments and law enforcement, and carries the gold standard in AML Certification.	10 select bank officers started their ACAMS review and will take the certification exam in 2020.
Branch Operations Orientation Training Camp (BOOT Camp) - 12 sessions	5-day program launched in 2018 for all new branch hires or branch transferees. Modules include Risks and Controls, Supervisory Development Program, Effective Business Communication and Effective Leadership in Customer Service.	441 branch officers
6th and 7th run of the Corporate Banking Learning Academy, (Marketing Assistant Track)	10-day training program to develop capable and credible marketing assistants	35 marketing assistants who graduated

Social Contributions

Risks Identified	Management Approach to Risks
While we invest in the development of our employees, the risk of employees leaving RCBC and possibly transferring to another company cannot be completely eliminated. There may be foregone costs and opportunity costs as another employee who would decide to stay in RCBC could have been trained instead.	Under our employee training bond agreements, we agree to pay for an employee's training cost only if they remain with the Bank for a predetermined minimum amount of time.
Opportunities Identified	Management Approach to Opportunities
Deepening our bench of skilled employees enhances our human capital and contributes to employee satisfaction, which correlates strongly with improved performance.	We continue to strengthen our talent pipeline and brought further competencies on the job by investing in various training programs and seminars. We continuously evaluate and update our training programs in relevant topics such as, but not limited to, leadership, customer service, sales, technical knowledge, and risk management. The Human Resources Group disseminates its catalogue of trainings and seminars across the organization.



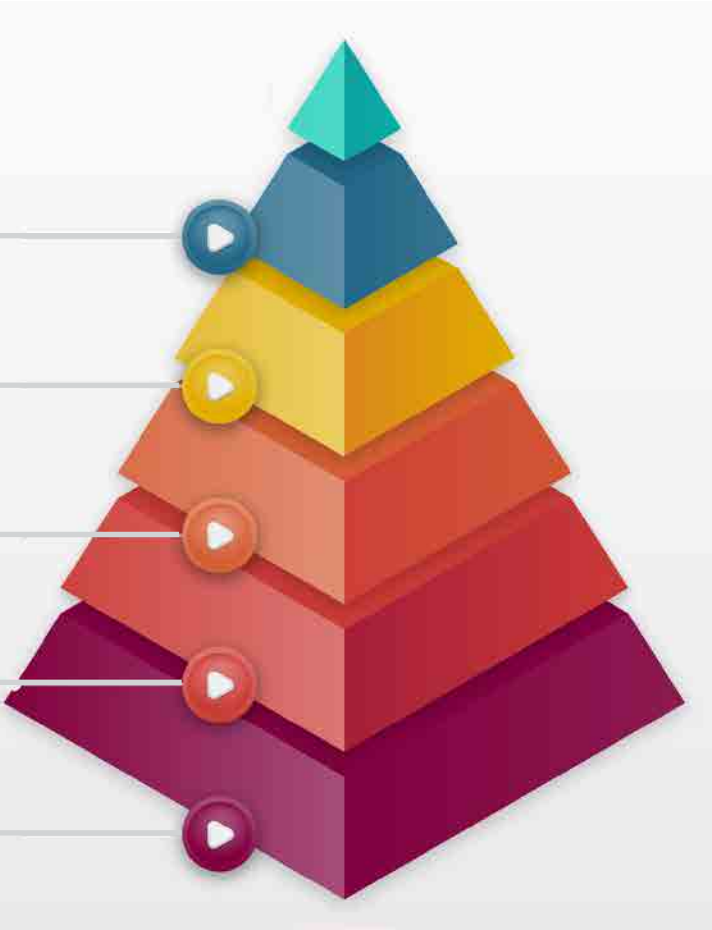
EXECUTIVE DEVELOPMENT PROGRAM

LEADERSHIP DEVELOPMENT PROGRAM

MIDDLE MANAGEMENT DEVELOPMENT PROGRAM  
RETAIL BANKING ACADEMY  
BRANCH OPERATIONS DEVELOPMENT PROGRAM  
CORPORATE BANKING LEARNING ACADEMY  
TREASURY ACADEMY

SUPERVISORY DEVELOPMENT PROGRAM  
(BASIC AND ADVANCED)

OFFICERS DEVELOPMENT PROGRAM  
GENERAL OPERATIONS LEARNING  
AND DEVELOPMENT PROGRAM



Labor Management Relations

We create social impact when we provide for the welfare of our employees. RCBC has a union of rank-and-file employees, which negotiates with Management for a collective bargaining agreement (CBA) every five years. Management and the union regularly evaluate and update the salaries and benefits of employees. In the past 15 years, the negotiations have been peaceful and fruitful.



Stakeholders	Relevant Issues (in relation to labor-management relations)
Stockholders	• Satisfaction among employees — efficiency and quality of service provided by employees
Employees	• Approach to communicating significant operational changes • Negotiations for determining working conditions and terms of employment or for regulating relations between employers and workers
Government (Department of Labor and Employment)	• Protection of employees
Community	• Approach to communicating significant operational changes, and negotiations for determining working conditions and terms of employment or for managing relations between employers and workers, which allow members of the community to decide whether to work for the organization (i.e., our ability to attract talent/potential employees in the community can affect our ability to operate, implement strategies, and achieve our objectives)
Public, including media	• Approach to communicating significant operational changes, and negotiations for determining working conditions and terms of employment or for managing relations between employers and workers (i.e., potential reputational impact)

Risks Identified	Management Approach to Risks
The risk in collective bargaining negotiations is the potential failure to come up with an agreement between parties.	Management maintains a harmonious relationship with the union. It is open to consultation and discussion with the union on a daily basis. During CBA negotiations, issues get resolved faster as a result.
Opportunities Identified	Management Approach to Opportunities
Management treats every issue raised by an employee as an opportunity to communicate how its actions and decisions benefit the organization and solicit feedback.	Management takes the views of its employees into account when making specific decisions. Meaningful consultations, together with timely processing of relevant information, are needed to make an informed decision that is fair and just.

Social Contributions

FEMALE EMPLOYEES



63.8%  
of total  
workforce



MALE EMPLOYEES  
36.2%  
of total workforce

Diversity and Equal Opportunity

We provide equal opportunity for all as this leads to better employee satisfaction and higher talent retention. When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and its employees, such as access to a larger and more diverse set of potential workers.




Stakeholders	Relevant Issues (in relation to diversity and equal opportunity)
Stockholders	<ul style="list-style-type: none"><li>Equity in the workplace, elimination of gender bias, and equal opportunity, which attracts talent/potential employees (i.e., our ability to attract talent/potential employees can affect our ability to operate, implement our strategies, and achieve our objectives)</li></ul>
Employees	<ul style="list-style-type: none"><li>Equity in the workplace</li><li>Elimination of gender bias</li><li>Equal opportunity</li></ul>
Government (Department of Labor and Employment)	<ul style="list-style-type: none"><li>Protection of employees</li></ul>
Community	<ul style="list-style-type: none"><li>Equity in the workplace, elimination of gender bias, and equal opportunity, which attracts talent/potential employees (i.e., our ability to attract talent/potential employees can affect our ability to operate, implement our strategies, and achieve our objectives)</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Inclusive recruitment practices, equity in the workplace, equity in the workplace, elimination of gender bias, and equal opportunity (i.e., potential reputational impact)</li></ul>




Risks Identified	Management Approach to Risks
Promoting diversity does not necessarily lead to inclusion and equal opportunity. The presence of individuals from under-represented groups within the organization does not guarantee that they will feel fully included and valued.	We give equal opportunity for all, not only in hiring, but also in advancement and attaining positions of senior leadership. Promotion is based on performance, as accomplishments are measured through predefined Key Results Areas (KRAs).
Opportunities Identified	Management Approach to Opportunities
When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers. For example, the organization can gain access to a larger and more diverse set of potential workers. These benefits also flow through to society in general, as greater equality promotes social stability and supports further economic development.	When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers, such as access to a larger and more diverse set of potential workers.

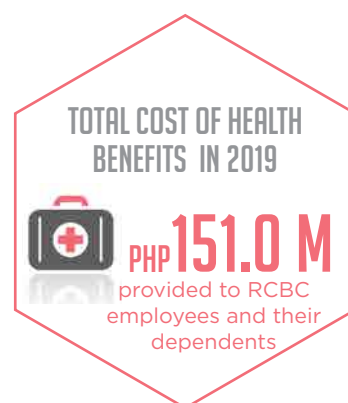
Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

We are committed to maintaining a safe and healthy working environment. By protecting our employees, we create an impact through our ability to uphold occupational health and safety in the workplace. We conduct employee training and incident investigations. We have safety officers, certified Basic Occupational, Safety and Health personnel, and first-aid responders trained by the Philippine Red Cross. Procedures are in place to protect our employees from generally recognized workplace hazards such as fire, earthquake, robberies, and other natural and man-made calamities. We also have various policies on substance abuse, health and safety, as well as inspection and search procedures.

Health and Wellness Policies	Coverage	Programs
<b>Substance Abuse and Health &amp; Safety Policies</b> 	Employees who work while under the influence of drugs or alcohol present a safety and operational hazard to themselves and their colleagues, as well as pose a risk to the trustworthy and professional image of the Bank. We also promote the health and safety of our employees and their families.	<ul style="list-style-type: none"><li>RCBC's Drug-Free Workplace Policy &amp; Programs</li><li>Policy Against Alcohol Abuse</li><li>Policy on Off-Duty Substance Abuse</li><li>Family Welfare Policy</li><li>TB Workplace Program</li><li>HIV/AIDS Workplace Program</li></ul>
<b>Employee Welfare and Well-Being</b> 	In 2019, the Human Resources Group conducted activities to sustain the promotion of health, safety and welfare of our employees.	<ul style="list-style-type: none"><li>We maintained our partnership with HMO provider Maxicare in giving the following health and medical benefits to employees:<ul style="list-style-type: none"><li>Hospitalization, emergency care and other medical services: 2,933 availments for employees and 3,288 availments for dependents</li><li>Executive Check-Up for employees: total cost of Php39.6 million</li><li>Outpatient consultation services for employees: 4,326 availments</li></ul></li><li>We partnered with Sunlife Grepa Financial Inc. in utilizing the clinic located at the RCBC Plaza and recorded more than 1,000 availments. We also set up a clinic with regular visiting doctors at the A. T. Yuchangco Centre (formerly RSB Corporate Center) in Bonifacio Global City, Taguig to give free check-up and consultation services to more than 1,200 employees.</li></ul>
<b>Inspection &amp; Search Procedures</b> 	Employees are mandated to notify security personnel if they see anything suspicious, including the presence of strangers and unattended bags or packages on the premises.  Employees are likewise mandated to subject themselves, their personal belongings, and the Bank assets under Bank custody to intensive inspection and search procedures by security personnel upon entering, while within, and upon leaving, Bank premises (including parking lots, whether owned or leased by the Bank).	

Health and Wellness Policies	Coverage	Programs
<b>Other Benefits</b>		
<b>Health and Safety Training</b>  	For all our employees	<ul style="list-style-type: none"> <li>Department of Labor and Employment (DOLE) certified Basic Occupational Safety and Health Seminar;</li> <li>Philippine Red Cross certified first aid training;</li> <li>Basic training course for Pollution Control;</li> <li>Pollution Control training course for Managing Heads;</li> <li>Safety and life support trainings, fire and earthquake seminars and drills for employees</li> </ul>
<b>Medical Examinations and Vaccinations</b>  	<ul style="list-style-type: none"> <li>For new hires</li> </ul>	<ul style="list-style-type: none"> <li>Pre-employment physical and medical examination;</li> </ul>
	<ul style="list-style-type: none"> <li>For all employees</li> </ul>	<ul style="list-style-type: none"> <li>Random drug testing</li> <li>Vaccination (includes flu vaccination)</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>For all employees</li> </ul>	<ul style="list-style-type: none"> <li>Life insurance policy coverage, inclusive of accidental death, total and permanent disability and burial assistance benefits</li> </ul>
<b>Sports and Wellness</b>  	<ul style="list-style-type: none"> <li>For all employees from Head Office and Metro Manila business centers</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of physical fitness through sponsorship of various sports activities;</li> </ul>
<b>Mother- and Baby-Friendly Facilities</b>	<ul style="list-style-type: none"> <li>For nursing mothers</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of operational breastfeeding stations;</li> </ul>
<b>Precautionary Measures</b>	<ul style="list-style-type: none"> <li>For employees in areas affected by natural calamities and man-made disasters</li> </ul>	<ul style="list-style-type: none"> <li>Immediate work suspension orders in such perilous areas during fortuitous events;</li> </ul>



Risks Identified	Management Approach to Risks
While banking is considered a low-risk industry in terms of workplace conditions and industrial safety standards, potential harm may come from hazardous situations such as bank robbery.	We provide employees with the requisite training and exposure to combat inherent risks in the workplace. Basic occupational, health and safety, and first-aid trainings are provided regularly. Safety training also include those on specific work-related hazardous situations. We train our branch personnel on responding to hazardous situations and offer simulation training programs such as mock bank robberies.
Opportunities Identified	Management Approach to Opportunities
Given the changing business landscape, regulatory environment, and our strategic direction, opportunities arise to improve our training programs and safety drills.	We continue to update our training programs to adapt to the changing business environment.

#### Labor Laws and Human Rights

We give importance to and uphold labor standards and human rights in the workplace. In 2019, there were no legal actions or employee grievances involving forced or child labor in our organization. Below are our policies that explicitly disallow violations of labor laws and human rights:

Issues	Company Policy
Forced Labor	All newly hired employees sign a contract stating that they agree to the terms and conditions of their employment. We do not employ forced labor.
Child Labor	Our Recruitment Policy requires that we hire college graduates, at the minimum. We do not employ child labor.
Human Rights	Existing Philippine laws set expectations and standards that disallow violations of and promote human rights. We abide by these laws.

Stakeholders	Relevant Issues (in relation to labor laws and human rights)
Stockholders	<ul style="list-style-type: none"> <li>Abolition of child labor, elimination of forced labor, and upholding of human rights (potential reputational impact that may lead to divestment)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Abolition of child labor</li> <li>Elimination of forced labor</li> <li>Upholding human rights</li> </ul>
Government (DOLE)	<ul style="list-style-type: none"> <li>Protection of employees</li> </ul>
Community	<ul style="list-style-type: none"> <li>Abolition of child labor, elimination of forced labor, and upholding of human rights, which allow members of the community to decide whether to work for the organization (i.e., our ability to attract talent/potential employees in the community can affect our ability to operate, implement our strategies, and achieve our objectives)</li> </ul>
Public, including media	<ul style="list-style-type: none"> <li>Abolition of child labor, elimination of forced labor, and upholding of human rights (i.e., potential reputational impact)</li> </ul>

Risks Identified	Management Approach to Risks
Child labor results in having under-skilled and unhealthy workers in the future, perpetuating poverty across generations and impeding sustainable development. Forced labor is not only a serious violation of a fundamental human right, it also perpetuates poverty and hinders economic and human development.	We do not engage in child labor or forced labor. Our company policy is to hire college graduates for entry-level positions.
Opportunities Identified	Management Approach to Opportunities
The abolition of child labor and forced labor is necessary for both economic and human development.	Due diligence is expected of an organization in order to prevent the use of and combat all forms of child labor and forced or compulsory labor in its activities. By doing so, the organization avoids contributing to, becoming complicit in, or linked to the use of child labor and forced or compulsory labor through its relationships with others (e.g., suppliers, clients). At RCBC, we give importance to and uphold labor standards and human rights in the workplace.

Supply Chain Management

To reduce the negative environmental and social impacts in our supply chain, we ensure that our suppliers uphold sustainability standards and practices, including compliance with Philippine laws. Environmental performance is observed during site visits. We influence suppliers to be sustainable through our supplier accreditation processes. However, we have yet to put in place supplier accreditation policies based on environmental performance, forced and child labor, and human rights. Below are our existing policies:

Issues	Company Policy in Supplier Accreditation
Bribery and Corruption	Supplier Management: Policies on Supplier Blacklisting: If a supplier commits a violation against the Yuchengco Group of Companies' Procurement Shared Services policies on Code of Ethics, the supplier will be blacklisted, regardless if it has more than one product or service used by YGC.
Health and Safety	The supplier shall also be blacklisted if it failed to meet safety policies leading to loss of life, injury, or damage to property.

Stakeholders	Relevant Issues (in relation to supply chain management)
Stockholders	<ul style="list-style-type: none"><li>Reduction of negative environmental and social impacts in the supply chain (potential reputational impact that may lead to divestment)</li></ul>
Suppliers	<ul style="list-style-type: none"><li>Procurement policies</li></ul>
Community	<ul style="list-style-type: none"><li>Reduction of negative environmental and social impacts in the supply chain and concern for environment and society</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Reduction of negative environmental and social impacts in the supply chain and concern for environment and society (potential reputational impact)</li></ul>

Risks Identified	Management Approach to Risks
An organization might be directly impacted as a result of its business relationships with other parties (e.g., suppliers).	Due diligence prevents and mitigates negative impacts in the supply chain, including those caused or contributed by, or are directly linked to the activities, products, or services of the organization by virtue of its relationship with a supplier.  We assess our suppliers based on a range of criteria, including incidents of bribery, coercion, and corruption committed, among others.  We initiate due diligence as early as possible building new supplier relationships. Impacts may be mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.
Opportunities Identified	Management Approach to Opportunities
We continuously explore opportunities to improve our existing supply chain procedures to avoid negative environmental and social impacts. Improvements can include changing our procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships.	We continue to improve our existing supply chain procedure to avoid negative environmental and social impacts. We use sustainability-related questionnaires in the accreditation/vetting process of vendors. The Yuchengco Group of Companies (YGC) also holds information campaigns on YGC's sustainability initiatives to educate vendors.

Relationship with Community

Significant Impacts on Local Communities


We strive to create positive social impacts through community engagement, as well as by empowering communities and families towards financial inclusion. We facilitate access to capital in the local economy, spurring economic growth and employment generation. We plan to increase our presence in local communities and take advantage of partnerships to further broaden our reach.

Operations with significant impacts on local communities\*:



**Rizal MicroBank (RMB)** is our vehicle for providing much-needed services to the unbanked and underserved segments of the country's population. It extends micro and small business loans and savings products through its network of 21 branches — all located outside Metro Manila.

RMB is set to use digitization in the form of a mobile-based application to make it more cost effective for the Bank and our clients to access financial services.



**DiskarTech** is a financial inclusion mobile-based application that mainly targets the lower economic classes (C and D) and the unbanked sector.

It will offer financial services such as savings, transfers, withdrawals and deposits, bills payment, insurance, and loans.

\*The operations of Rizal MicroBank and DiskarTech do not have an impact on indigenous peoples.

Social Contributions

Stakeholders	Relevant Issues (in relation to significant impacts on local communities)
Stockholders	<ul style="list-style-type: none"><li>Reduction of negative impacts on local communities (potential reputational impact that may lead to divestment)</li></ul>
Employees	<ul style="list-style-type: none"><li>Reduction of negative impacts on local communities</li><li>Concern for society</li><li>Continuous enhancement of community relations</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Reduction of negative impacts on local communities and concern for society (i.e., potential reputational impact)</li></ul>

Risks Identified	Management Approach to Risks
Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.	We mitigate the risk of default and other risks by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients.
Opportunities Identified	Management Approach to Opportunities
A significant percentage of the country's population are still unbanked and underserved. This offers opportunities for us to create more products and services that will address these sectors.	<p>We continue to grow our commercial and SME loans segments to address the needs of small and medium entrepreneurs.</p> <p>We also have planned activities to increase our presence in local communities and to take advantage of partnerships to broaden our reach.</p>

Customer Management

**Customer Satisfaction**  
Our ability to uphold customer rights will positively drive customer satisfaction. As such, we regularly monitor feedback from traditional and social media to identify customer concerns. This includes generating monthly social listening reports and real-time alerts, and monthly traditional media reports. We also implement customer research for major initiatives (e.g., brand refresh, new website design, and new application design). We follow a review and approval process for communication materials, including clearing initiatives with our Consumer Protection Division. An assessment of RCBC's reputation risk is also reported regularly to the Risk Oversight Committee of the Board of Directors.



Stakeholders	Relevant Issues (in relation to customer satisfaction)
Stockholders	<ul style="list-style-type: none"><li>Customer satisfaction and upholding the rights of customers (potential reputational impact that may lead to divestment)</li></ul>
Clients	<ul style="list-style-type: none"><li>Customer protection and satisfaction</li><li>Integrity and honesty of the Bank and our employees</li><li>Professionalism and efficiency of senior management and employees</li><li>Easy account opening/loan application requirements and processes</li><li>Accessibility of ATM and branch network</li><li>Continuous service, process and technology improvements</li><li>Fast complaints resolution</li><li>Upholding the rights of customers</li></ul>
Government/Regulators	<ul style="list-style-type: none"><li>Customer satisfaction</li><li>Upholding the rights of customers</li></ul>
Community	<ul style="list-style-type: none"><li>Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization (our ability to attract potential customers in the community can affect our ability to implement our strategies and achieve our objectives)</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Customer satisfaction and upholding the rights of customers s (i.e., potential reputational impact)</li></ul>

Risks Identified	Management Approach to Risks
Reputation risk may arise from negative public opinion in case of customer unsatisfaction left unaddressed.	We strive to constantly improve our service to avoid unsatisfied customers. A customer service hotline is available for clients to inquire and report concerns and issues regarding our products and services.
Opportunities Identified	Management Approach to Opportunities
A high level of customer satisfaction can result to higher revenue through an increase in the number of new customers, and deepening of relationships with existing customers (e.g., cross-selling).	We strive to continuously improve our service and implement enhancements in our customer feedback mechanisms and platforms.

**Health and Safety**  
As our products and services are financial in nature, they do not pose risks to health and safety. The products and services of our clients, however, may have negative impacts to their customers and society as a consequence.

It is our policy to promote sustainable practices that will minimize the negative environmental, social, and reputational impact of our financing activities and our clients' operations. The sustainable practices we aim to pursue encourage borrowers to preserve and develop the natural, social, and cultural environment. We believe that good sustainable practices eventually pay dividends and are in the best interest of the borrowers.



\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Stakeholders	Relevant Issues (in relation to health and safety)
Stockholders	<ul style="list-style-type: none"> <li>Customer satisfaction and upholding the rights of customers (potential reputational impact that may lead to divestment)</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Upholding the rights of customers</li> </ul>
Government/Regulators	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Upholding the rights of customers</li> </ul>
Community	<ul style="list-style-type: none"> <li>Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization (our ability to attract potential customers in the community can affect our ability to implement strategies and achieve our objectives)</li> </ul>
Public, including media	<ul style="list-style-type: none"> <li>Reduction of negative impacts on local communities and concern for society (i.e., potential reputational impact)</li> </ul>

Risks Identified	Management Approach to Risks
The products and services of our clients may potentially pose a risk to the health and safety to their customers. This has negative implications on society.	<p>Our Environmental and Social Management System (ESMS) requires that all lending relationships/credits, leasing or other financial assistance to any corporate or legal entity, both pipeline and portfolio, are vetted from an environmental and social risk perspective.</p> <p>The environmental and social impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. The ESMS assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client.</p> <p>We will continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.</p>
Opportunities Identified	Management Approach to Opportunities
The role of banks as financial intermediaries and as capital raising agents directly affects the promotion of economic development and must include the promotion of sustainable business practices, health, and safety.	<p>As a responsible financial institution, RCBC is committed to upholding environmental and social responsibility in all our business activities. We recognize that balancing non-financial factors such as environmental and social safeguards with financial priorities is essential to being a good corporate citizen, and is fundamental to risk management and the larger interest of our stakeholders.</p> <p>We are aligning our business strategy to support the development needs of society, as articulated in the UN Sustainable Development Goals and the Paris Agreement. We aim to embed awareness of environmental and social issues within the organization, with our clients, and in the communities that we serve. We believe that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities.</p>

### Marketing and Labelling

Our ability to uphold our customers' rights to the security from probable negative impacts of our products and services impacts customer protection and customer satisfaction. This includes customer access to accurate and adequate information on the positive and negative economic, environmental, and social impacts of our products and services — both from a product and service labelling and a marketing communications perspective.



Stakeholders	Relevant Issues (in relation to marketing and labelling)
Stockholders	<ul style="list-style-type: none"> <li>Customer satisfaction and upholding the rights of customers (potential reputational impact that may lead to divestment)</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Upholding the rights of customers</li> </ul>
Government/Regulators	
Community	<ul style="list-style-type: none"> <li>Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization (this affects our ability to attract potential customers in the community, implement our strategies, and achieve our objectives)</li> </ul>
Public, including media	<ul style="list-style-type: none"> <li>DCustomer satisfaction and upholding the rights of customers (i.e., potential reputational impact)</li> </ul>

Risks Identified	Management Approach to Risks
The display and provision of information and labelling for products and services are subject to many regulations and laws. Non-compliance can indicate either inadequate internal management systems and procedures or ineffective implementation.	Fair and responsible marketing communications, as well as access to information about the composition of products, and their proper use and disposal, help customers make informed choices. This is supported by effective internal controls on product and service labelling and marketing communications.
Opportunities Identified	Management Approach to Opportunities
Continuous improvements on marketing and labelling to further lessen complaints can lead to higher customer satisfaction and new business opportunities.	We continue to implement regular updates of communication materials, including website and point-of-sale materials.

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Social Contributions

Customer Privacy

Our ability to uphold our customers’ rights to privacy impacts customer protection and customer satisfaction. We respect consumer privacy and take reasonable measures to ensure the security of personal data that we collect, store, process or disseminate.

Stakeholders	Relevant Issues (in relation to customer privacy)
Stockholders	<ul style="list-style-type: none"><li>Customer satisfaction and upholding the rights of customers (potential reputational impact may lead to divestment)</li></ul>
Clients	<ul style="list-style-type: none"><li>Customer satisfaction</li><li>Upholding the rights of customers</li></ul>
Government/Regulators	
Community	<ul style="list-style-type: none"><li>Customer satisfaction and upholding the rights of customers, which allow members of the community to decide whether to patronize the products and services of the organization (i.e., our ability to attract talent/potential employees can affect our ability to operate, implement our strategies, and achieve our objectives)</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Customer satisfaction and upholding the rights of customers (i.e., potential reputational impact)</li></ul>

Risks Identified	Management Approach to Risks
Loss of customer data and breach of customer privacy can result from non-compliance with existing laws, regulations and/or other voluntary standards regarding the protection of customer privacy.	To protect customer privacy, we limit collection of personal data, collect data only by lawful means, and are transparent about how data is gathered, used, and secured. We do not disclose or use personal customer information for any purposes other than those agreed upon, and we communicate any changes in data protection policies or measures to customers directly.
Opportunities Identified	Management Approach to Opportunities
Continuous improvements to customer privacy measures can result to higher customer satisfaction and retention which could translate to new business opportunities.	<p>We continuously conduct trainings and seminars to equip employees (from senior management to rank and file) and educate them about the importance of customer privacy. Awareness campaigns are implemented regularly through the issuance of data privacy bulletins.</p> <p>We conduct Privacy Impact Assessments for new projects involving the processing of personal data. We also review data sharing, data protection, and outsourcing agreements especially when dealing with third-party service providers/ vendors.</p>

SUBSTANTIATED COMPLAINTS\* ON CUSTOMER PRIVACY

1\*\*

NO. OF COMPLAINTS ADDRESSED

1\*\*\*

NO. OF CUSTOMERS, USERS AND ACCOUNT HOLDERS WHOSE INFORMATION IS USED FOR SECONDARY PURPOSES

517,080

\*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.  
\*\*In relation to one substantiated complaint, RCBC has filed the necessary clarification and this is pending before the National Privacy Commission (NPC).  
\*\*\*In relation to one internal complaint not filed with the NPC, RCBC has addressed and rectified the misinformation, and it is handled by a legal/compliance officer.

Data Security

Our ability to properly manage and protect sensitive information impacts data security. Thus we place the utmost importance on keeping data secure, aiming to reduce disruptions to operations as a consequence of information security incidents.

- Our objectives:
- To protect the information assets that support our operation;
  - To provide Management an accurate view of significant current and future information security risks and assist them to make well-informed risk management decisions about the extent of the risk, risk appetite and risk tolerance;
  - To provide an end-to-end guidance on how to manage information security risks, beyond purely technical control measures;
  - To establish a risk profile to better understand our full exposure, and better utilize resources;
  - To integrate the management of information security risk into our overall enterprise risk management; and
  - To implement and continuously improve a sound framework for the identification, measurement, control, monitoring, and reporting of key risks faced by the Bank.

Stakeholders	Relevant Issues (in relation to data security)
Stockholders	<ul style="list-style-type: none"><li>Data security and customer privacy (potential reputational impact that may lead to divestment)</li></ul>
Clients	<ul style="list-style-type: none"><li>Data security: reliability and security of electronic banking channels</li><li>Customer privacy</li></ul>
Government/Regulators	<ul style="list-style-type: none"><li>Data security</li><li>Customer privacy</li><li>Compliance with laws and regulation</li><li>Ability to conform to certain performance parameters</li></ul>
Community	<ul style="list-style-type: none"><li>Data security and customer privacy, which allow members of the community to decide whether to patronize the products and services of the organization (this affects our ability to attract potential customers in the community, implement our strategies, and achieve our objectives)</li></ul>
Public, including media	<ul style="list-style-type: none"><li>Data security and customer privacy (i.e., potential reputational impact)</li></ul>

Risks Identified	Management Approach to Risks
Information Security Risk is the risk of loss resulting from information security/ cybersecurity breaches. Data breaches, including leaks, thefts and losses of data may occur in the primary business operations.	<p>We have zero tolerance for information security/cybersecurity breaches and shall protect our information assets to ensure that breaches do not cause material damage to our liquidity and capital positions, and reputation.</p> <p>Our information security objectives are achieved through the following exercises of information security risk management:</p> <ul style="list-style-type: none"><li>Identification of information assets including both hardware and software that are considered essential to the Bank;</li><li>Assistance to business units in identifying risks in information assets being handled; and</li><li>Implementation of risk assessment to determine current information security risks and threats present in the information assets, determine acceptable risk levels, and implement preventive measures to mitigate potential high risks.</li></ul>
Opportunities Identified	Management Approach to Opportunities
Given the changing business landscape and regulatory environment, opportunities arise to improve our Information Security Program to uphold data security and customer privacy.	We continue to update our Information Security Program to adapt to the changing business environment.

Contributing  
to Sustainable  
Development  
through Our  
Products and  
Services











06















## CONTRIBUTING TO SUSTAINABLE DEVELOPMENT THROUGH OUR PRODUCTS AND SERVICES

THE WORLD FACES UNPRECEDENTED CHALLENGES DUE TO CLIMATE CHANGE. ACHIEVING THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS REQUIRES THE PARTICIPATION OF ALL SECTORS. WE AT RCBC ARE DOING OUR PART THROUGH OUR PRODUCTS AND SERVICES.

BANKING AND FINANCIAL PRODUCTS AND SERVICES

Deposits	<ul style="list-style-type: none"><li>Savings Accounts</li><li>FlexiSavers</li><li>iSave</li><li>Basic Savings</li><li>GoSavers</li><li>SSS Pensioner</li><li>Regular Savings ATM/Passbook</li><li>eWoman Savings</li><li>Dragon Peso/ Dollar Savings</li><li>Foreign Currency</li><li>Checking Accounts</li><li>Regular Checking</li><li>Dragon Checking</li><li>eWoman Checking</li><li>CheckLite</li><li>Time Deposit</li><li>Foreign Currency</li></ul>			
Societal Value/ Contributions to the UN Sustainable Development Goals (UN SDGs)	 <p>We offer inexpensive, easy-to-open, and customizable deposit accounts.</p>	 <p>We offer account types that come with free personal accident insurance, free hospitalization benefit, and free life insurance.</p>	 <p>We offer eWoman Savings and eWoman Checking accounts especially designed for women. These come with free life insurance coverage.</p>	 <p>GoSaver is a savings account for kids and teens. SSS Pensioner is a savings account for those looking for a convenient way to access their pension.</p>
Potential Negative Impact of Contribution	As custodians of public money and given the banking sector's systemic importance, it is important that credit risk, market risk, and other bank risks are properly managed to mitigate against bank failure.			
Management Approach to Negative Impact	We identify, measure, control, and monitor the risk inherent to our business activities or embedded in our products and portfolios. We continually develop an efficient and effective risk management infrastructure, and comply with regulations on risk and capital management.			
Loans	<ul style="list-style-type: none"><li>Home Loans</li><li>Auto Loans</li><li>Personal Loans</li></ul>			
Societal Value/ Contributions to the UN Sustainable Development Goals (UN SDGs)	 <p>Our personal loan products increase access to safe and affordable housing and transport.</p>			
Potential Negative Impact of Contribution	As custodians of public money and given the banking sector's systemic importance, it is important that credit risk, market risk, and other bank risks are properly managed to mitigate against bank failure.			
Management Approach to Negative Impact	We identify, measure, control, and monitor the risk inherent to our business activities or embedded in our products and portfolios. We continually develop an efficient and effective risk management infrastructure, and we comply with regulations on risk and capital management.			
Credit Cards				
Societal Value/ Contributions to the UN Sustainable Development Goals (UN SDGs)	 <p>RCBC Bankard Diamond Mastercard's built-in program, the Diamond Cares Program, enables a 20-centavo automatic donations to Gawad Kalinga's Kusina ng Kalinga for every Php100 charged to the card.</p>	 <p>Red Cross is an RCBC Bankard Rewards Program beneficiary. Cardholders earn rewards points for their qualified purchases, and can donate the peso value of their rewards points to our partner non-government organization.</p>	 <p>AY Foundation and SOS Children's Village are RCBC Bankard Rewards Program beneficiaries. Cardholders earn rewards points for their qualified purchases, and can donate the peso value of their rewards points to our partner non-government organizations</p>	

Potential Negative Impact of Contribution	The credit card business exposes us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.			
Management Approach to Negative Impact	We mitigate the risk of default and other risks by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients.			
Micro & Small Business Loans & Savings Products				
Societal Value/ Contributions to the UN Sustainable Development Goals (UN SDGs)	 <p>Rizal MicroBank's (RMB) loan and savings products cater to the underserved and small businesses in the country. RMB studies each business carefully to ascertain that the additional working capital has a positive effect on cash flow, potentially reducing or eliminating poverty.</p>	 <p>Correlated to helping reduce poverty, RMB's loans products provide additional funds to small businesses which in return further employs underserved individuals, generating employment.</p>	 <p>RMB's products increase access to financial services, including affordable credit.</p>	 <p>RMB's loan and savings products cater to underserved individuals not covered by commercial banks.</p>
Potential Negative Impact of Contribution	Engaging the unbanked and underserved towards financial inclusion may expose us to credit risk and other types of risk which traditional risk tools may ordinarily not be able to adequately manage.			
Management Approach to Negative Impact	We mitigate the risk of default and other risks by performing additional Know Your Customer (KYC) and credit risk assessment procedures on clients.			
Sustainable Finance Framework	We published an Impact Report that presents our Sustainable Finance Framework's impact and contribution to the UN SDGs. Download the report from <a href="http://www.rcbc.com/sustainability">www.rcbc.com/sustainability</a> .			
Management Approach to Negative Impact	As custodians of public money and given the banking sector's systemic importance, it is important that credit risk, market risk, and other bank risks are properly managed to mitigate against bank failure.			
Societal Value/ Contributions to the UN Sustainable Development Goals (UN SDGs)	 	 	 	 
Potential Negative Impact of Contribution	As custodians of public money and given the banking sector's systemic importance, it is important that credit risk, market risk, and other bank risks are properly managed to mitigate against bank failure.			
Management Approach to Negative Impact	We identify, measure, control, and monitor the risk inherent to our business activities or embedded in our products and portfolios. We continually develop an efficient and effective risk management infrastructure, and we comply with regulations on risk and capital management. <ul style="list-style-type: none"><li>Management of Credit Risk and Other Bank Risks</li><li>Environmental and Social Management System (ESMS)</li></ul>			

## Risk and Capital Management

### RISK GOVERNANCE FRAMEWORK

The RCBC 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 Framework 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.

### RISK MANAGEMENT PRINCIPLES<sup>1</sup>

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.**

Risk management does not view risk in a deterministic manner. Risk management should explicitly take into account uncertainty, the nature of the uncertainty and how that 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.

**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. Below are some examples of information sources that can be used as inputs to the risk management process:

- 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 to 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.

<sup>1</sup> ISO 31000 enumerates 11 principles

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.

## RISK CULTURE<sup>2</sup>

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

**Tone from the Top**

The Board of Directors and senior management establish a risk culture that represents an expectation of values and conduct from all staff. An expectation of values and conduct 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 of Directors expects all staff to:

<b>Lead by Example</b>	<ul style="list-style-type: none"><li>• Establish, monitor, and adhere to an effective risk appetite statement;</li><li>• Have a clear view of the risk culture;</li><li>• Systematically monitor and assess the prevailing risk culture and proactively address any identified areas of weakness or concern;</li><li>• Promote through action and words, a risk culture that expects integrity and a sound approach to risk;</li><li>• Promote an open exchange of views, challenge, and debate; and</li><li>• Have mechanisms in place which help lessen the influence of dominant personalities and behaviors.</li></ul>
<b>Adopt Corporate Values</b>	<ul style="list-style-type: none"><li>• Systematically monitor and assess whether the espoused values are communicated and adhered to by management and staff at all levels;</li><li>• 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 decision-making and operations of the business; and</li><li>• Establish a compensation structure that supports the institution's espoused values and promotes prudent risk-taking behavior.</li></ul>
<b>Develop Common Understanding and Awareness of Risk</b>	<ul style="list-style-type: none"><li>• 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;</li><li>• 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; and</li><li>• Systematically monitor how quickly issues raised by the Board, supervisors, internal audit, and other control functions are addressed by management.</li></ul>
<b>Learn from Risk Culture Failures/ Mistakes</b>	<ul style="list-style-type: none"><li>• 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</li></ul>

**Accountability**

The Board of directors 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.

<b>Risk Ownership</b>	<ul style="list-style-type: none"><li>• 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.</li><li>• Employees are held accountable for their actions and are aware of the consequences for not adhering to the desired risk management behavior.</li></ul>
<b>Escalation Process</b>	<ul style="list-style-type: none"><li>• Escalation processes should be established and used with clear consequence for non-compliance with risk policies and escalation procedures.</li><li>• 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.</li><li>• Whistleblowing should be proactively encouraged and supported by the Board and senior management.</li></ul>
<b>Enforcement</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>

**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.

<b>Open to Alternative View</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>
<b>Stature of Risk Management</b>	<ul style="list-style-type: none"><li>• The Chief Risk Officer and risk management function (RMG and CMG) 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.</li><li>• 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.</li></ul>

<sup>2</sup> Financial Stability Board (FSB), 2014. "Guidance on Supervisory Interaction with Financial Institutions on Risk Culture: A Framework for Assessing Risk Culture"

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"><li>• 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.</li><li>• 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"><li>• Treatment of clients;</li><li>• Cooperation with internal control functions and regulators;</li><li>• Respect for risk exposure limits; and</li><li>• Alignment between performance and risk.</li></ul></li></ul>
Talent Development and Succession Planning	<ul style="list-style-type: none"><li>• 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.</li></ul>

RISK APPETITE FRAMEWORK<sup>3</sup>

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.

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.

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 coordination between different 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. Firstly, 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. Secondly, 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.

Drive Quality Risk Management

In order 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.

RISK APPETITE

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	Definition	Risk Appetite
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	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	Risk of loss arising from overexposure to specific industries, borrower, counterparty, or group	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	Risk of loss arising from adverse movements in market prices	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	Risk of loss in earnings and capital arising from movements in interest rates	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	Risk of loss arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or cost. Also 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	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events	The RCBC Group shall control operational risks to ensure that operational losses do not cause material damage to the Group's liquidity and capital position, and reputation.

<sup>3</sup> Deloitte, 2014. "Risk Appetite Frameworks: How to Spot the Genuine Article"

RISK APPETITE FOR SPECIFIC RISK TYPES

Risk Type	Definition	Risk Appetite
IT Risk	Risk of loss resulting from failure of 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	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	Risk of loss resulting from the prospective inability to resume operations in the event of a disaster	The RCBC Group shall be able to resume operations in the event of a disaster, in a timely manner.
Regulatory Risk	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.
Compliance Risk	Risk of loss resulting from failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities	The 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	Risk of loss resulting from the involvement in money laundering and terrorist financing activities	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)	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	Risk of loss resulting from uncertainty of legal proceedings that we are 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.
Strategic Risk	Risk of loss arising from adverse business decisions or lack of responsiveness to industry changes	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.
Reputation Risk	Risk of loss arising from negative public opinion	The RCBC Group has zero tolerance for knowingly engaging in any business activity where foreseeable reputational risk or damage has not been considered and/or mitigated. The Group shall protect its reputation to ensure that there is no material damage to the Group.

RISK LIMITS<sup>4</sup>

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. The Risk Oversight Committee's expectations with regards 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 and subsidiary 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.

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.

BOARD OF DIRECTORS			
Executive Committee	Risk Oversight Committee	AML Committee	Audit and Compliance Committee

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**

Board Committees

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

Executive Committee

The Executive Committee has the authority to act on matters as the Board of Directors 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.

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). In this regard, the ROC exercises authority over all other risk committees of the Group, with the principal purpose of assisting the Board in fulfilling its risk oversight responsibilities. The ROC oversees:

- **The 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.
- **Adherence to risk appetite.** The ROC oversees compliance to established risk management policies and limits. The ROC ensures that the current and emerging risk exposures are consistent with the Group's strategic and overall risk appetite. It assesses 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;

- **The risk management function.** The ROC is responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It also ensures that the risk management function (RMG and CMG) 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.
- **Capital planning and management.** The ROC 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
- **Recovery plans.** The ROC ensures periodic review of the effectiveness of the risk management systems and recovery plans. It ensures that implementation is carried out on an enterprise-wide basis, and that corrective actions are promptly implemented to address risk management concerns.

Anti-Money Laundering Committee

The Anti-Money Laundering Committee is constituted by the Board of Directors 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 oversight on the bank's AML compliance management is adequate. The AML Board Committee has oversight on all AML-related matters such as the bank's Money Laundering and Terrorist Financing Prevention Program (MLPP), AML findings, alerts management, and CTRs & STRs.

Audit and Compliance Committee

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

- Oversight of the institution'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 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.

Role of Parent Bank and Subsidiaries

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

<sup>4</sup> Financial Stability Board (FSB), 2013. "Principles for an Effective Risk Appetite Framework"

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 and CMG. It is rather a function that cuts across the entire organization.

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.<sup>5</sup>

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

1<sup>ST</sup> 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 source of risks. They are, therefore, in a 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, 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.

2<sup>ND</sup> 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 those risks that are inherent in our strategy and business model. These risks are managed by distinct risk type frameworks.

Risk Type	2nd Line Ownership
Credit Risk	Credit Management Group
Credit Concentration Risk	Credit Management Group
Market Risk	Risk Management Group
Interest Rate Risk in the Banking Book	Risk Management Group
Liquidity Risk	Risk Management Group
Operational Risk	Risk Management Group
Strategic Risk	Corporate Planning Group, Strategic Initiatives
Reputation Risk	Marketing 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, 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	2nd Line Ownership
1. IT Risk	IT Shared Services 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

3<sup>RD</sup> 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.

Risk Management Function

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

Risk Management Groups

Supporting the ROC in carrying out its mandate are the Risk Management Group (RMG), and the Credit Management Group (CMG).

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

The parent bank's risk management groups implement the risk management process in the parent and consolidate the risk MIS from the various subsidiary risk units for a unified risk profile that is presented to the ROC.

The risk management groups are 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 ensures that the risk governance framework remains appropriate relative to the complexity of the bank's risk taking activities. The risk management groups are responsible for identifying, measuring, monitoring, and reporting risk on an enterprise-wide basis. Personnel in the risk management groups have knowledge and technical skills commensurate with the bank's business activities and risk exposures.

The Risk Management Group (RMG)

CHIEF RISK OFFICER			
Enterprise Risk	Portfolio Quality	Market and Liquidity Risk Management	Operational Risk Management

Chief Risk Officer (CRO)

The CRO has sufficient statue, authority, and seniority within the bank. He is independent from executive functions and business line responsibilities, operations and revenue-generating functions, and has access to such information as he deems necessary to form his judgment. The CRO has direct access to the Board of Directors and the Risk Oversight Committee without any impediment. He serves on a full-time basis and 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 adequately communicates the risk assessment to the Board and facilitates sound board-level risk decisions. The CRO is responsible for overseeing the risk management function and 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 likewise proposes enhancements to risk management policies, processes, and

<sup>5</sup> Institute of Internal Auditors, 2013. "The Three Lines of Defense in Effective Risk Management and Control"

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 under RMG<sup>6</sup>:

ENTERPRISE RISK DIVISION HEAD		
Portfolio Monitoring	Enterprise Risk	Quantitative Risk

**Enterprise Risk Division:** The Enterprise Risk Division (ERD) is responsible for the Internal Capital Adequacy Assessment Process (ICAAP), Basel compliance, credit risk analytics, and the credit portfolio risk function. A quantitative risk unit is responsible for quantitative analysis, back-testing and validation of risk models, and the building of other risk metrics.

PORTFOLIO QUALITY DIVISION HEAD		
Independent Credit Review	Sustainable Finance	Environmental and Social Management Systems (ESMS)

**Portfolio Quality Division:** The Portfolio Quality Division (PQD) was created to conduct an independent credit review and ensure compliance with the requirements of BSP Circular 855 on credit review process. PQD contributes to Risk Portfolio Management as governed by the ROC through the assessment of the overall portfolio quality of the bank in terms of credit risk mitigation, environmental and social impact, and adherence to environmental and social risk due diligence. The Independent Credit Review function covers an evaluation of credit review procedures, policy formulation, and action plan monitoring. Observations are reported periodically to the ROC, following discussions with accountable groups in line with the requirements of BSP Circular 855. The functions pertaining to Sustainable Finance and ESMS provide oversight on the implementation of RCBC’s Sustainable Finance Framework and ESMS policy, in support of the Bank’s commitment to uphold environmental and social responsibility in all its business activities. (Please refer to sections on Sustainable Finance and ESMS in this report.) Regular environmental and social risk updates are reported to the ROC.

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 and liquidity risk policies and measurement methodologies, recommending and monitoring compliance to risk limits, and reporting the same to the appropriate bodies. It is also the primary unit in the Group responsible for the formal management of interest rate risk in the banking book (IRRBB). It regularly reports to the ROC and the Asset & Liability Committee (ALCO) activities relevant to market, liquidity, and interest rate risk in the banking book management of the Group.

<sup>6</sup> Administrative changes were made to RMG Organization structure in June 2019, resulting in alignment in existing Division. CRISMS was renamed to Risk Management Group, Sustainable Finance Department was added to PQD and Resiliency, Information, Security and Systems was absorbed by ORMD.

OPERATIONAL RISK MANAGEMENT DIVISION HEAD			
Operational Risk Management	Consumer Protection	Resiliency, Information Security, and Systems information Security Risk	Enterprise Fraud 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 (ORM) Framework 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 is also 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. The division also provides the processes and methodologies designed to protect the information assets of the bank from unauthorized access, use, misuse, disclosure, destruction, modification, or disruption.

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). A DORO therefore functions as ORMD’s liaison to and implementation arm in the various business units.

*The Credit Management Group (CMG)*

CMG focuses on the operational and front-end aspect of the credit cycle.

CREDIT MANAGEMENT GROUP HEAD		
Credit Evaluation	Analytics and Programs Oversight	Credit Appraisal and Investigation

Major responsibilities of CMG include:

- Providing inputs on the credit quality of accounts to ascertain that all credit issues are disclosed and discussed thoroughly, so that approving authorities can render decisions based on adequate information
- Prepares financial analysis and spreadsheets to provide input for credit risk assessment and credit packaging; issues and reviews credit risk ratings
- Strengthens loan portfolio quality; guides business units and determines which accounts are weak or are potential problem loans
- Subjects the portfolio to stress testing to determine the

- potential effect on the loan portfolio of possible stress scenarios, in order to assist management in formulating contingency plans for the portion of the portfolio that is vulnerable
- Provides property valuation to ensure adequate collateral security as a second way out of the bank’s lending activities
  - Formulating and amending credit policies through benchmarking, industry research, keeping updated with regulatory requirements and international risk standards, and ensuring compliance with all BSP requirements
  - Reviews policies formulated by various business units/groups within the bank, and of subsidiaries such as RSB and Bankard to ensure that their policies are generally aligned with the parent bank’s policies
  - Reviews/revises annually credit concentration limits such as industry, country and counterparty limits for CBG and Treasury by consulting the Corporate Planning Group, CBG, and Treasury on business requirements and risks
  - Prepares flags for marginal accounts and monitors the status of these; in case these accounts become problematic, subject these to problem loan reviews.
  - Prepares various regulatory and management reports to provide the needed inputs for audited financial reporting, compliance with regulatory requirements, and as a tool for managing the loan portfolio and for credit decision-making.

SUSTAINABLE FINANCE

Climate change is real and its impact presents a clear and present danger to humanity. The Philippine archipelago is highly vulnerable to the impact of climate change. According to Global Climate Risk Index 2019, the Philippines is the fifth most vulnerable to climate change. Communities living in our coastal areas risk flooding due to rising sea level. Increasing frequency of extreme weather events, i.e., erratic and high rainfall, severe typhoons or rising temperatures causing drought are threatening normal life and endangering fragile ecosystems.

Under the Paris Agreement on Climate change, the Philippines committed to reduce 70% of its greenhouse gas emissions by 2030 to reduce global warming to 1.5 °C. We believe that the financial services sector has the opportunity to participate in achieving the targets set under Paris Agreement, and support the UN Sustainable Development Goals (UN SDGs) to fight against climate change.

At RCBC we believe that understanding the effects of and managing climate change is prudent risk management. As a leading Domestic Financial Institution and a responsible corporate entity, we are committed to doing our part to reduce global warming and support the Government in its commitment to the UN SDGs.

RCBC Sustainable Strategy

The role of banks as financial intermediaries and as capital raising agents directly affects the promotion of economic development. And this role needs to include the promotion of sustainable business practices, because without which, banks will end up facilitating practices that have significant negative environmental and social impacts.

That is why as a responsible financial institution, RCBC is committed to uphold environmental and social responsibility in all its business activities. We recognize that balancing non-

financial factors such as environmental and social safeguards with financial priorities is essential to being a good corporate citizen, and is fundamental to risk management and the larger interest of our stakeholders.

We are aligning our business strategy to support the development needs of society, as articulated in the UN Sustainable Development Goals and the Paris Agreement.

RCBC aims to embed awareness of environment and social issues within the organization, with our clients and in the communities that we serve. The bank believes that good sustainable practices are a key pillar of responsible lending which can have meaningful impact on the environment and communities.

The Risk Management Group spearheads the Bank’s environmental and social risk management initiatives: this includes overseeing the implementation of the ESMS Policy and the Sustainable Finance Framework.

Environmental and Social Management System (ESMS)

It is the Bank’s policy to promote sustainable practices that will minimize negative environmental, social and reputation impact of the Bank’s financing activities and its clients’ operation. The sustainable practices that the bank wishes to pursue aim to encourage borrowers to adhere to the preservation and development of the natural, social, and cultural environment. The bank believes that good sustainable practices eventually pay dividends and are in the best interest of our borrowers.

The ESMS of RCBC requires that all lending relationships/credits, both pipeline and portfolio, are vetted from an environmental and social (E&S) risk perspective. We implemented ESMS to safeguard our lending operations from exposure to activities with identified E&S risks. We aim to develop environmental awareness and social responsibility in our lending personnel, and ultimately, our clients. We work alongside our customers and as needed advise them on how to reduce their impact on the environment and communities. The ESMS Policy is a declaration of our commitment to sustainable development and management of E&S issues by integrating this in the lending process from initiation, evaluation, approval, documentation, implementation, and monitoring of loan accounts. The ESMS Policy goes through a comprehensive review process on a regular basis with latest revisions made effective and re-issued in January 2020. The ESMS Policy is published on the Bank’s Online Library and is accessible to all employees.

The E&S risk and impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. All credit proposals for loans/other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing and are screened using the applicable requirements – the Exclusion List, applicable national and international laws on environment, biodiversity, deforestation, marine environment, water risks, pollution prevention, indigenous peoples and protection of cultural heritage, health, human and labor rights, safety and social issues and any standards established therein, and the Performance Standards. Environmental Risk Categories (ERC) are assigned, and credit approvals obtained in accordance with requirements depending on the risk category. This assessment takes place before a lending decision is made, and continues during the

life cycle of the loan agreement with the client. Applicable environmental covenants are incorporated in the loan/credit agreement and these are periodically evaluated and monitored to ensure they are complied with for the entire duration of the loan.

There are 8 Performance Standards to benchmark projects or business activities on:

1. Assessment and Management of Environmental and Social Risks and Impacts
2. Labor and Working Conditions
3. Resource Efficiency and Pollution Prevention
4. Community Health, Safety, and Security
5. Land Acquisition and Involuntary Resettlement
6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
7. Indigenous Peoples
8. Cultural Heritage

ESMS covers new and existing borrowers of the Bank whose operations can potentially cause significant E&S impact. As such, all credit applications are E&S classified by the relationship managers as the first line of defense. Based on their evaluation, the account is risk classified as ERC A (high), B (medium) or C (low). The ERC classification is validated by the Environmental and Social Risk Officer (ESRO), the second line of defense, who has the authority to override first line assessment of E&S risk. Lastly, Internal Audit serves as the third line of defense, conducting reviews on ERC classifications.

We integrate E&S due diligence as part of our guidelines. To ensure faithful compliance with the set guidelines, the bank appointed an ESRO and created a Sustainable Finance Unit that oversees the effective implementation of the ESMS Policy. We have hired subject matter experts and regularly train frontline staff on our E&S standards.

Environmental and social due diligence (ESDD) is integral to our credit assessment. We explain the importance of the ESDD process to our clients and other stakeholders, and require them to engage in activities that meet our sustainability standards. Transactions which have potential E&S concerns are escalated for higher level review and discussion.

All borrowers classified as High Risk from an E&S perspective require site visits by the ESRO, who will prepare ESDD report and meet with community members and local officials to assess potential E&S impact. As of 2019, 25 site visits were conducted.

We conduct ESDD reviews on our investments in fossil fuel-fired power plants. We continue to engage our clients, share best practices, and support their efforts to seek solutions that reduce their impact on the environment and communities.

The recent site visits indicate progressive improvement in terms of addressing E&S risks. We have noted that clients have addressed specific risks identified during earlier site visits. Clients have taken action to reduce or eliminate the level of risk and taken steps to avoid recurrence. This resulted to an overall positive impact in reducing environmental pollution and social inequality.

All of these create long-term solutions to environmental and sustainability issues – mitigating negative impacts on the environment and affected communities, and enhancing positive sustainable development impacts.

#### Sustainable Finance Risk and Opportunities

We believe in understanding, measuring and mitigating the risks associated with transition to low-carbon and climate-resilient future. We will align our business strategy with national priorities and over time rebalance our portfolio mix that creates value and benefits our stakeholders.

We are also cognizant of the opportunities that will arise as we transition to this new world order. According to the International Energy Agency, a global transition to meet this goal will require more than Euro30 trillion to be invested in clean energy and efficient infrastructure by 2035. We want to be well-positioned to finance this transition.

We have taken important first steps to reduce our corporate carbon footprint, finance the flow of funds into low-carbon and climate-resilient future not only in the Philippines but also within ASEAN. Our initiatives to lower our carbon footprint support RCBC's sustainable finance activities and the UN Sustainable Development Goals in the following ways:

- RCBCs Corporate Head Office in Manila is located in a LEED Gold certified building;
- Funded projects that support the UN Sustainable Development Goals – specifically, Clean Water and Sanitation, Affordable and Clean Energy, Industry, Innovation and Infrastructure, Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, Good Health and Well-being, Quality Education, Decent Work and Economic Growth, and Reduced Inequalities;
- Participated in 12 renewable energy and energy efficiency financing deals including direct financial support to South East Asia's largest solar power plant, and served as the biggest funder to the 132.5MW solar farm in the City of Cadiz, in Negros Occidental, Philippines; we are also sole lender to AC Energy, BIM Group, with project financing of USD232 million for a 330-MW solar power plant in Vietnam;
- Channeled more than Php30 billion to fund projects and loans that contribute to decreasing the environmental footprint of the Philippines; and
- Channeled more than Php10 billion to fund projects and loans that provide access to social needs, directly improving living conditions of Filipinos.

We subscribe to an exclusion list under our Sustainable Finance Framework, allowing us to focus on sectors that have environmental and social benefits.

Over the coming months and years, we intend to do more, and where appropriate, we will set targets.

#### RCBC Sustainable Finance Framework

The RCBC Sustainable Finance Framework articulates our strategy to prioritize fund raising and lending to priority sectors. Under this framework, RCBC can issue Sustainable Financing Instruments (SFI) to fund loans and projects that have clear environmental and/or social benefits. Sustainable Financing Instruments include Green Bonds, Social Bonds, Sustainability Bonds, Green Loans, and other debt financing instruments which fund Eligible Green and Social Assets that conform to Sustainable Finance principles:

- International Capital Market Association (ICMA) Green Bond Principles 2018 (GBP), Social Bond Principles 2018 (SBP), Sustainability Bond Guidelines 2018;
- ASEAN Capital Markets Forum (ACMF) ASEAN Green Bond Standards 2018, ASEAN Social Bond Standards 2018, ASEAN Sustainability Bond Standards 2018;
- Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) Green Loan Principles 2018

This Sustainable Finance Framework has been reviewed by Sustainalytics, who has issued a Second Party Opinion. The Sustainable Finance Framework and the Second Party Opinion can be found here: [www.rcbc.com/sustainability](http://www.rcbc.com/sustainability).

In February 2019, the Bank raised Php15 billion (USD290 million) under its Green Finance Framework. The issue was the first Green Bond from the Philippines under the ASEAN Green Bond Standards, and proceeds were utilized to fund Eligible Green Assets.

In June 2019, the Bank also raised Php8 billion (USD160 million) under its Sustainable Finance Framework. The issue was the first peso-denominated Sustainability Bond under the ASEAN Sustainability Bond Standards, and proceeds were utilized to fund Eligible Green and Social Assets.

In September 2019, the Bank raised an additional USD300 million under its Sustainable Finance Framework to fund Eligible Green and Social Assets.

Investor response to these landmark transactions was extraordinary. All three transactions were oversubscribed in multiples and brought in investors from all major financial centers of the world.

RCBC was awarded “Best Issuer for Sustainable Finance – Financial Institution”, and “Best Sustainability Bond” for its Php8-billion ASEAN Sustainability Bond, the first ASEAN Sustainability Bond issued in the Philippines and upsized from the target offering of Php5 billion.

The world faces unprecedented challenges on account of climate change. Achieving global goals requires the participation of all sectors of civil society. We are ready to do our part.

#### Impact

As of 31 December 2019, RCBC's Eligible Green and Social Assets amount to a total of Php51.74 billion. Our sustainable portfolio is 10% of loans – and growing. It continues to be ahead of our erstwhile investments in coal and other fossil fuel energy assets. We aim to maintain and increase positive investment ratio of our sustainable portfolio to coal. Our Eligible Green and Social Assets are all aligned with our Sustainable Finance Framework, and address 10 of the UN SDGs:

- SDG Goal 3 – Good Health and Well-being
- SDG Goal 4 – Quality Education
- SDG Goal 6 – Clean Water and Sanitation
- SDG Goal 7 – Affordable and Clean Energy
- SDG Goal 8 – Quality Education
- SDG Goal 9 – Industry, Innovation and Infrastructure
- SDG Goal 10 – Reduced Inequalities
- SDG Goal 11 – Sustainable Cities and Communities
- SDG Goal 12 – Responsible Consumption and Production
- SDG Goal 13 – Climate Action

RCBC funded Green Projects and channelled more than PHP30 billion to fund projects and loans that contribute to decreasing the environmental footprint of the Philippines:

**Renewable Energy.** The Bank participated in 12 renewable energy and energy efficiency financing deals including direct financial support to South East Asia's largest solar power plant, and served as the biggest funder to the 132.5MW solar farm in the City of Cadiz, in Negros Occidental, Philippines. We are also sole lender to AC Energy, BIM Group, with project financing of USD232 million for a 330-MW solar power plant in Vietnam. As of 31 December 2019, RCBC helped fund geothermal power plant projects (Php10.8 billion financing support) with total capacity of 2,460 MW, generating total energy of 11,618 GWh during the year. The CO<sub>2</sub> impact is 91% lower than that of coal power plants, corresponding to an estimated 10 million tons of CO<sub>2</sub> avoided per year.

**Energy Efficiency.** RCBC extended loans of about PHP2 billion to businesses employing fibre technology. This corresponds to an estimated total of 14,000 tons of CO<sub>2</sub> avoided per year.

**Clean Transportation.** RCBC helped finance passenger rail infrastructure and public mass passenger transportation (with total passengers of 180 million) by providing funds of more than Php4 billion.

**Sustainable Water Management.** RCBC exemplified support by funding Php1.2 billion to infrastructure used for clean water and wastewater treatment, serving a total of almost 1 million households.

RCBC funded Social Projects and channelled more than Php10 billion to fund projects and loans that provide access to social needs, directly improving living conditions of Filipinos:

**Affordable Housing.** RCBC contributed to addressing the country's housing backlog by funding affordable financing for a total of 8,650 houses, involving loans of Php6.8 billion.

**Employment Generation.** RCBC strongly supports MSME growth, providing 679 loans reaching Php5.7 billion.

**Access to Essential Services.** RCBC supports the development of healthcare in the Philippines by providing funds of Php2.2 billion to hospitals and manufacturers of generic medicines as of 31 December 2019. Hospital beds close to a total of 3,000 were supported, with patients of over 1 million in total treated during the year. RCBC also provided Php2 billion funding support to educational institutions, benefiting a total of almost 100,000 students.

**Socioeconomic Advancement and Empowerment.** In support of the Philippine Development Plan, RCBC extended Php1.60 billion worth of loans to cooperatives and rural banks, serving a total of 136,000 clients.

Under the Sustainable Finance Framework, RCBC shall report:

- The allocation of the net proceeds to the Eligible Green and Social Portfolio;
- The aggregated impact of the Eligible Green and Social Portfolio;

Reporting takes place a year following the issuance of the applicable SFI and will be renewed annually until full allocation of the net proceeds.

In January 2020, RCBC published on its website its first Green and Sustainability Bonds Allocation Report. P&A Grant Thornton has issued a limited assurance report for the allocation of the proceeds of the Green and Sustainability Bonds to the Eligible Green and Social Portfolio.

In January 2020, RCBC also published on its website its first Green and Sustainability Bonds Impact Report. The Green and Sustainability Bonds Impact Report explains the impact our financing activities have created. It is a first such initiative by a domestic bank in the Philippines to publicly disclose the positive impact of its investments in sustainable activities.

The reports can be found here: [www.rcbc.com/sustainability](http://www.rcbc.com/sustainability).

Accolades

A pioneering financial services organization, RCBC is recognized for employing industry best practices in the areas of environmental and social responsibility, and corporate governance, and has been awarded “The Asset Benchmarking Award for Excellence in Environmental, Social, and Governance (ESG) – Titanium Award” by The Asset ESG Corporate Awards.

RCBC has been awarded “Best Issuer for Sustainable Finance – Financial Institution”, and “Best Sustainability Bond” for its Php8.0 billion ASEAN Sustainability Bond, the first ASEAN Sustainability Bond issued in the Philippines and upsized from the target offering of Php5.0 billion.

RCBC is rated “A” by Morgan Stanley Capital International (MSCI) ESG Ratings, citing financial stability and sound business organization as key components for effective risk management.

CREDIT RISK

RISK ASSESSMENT

Credit Risk is the 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 stems from the probability that the borrower, issuer or counterparty in a transaction may default and cause potential loss to the Group, as it is exposed to risk as a trading counterparty to dealers and customers, as direct lender, and as a holder of securities.

The assessment of this risk, in relation to its impact on capital adequacy, is governed by the Standardized Approach, as prescribed under Basel II and by BSP Circular 855. The Bank uses a credit risk rating system that permits credit analytics and qualitative features that accommodate expert judgment when assessing credit worthiness.

Following the Group's efforts to align with international best practice, the Bank, since 2013, has been using the following Standard and Poor's (S&P) Scorecards:

- **Generic Corporate Scorecard:** General framework for corporate borrowers regardless of industry
- **Utilities Suite:** Scorecards covering power (electricity, gas, power), generation, transmission, distribution

- **Real Estate Developer:** Scorecards covering real estate entities engaged in diversified development & sale, and buying & selling of a portfolio of real estate assets
- **Small & Medium Enterprise:** Scorecard for borrowers classified as small or medium
- **Overlays:** Parent-subsidary and multi-activity & holding company
- **Financial Institutions:** Scorecard for banks

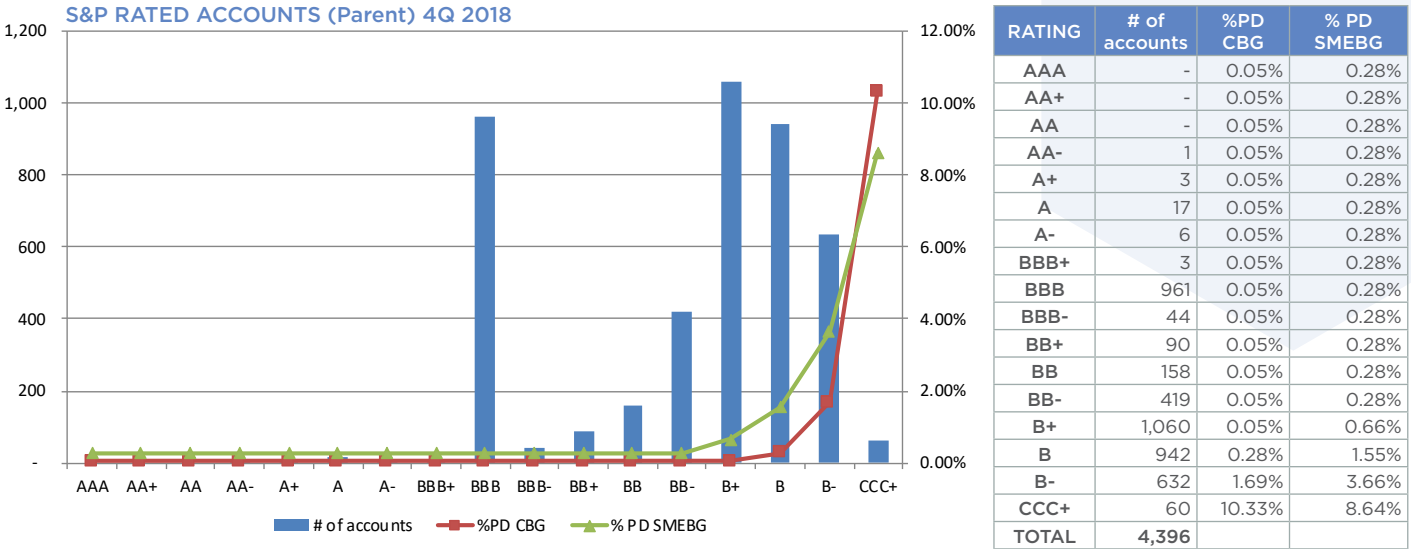
The S&P scorecards are a formalization of the S&P rating methodology. By applying the same principles of assessing credit-worthiness, the scorecards leverage on S&P's extensive rating experience and over 30 years of available default data, thus serving a need specific to low default portfolios and institutions that may have issues with the existence (or non-existence) of clean historical credit and default data.

The Scorecards are designed to be used for: 1) the whole of corporate lending by RCBC, RSB, and Malayan Leasing, 2) relevant portfolio assessed by Treasury and Trust for investment purposes, and 3) the SME portfolio of both RCBC and RSB. The resulting ratings shadow the international S&P rating scale.

The general description of each rating grade is as follows:

S&P Letter Grade	Description
AAA	Extremely strong capacity to meet financial commitments
AA+	Very strong capacity to meet financial commitments
AA	
AA-	
A+	Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances
A	
A-	
BBB+	Adequate capacity to meet financial commitments, but more subject to adverse economic conditions
BBB	
BBB-	
BB+	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions
BB	
BB-	
B+	More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments
B	
B-	
CCC+	Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments
CCC	
Lower than CCC	Currently highly vulnerable

As of December 2018, the distribution of all rated accounts is as follows:  
Following BSP Circular 855, the Group has set out to subject all accounts to risk rating either on an individual or collective basis.



Investment securities likewise undergo credit evaluation. The latter is initiated by the Treasury group, and later validated by the Credit Management Group (CMG). International ratings play a major role in the determination of a security's acceptability.

For the Group's consumer loans portfolio, risk assessment is performed on an individual borrower through the use of credit application scorecards, developed alongside Fair Isaac Corp (FICO), for Housing, Auto and Personal Loans. For Corporate Salary Loans, however, a rule-based set of credit criteria on company accreditation and borrower evaluation is used.

The credit application scorecard developed with FICO makes use of customer, loan and collateral characteristics which have been assigned weights based on their predictive power in determining the propensity of an account to default or maintain a satisfactory credit performance.

The Group likewise utilizes FICO-developed credit scoring and behavioral scorecards for its cards portfolio. The main objective of credit scoring is to decrease the risk of accepting potentially bad applicants, thus, lowering credit provisions, while balancing the approval rate to a satisfactory level. The system awards points for each factor that helps predict who is most likely to repay a debt. A total number of points – a credit score, helps predict how credit-worthy an applicant is, how likely he is to pay a loan, and make payments when due. The behavioral scorecard on the other hand is a rating tool based on several existing customer's characteristics which are used to evaluate the continuing credit risk primarily of the existing portfolio. It is expected that the behavioral scorecard developed would be effective in discriminating between good and bad accounts across different time periods.

The assessment of the Group's exposure to credit risk is also manifested in its loan loss/impairment provisioning process which normally considers the worst provisioning level resulting from the following approaches: a) required reserves based on the BSP's latest Report of Examination, b) required provisions following the application of internal credit risk assessment

tools, and c) impairment testing. The total credit risk exposure of the Group, net of provisioning, is detailed in Note 4.4.1 of the accompanying Notes to Financial Statements. The details of the Group's impairment testing exercise are found in Note 16 of the NFS.

Expected Credit Loss

The ECL framework is approached on a group-wide basis, with peculiarities depending on the portfolio and asset classes being assessed.

The ECL is computed in line with the standard Basel formulation of  $ECL = PD \times LGD \times EAD$ . Both the PD and LGD parameters are based on the Group's credit experience, while EAD is the outstanding loan balance at any given cut-off. At least for the parent bank, the PDs are validated default probabilities arising from its use of the S&P Scorecards. LGD on the other hand is based on an analysis of 5-yrs worth of recovery experience, taking into account both the facility and collateral position at time of default, and the recovery method employed.

In addition to the standard ECL formulation, an overlay methodology is likewise employed. An overlay represents a forward-looking view of credit that may be based on macroeconomic studies or other bottom-up approaches that serve to modify any or all of the variables used in ECL calculation.

To further its assessment of credit risk, the Group performs credit risk stress testing using break-even sales and cash flow debt service to determine a borrower's vulnerability. In addition, both the Parent Company and its major subsidiary RSB participate in the semi-annual run of the uniform stress testing exercise for banks initiated by the BSP.

RISK MONITORING AND REPORTING

The following table summarizes the various reports produced by the Group to monitor its credit risk exposures.

ANNUAL REPORTS	DESCRIPTION
Industry Exposure Report (IER) - FDCU	FDCU breakdown as to Industry
SEMI ANNUAL REPORTS	DESCRIPTION
S&P Rating Model Performance Review	Internal credit risk rating model performance review and backtesting of probability of default
Risk Rating Transition/ Migration and Analysis	Matrices that shows actual performance of the rating system over time
QUARTERLY REPORTS	DESCRIPTION
Bad Debts	Report on accounts considered bad debts following MORB X136.1 definition
Stress Testing of Credit Risk	BSP’s Uniform Stress Testing Program for Banks
Loan Portfolio Stress Test	Assesing the loan portfolio’s vulnerability to adverse events
NPL Sectoral Analysis	NPL by Industry
MONTHLY	DESCRIPTION
Expected Credit Loss	Computation of the required allowance for credit losses and monitoring adequacy of booked reserves
Credit Exposure Report (CREDEX)	Credex and BSP code assignment based on the specific reserves and rating of account
Past Due Report	Consolidated Status Reporting of Past Due Accounts as updated by RMs
Non-Performing Loans (NPL)	Report on past due, NPL and Net NPL level and ratio of the bank
New Real Past Due Loans	Monitoring of new problem loans based on lending unit’s status/ remarks in the Past Due Report
Industry Exposure Report (IER)	Monitoring of exposures per industry against internal limit
Top 50 Borrowers Top 50 Past Due Loans Top 50 Non-performing Loans Top 50 Exposure (Group/ Individual)	Monitoring of concentration risks
Consolidated Industry Exposure Report	Moitoring of Concentration risks per industry of consolidated RCBC, RSB and RLFC Portfolios
Consolidated top Borrowers Report	Monitoring of concentration risks

CREDIT CONCENTRATION RISK

Credit Concentration Risk is the risk of loss arising from over-exposure to specific industries, borrower, counterparty, or group. The Group monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk of the loan portfolio at the end of the reporting period is shown in Note 11.1 of the NFS.

RISK ASSESSMENT

Other than the various measures of risk concentration, the Group measures credit concentration risk using a simplified application of the Herfindahl-Hirschman Index (HHI) approach.

Mathematically, the HHI is the sum of the squares of the relative portfolio shares, divided by the squared portfolio shares sum. If percentages were to represent the relative portfolio shares, the HHI formula is simply the sum of the squares of these percentages, as the square of 100% (the percentage sum) is one (1). For 2019, credit concentration risk for both the parent and the consolidated entity has been assessed as “moderate”.

While the HHI find usefulness in indicating industry concentration, the same may not be said for borrower concentration, as the index does not take into account a possible skewed lending behavior towards individual borrowers, which itself is an indication of credit concentration. The parent bank therefore supplements the HHI by adopting a Comprehensive Concentration Index (CCI). Mathematically, the CCI is the sum of the proportional share of the leading borrower (or borrowers) and the summation of the squares of the proportional sizes of each borrower, weighted by a multiplier reflecting the proportional size of the rest of the portfolio. The CCI therefore provides a view of the dispersion of the portfolio.

The Group works with correlations to further its analysis of concentration risk and stress testing. Using latest national accounts data, the Group regularly tracks correlations among industries to see which of its exposures are likely to move in similar directions.

RISK MONITORING AND REPORTING

RMG monitors portfolio credit concentration on a regular basis, with information relayed to frontline and support units. It is likewise reported monthly to the ROC, and eventually to the Board. RMG likewise includes in its monitoring and reporting activity the information on compliance to set individual credit risk limits, particularly SBL. The daily monitoring of availments vs. limits approved per borrower (including SBL) however rests with the implementing/operations units.

MARKET RISK

Market Risk is the risk of loss arising from adverse movements in market prices of positions in the trading book. The Group assumes market risk in trading activities by taking positions in various financial instruments, such as foreign exchange, fixed income, and derivative contracts. Its understanding of what constitutes market risk is guided by relevant local regulatory issuances, notably BSP Circular 544, as well as by the BIS Basel Committee on Bank Supervision, notably the “Principles for the Management and Supervision of Interest Rate Risk”.

As of end December 2019, the following tables reflect the balances of the Group’s portfolios exposed to market risk.

FAIR VALUE THROUGH PROFIT AND LOSS

Fixed Income Portfolio (Php Million)

Fair Value Through Profit and Loss	Face Value	Coupon	Weighted Average Years	Weighted Average Book Yield	Modified Duration	Book Value	Market Value	Market Yield
Peso Denominated Holdings								
CORP BOND	7	5.48	3.6	6.65	3.05	6	6	6.14
FXTN	351	4.69	4.78	4.07	3.13	367	369	3.9
ROP GPN	5	5.73	10.2	5.42	6.66	5	6	4.23
RTB	868	5.24	3.28	3.81	2.91	910	910	3.79
T BILL	1,077	0	0.5	3.69	0.47	1,058	1,060	3.37
TOTAL PESO FVTPL	2,307	2.71	2.22	3.81	1.81	2,346	2,351	3.62
Foreign Currency Denominated Holdings (in Php Equivalent)								
FGN SOV BOND	709	6.39	2.15	1.79	1.55	732	731	3.21
FGN CORP BOND	274	4.3	1.81	2.62	1.63	279	281	2.45
FGN GOCC	9	8.69	7.04	3.19	5.42	12	12	2.76
FGN T BILL	272	0	0.22	1.82	0.22	271	272	1.53
ROP	62	5.38	9.12	3.54	6.49	73	74	2.44
TOTAL FCDU FVTPL	1,327	4.61	2.04	2.06	1.55	1,368	1,370	2.67
Total FVTPL	3,634	3.4	2.16	3.17	1.72	3,714	3,721	3.27

Foreign Exchange Portfolio (PhP Million)

Foreign Exchange Risk Exposures		
Currency Code	Currency Name	Amount in PHP equivalent
USD	United States Dollar	251
JPY	Japanese Yen	(59)
CHF	Swiss Franc	14
GBP	British Pound	78
EUR	Euro	(75)
CAD	Canadian Dollar	132
AUD	Australian Dollar	(38)
SGD	Singaporean Dollar	65
Other	All Other Currencies	(550)
Sum of net long positions		861
Sum of net short positions		(1,043)
Overall net open position		1,043
Total Risk Weighted FX Exposures		5,090

Derivatives Portfolio Year-End Profile

FX Swaps	Notional Amount (USD millions)	Notional Amount (Php millions)	
Trading			
Sell/Buy USD (Borrow Php)	577	29,223	
Buy/Sell USD (Lend Php)	607	30,756	
GROSS POSITION	1,185	59,979	
NET POSITION	-30	-1,533	
Other Swaps	Peso IRS (Php millions)	USD IRS (USD Millions)	USD-Php Cross Currency/Asset Swaps (USD Millions)
Trading			
Received Fixed - Pay Float	5,480	181	135
Pay Fixed - Receive Float	2,500	255	53

The overall net open position reported in the above table is aligned with the Part IV.3 of the Capital Adequacy Ratio report wherein it states that the “Overall net open position shall be the greater of the absolute value of the sum of the net long position or the sum of net short position”.

FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Fixed Income Portfolio (Php million)

Fair Value Through Other Comprehensive Income	Face Value	Coupon	Weighted Average Years	Weighted Average Book Yield	Modified Duration	Book Value	Market Value	Market Yield
Peso Denominated Holdings								
CORP BOND	0	0	0	0	0	0	0	0
FXTN	4,284	3.93	1.82	5.64	1.67	4,219	4,314	3.72
ROP GPN	0	0	0	0	0	0	0	0
RTB	1,450	4.72	1.02	5.35	0.97	1,453	1,467	3.7
T BILL	1,385	0	0.29	3.86	0.28	1,364	1,372	3.25
TOTAL PESO FVOCI	7,119	3.33	1.36	5.24	1.26	7,036	7,152	3.62
Foreign Currency Denominated Holdings (in Php Equivalent)								
FGN SOV BOND	27,952	2.16	3.26	1.88	2.97	28,068	28,044	1.81
FGN CORP BOND	6,068	3.07	3.88	1.99	3.57	6,312	6,303	2.03
FGN GOCC	0	0	0	0	0	0	0	0
FGN T BILL	0	0	0	0	0	0	0	0
ROP	7,621	3.71	5.74	2.15	4.86	8,102	8,054	2.35
TOTAL FCDU FVOCI	41,641	2.58	3.8	1.95	3.4	42,482	42,400	1.94
Total FVTPL	48,760	2.69	3.45	2.43	3.09	49,518	49,553	2.19

The Group's exposures are generally sensitive to market factors such as yield curves, foreign exchange rates, security prices, as well as the implied volatilities of the corresponding options instruments of these factors. Market risk generally emanates from the Bank's proprietary trading portfolios. Non-traded market risk may also arise from the distribution activities covering traditional treasury products as well as selected derivatives instruments.

RISK ASSESSMENT

The assessment of market risk, as it relates to capital adequacy, follows the Standardized Approach.

The market risk metrics in use, each of which has a corresponding limit, include the following:

- **Nominal Position:** An open risk position that is held as of any point in time expressed in terms of the nominal amount of the exposure
- **Dollar Value of 01 (DV01):** An estimate of the price impact due to a one-basis point change in the yield of fixed income securities. It effectively captures both the nominal size of the portfolio as well as its duration. A given DV01 limit accommodates various combinations of portfolio nominal size and duration, thus providing a degree of flexibility to the trading/risk taking function, but at the same time represents a ceiling to the rate sensitivity of the exposure according to the Group's risk appetite.
- **Value-at-Risk (VaR):** An estimate of the maximum potential amount of loss that a given risk exposure is unlikely to exceed during a given time period, at a given level of statistical confidence. Analytically, VaR is the product of: (a) the sensitivity of the market value of the position to movement of the relevant market risk factors and (b) the volatility of the market risk factor for the given time horizon at a specified level of statistical confidence. Typically, the Group uses a 99% confidence level for this measurement. VaR is used as a risk measure for trading positions, which

are marked-to-market (as opposed to exposures resulting from banking or accrual book assets and liabilities). Foreign Exchange Position VaR uses a one-day holding period, while Fixed Income VaR uses a defeasance period assessed periodically as appropriate to allow an orderly unwinding of the position. VaR models are back-tested to ensure that results remain consistent with the expectations based on the chosen statistical confidence level. While the Parent Company and RSB use VaR as an important tool for measuring market risk, it is cognizant of its limitations, notably the following:

- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- VaR is based on historical volatility. Future volatility may be different due to either random, one-time events or structural changes (including changes in correlation). VaR may be unable to capture volatility due to either of these.
- The holding period assumption may not be valid in all cases, such as during periods of extremely stressed market volatility.
- VaR is, by definition, an estimate at a specified level of confidence. Losses may occur beyond VaR. A 99% VaR implies that losses can exceed VaR 1% of the time.
- In cases where a parametric distribution is assumed to calculate VaR, the assumed distribution may not fit the actual distribution well.
- VaR assumes a static position over the holding period. In reality, trading positions change, even during the trading day.

A summary of the VaR position of the trading portfolio as of December 31, 2019 of both the Group and the Parent Bank are found in Note 4.3 of the accompanying NFS.

Stress Testing, which uses more severe rate/price volatility and/or holding period assumptions, (relative to those used for VaR) is applied to marked-to-market positions to arrive at “worst case” loss estimates. This supplements the VaR measure, in recognition of its limitations already mentioned earlier. The stress testing parameters, at any point in time, are subject to the approval of the ROC. The Group uses the following stress parameters for interest rate exposures in light of the stress events in recent years particularly the Global Financial Crisis and European Crisis, which resulted to more volatile global and domestic markets:

- For global interest rates, an upward and downward 300 basis point parallel rate shock;
- For local interest rates, an upward and downward 400 basis point parallel rate shock;

For foreign exchange portfolio, stress assumptions are mainly based on scenarios that triggered extreme volatility in currency trading. For financial options, the stress levels are generally based on the 2007/08 global financial crisis.

Model Back-Testing

Recognizing that VaR modeling is not perfect, the Group employs appropriate back-testing methodology to perform a “reality check” on the VaR models used. To this end, the Group performs clean and dirty back-testing on the VaR models across all portfolios. Any change in portfolio value in excess of the day's VaR is treated as an exception.

RISK MONITORING AND REPORTING

Market risk MIS includes the following:

Report	Description	Frequency	User
Limits Monitoring	Report showing the following limits vs. levels: position, P&L, MAT-Loss, DV01, MAT-VaR	Daily	CRO, Treasurer, Portfolio Managers
PVaR, DVaR, and Stress VaR	Report showing the maximum potential loss for each portfolio during business-as-usual and stress scenarios	Daily	CRO, Treasurer, Portfolio Managers
ALCO Market Risk Report	Report showing latest exposures vs. approved market risk limits	Weekly	ALCO
ROC Market Risk Report	Report showing latest exposures vs. approved market risk limits	Monthly	ROC

On a monthly basis, the daily and weekly information above are reported to the ROC, along with month-on-month movement, averages, noted exceptions and limit breaches.

Management Action Triggers (MATs)

MAT defines a limit which, if breached, should activate a process whereby the risk-taking function is to seek senior management guidance and approval on appropriate action to take concerning the position in question. MAT breaches are discussed at the next ALCO, and in the subsequent ROC meeting.

Limit Breaches

All limit breaches are immediately reported to Senior Management, ALCO, and subsequently to the Risk Oversight Committee.

INTEREST RATE RISK IN THE BANKING BOOK

Interest Rate Risk in the Banking Book (IRRBB) is the risk of loss arising from movements in interest rates that affect the bank's banking book positions. IRRBB becomes inherent in the current and prospective interest gapping of the Group's balance sheet. Whereas market (or price) risk is primarily associated with trading income, IRRBB is more concerned with balance sheet positions that have more permanence, and therefore responsible primarily for accrual income.

In general, IRRBB encompasses the following:

- **Repricing Risk** - risks related to the timing mismatch in the maturity and re-pricing of assets and liabilities and off-balance sheet short and long term positions;
- **Yield Curve Risk** - risks arising from changes in the slope and the shape of the yield curve;;
- **Basis Risk** - risks arising from hedging exposure to one interest rate with exposure to a rate which re-prices under slightly different conditions; and
- **Option Risk** - risks arising from options, including embedded options (e.g. consumers redeeming fixed rate products when market rates change).

RISK ASSESSMENT

The construction of an Interest Rate (IR) gap is the starting point of an IRRBB analysis. Such IR gap is based on certain assumptions, the key ones being:

- Loans and time deposits are subject to re-pricing on their contractual maturity dates. Non-performing loans, however, are not re-priced;
- Debt securities classified under FVOCI and HTC are bucketed based on their repricing profile. Held-for-trading securities are considered non-rate sensitive; and
- For assets and liabilities with no definite repricing schedule or maturity, slotting is based on the Group's empirical assumptions.

The Group's December 31, 2019 IR Gap is as presented in Note 4.3.2 of the NFS.

NET INTEREST INCOME-AT-RISK

The Group quantifies such risk by imputing estimated interest rate changes to the re-pricing profile of assets and liabilities and subsequently calculating the difference between net interest income and expense over the next 12 months. The resulting figure is called the Net Interest Income (NII)-at-Risk. This approach is commonly referred to as the “earnings” perspective of calculating IRRBB, consisting of the simulation of interest flow changes in a short-term horizon, typically less than one year, bearing in mind repricing moments in that horizon.

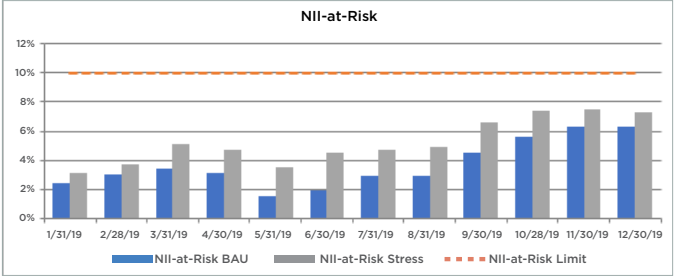
The table summarizes the potential impact on the Group's annual net interest income, given the above December 2019 IR Gap. For consistency in the aggregation of the enterprise wide interest rate risk exposures, the UniBank applies the same rate shocks used in determining the stress levels in the investment and trading portfolios:

- For global interest rates, an upward and downward 300 basis point parallel rate shock;
- For local interest rates, an upward and downward 400 basis point parallel rate shock.

Sensitivity of Earnings	Sept. 2019	Dec. 2019
NII-at-Risk (BAU)	4.58%	6.29%
NII-at-Risk (Stress)	6.61%	7.29%

Additional scenarios may be simulated as the need arises more so during period of heightened volatility. Moreover, the same is updated should any of the stress points be breached.

The historical NII-at-Risk for 2019 is as follows:



RISK CONTROL

IRRBB is managed by both quantitative and qualitative controls.

Quantitative Controls

Limits are quantitative measures based on forward-looking assumptions that form the risk appetite statement of the Bank. These are set to manage both the impact of IRRBB to capital (Economic Value of Equity) and earnings (Net Interest Income-at-Risk).

ROLES AND RESPONSIBILITIES

- a) The Balance Sheet Management Segment of the Treasury Group, as a first line of defense, comply with all limits set, and responsible in managing the Bank's asset and liability mix, repricing gaps, and net interest margin through pricing to mitigate potential IRRBB.
- b) The Market and Liquidity Risk Management Division (MLRMD), the second line of defense, identify, measure, control, and monitor IRRBB. Regular reporting and immediate escalation and notification are important to ensure active management of the risk.
- c) The Asset and Liability Management Committee (ALCO) approves the Bank's funding initiatives and pricing structure, and endorses to the ROC for its approval, all limits and policies governing IRRBB.

Quantitative Controls

To ensure IRRBB metrics remain reliable and reasonable, models and assumptions used need to undergo the following checks:

- a) **Model Validation:** The models to measure IRRBB is validated (regularly or as needed) by a third-party – either internal or external, to assess the conceptual soundness and mathematical calculations of the models used.
- b) **Back-Testing:** This involves statistical methods to determine whether a model's risk estimate is consistent with the assumptions on which the estimate is based on.
- c) **Independent Assessment:** This involves auditing exercise across the whole risk management process. Internal Audit, as a third line of defense, perform regular and independent assessment of the IRRBB process and practices to ensure consistency and compliance with established practices.

RISK MONITORING AND REPORTING

The NII-at-Risk and EVE is regularly monitored by RMG, and reported monthly to the ROC.

LIQUIDITY RISK

Liquidity Risk is the risk of loss arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses. A potential or probable loss to earnings and capital arising from the Group's inability to meet its obligations when they fall due may be due to either the Group's inability to liquidate assets or obtain adequate funding, or the inability to unwind large exposures without significantly lowering market prices. BSP Circular 981 is the Group's principal guide for its liquidity risk management activities.

As a general policy, the Group holds that managing liquidity risk is among the most critical components of bank management and operations. This is carried out by an ongoing analysis of the liquidity position and risk profile, and by regular examination of how funding requirements are likely to evolve under various scenarios, including adverse conditions. At all times, the Group must hold enough liquidity to survive a liquidity crisis.

The ROC has the main responsibility for establishing a robust liquidity risk management framework adhered to by all business units. Treasury oversees the implementation of the relevant liquidity guidelines, including the deployment and maintenance of liquid assets, as well as business initiatives ensuring that they remain consistent with the framework. The outcome of such activities is ultimately monitored by RMG using tools for liquidity risk management such as the Maximum Cumulative Outflow (MCO) Report, Liquidity Stress Testing (LST), the BSP prescribed Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Policies relating to the management of liquidity risk are approved by the ROC.

RISK ASSESSMENT

Liquidity risk is measured using the established Maximum Cumulative Outflow (MCO) method, which in turn is based on historical observations and simulations of prospective liquidity risk events. The starting point an MCO analysis is **liquidity (cash flow) gapping**. Both the parent and the consolidated entity's gap reports are found in Note 4.2 of the accompanying NFS.

Following standard practice, the Group likewise evaluates liquidity risk based on behavioral and hypothetical assumptions under stress conditions. "Stress" is normally used in relation to a short-term crisis specific to the Group's operations. However, a stress condition covering a general market crisis is also simulated for risk management purposes.

The Group stress parameters are as follows:

- **Institution-Specific Liquidity Crisis:** 50% withdrawal in deposits; 20% haircut in securities; 10% loan pay-off; 50% reduction of counterparty lines
- **General Market Liquidity Crisis:** 50% withdrawal in deposits; 50% haircut in securities; No loan pay-off; 100% reduction of counterparty lines

In addition to the quantitative assessment of the Group's over-all liquidity profile, it has a well-established contingency funding plan (CFP). The plan strives to define the liquidity stress levels from the standpoint of both systemic and name-specific crisis including the early warning indicators and the crisis management process once the plan is activated.

Liquidity Stress Test assesses the vulnerability of cash flows and ability of the Bank to survive stress conditions. It involves identifying possible events in the financial and economic conditions, called stress scenarios that could have unfavorable effects on the liquidity position of the bank and assessment of its ability to withstand such changes.

In addition to the quantitative assessment of the Group's over-all liquidity profile, the Bank has a Contingency Funding Plan which outlines the operational requirement to be taken in the event of a crisis. The plan strives to define the liquidity stress levels from the standpoint of different types of crisis including the identification of early warning indicators and the step-by-step crisis management process once the plan is activated.

LIQUIDITY COVERAGE RATIO (LCR)

BSP issued Circular 905 - Implementation of the Liquidity Coverage Ratio (LCR), which requires banks to have an adequate stock of high quality liquid assets (HQLA) that can be easily and immediately converted into cash to absorb shocks arising from significant stress scenario lasting 30 calendar days.

In 2018, to improve the liquidity profile of the Bank and to manage compliance to LCR and new liquidity risk ratio NSFR, the following actions were taken by the Bank: (1) regular forecasting of the ratio versus buffer levels; (2) lengthening the maturity profile of liabilities such as via bond issuance and marketing 5-Yr time deposits and long term negotiable certificate of deposits (LTNCD); and (3) encouraging retail deposits and operating accounts by offering attractive deposit pricing.

The average LCR of the RCBC Parent and Consolidated Group is 158% and 132%, respectively.

RCBC Consolidated Group LCR as of December 31, 2019

NATURE OF ITEM	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
<b>STOCK OF HIGH-QUALITY LIQUID ASSETS (HQLA)</b>		
1. TOTAL STOCK OF HQLA	175,083,806,516	168,287,538,593
<b>EXPECTED CASH OUTFLOWS</b>		
2. Deposits, of which	456,595,008,252	142,359,900,574
3. Retail Funding	153,446,779,986	19,531,668,272
4. Wholesale funding, of which:	294,966,228,266	122,828,232,302
5. Operational deposits	176,031,328,366	52,809,398,510
6. Non-operational deposits (all counterparties)	118,934,899,900	70,018,833,792
7. Unsecured wholesale funding (all counterparties)	15,343,885,062	15,342,997,025
8. Secured funding	36,112,703,226	0
9. Derivatives contracts, of which:	514,715,922	514,715,922
10. Outflows related to deriative exposures (net)	121,988,322	121,988,322
11. Outflows related to collateral requirements	392,727,600	392,727,600
12. Structured financing instrument	-	-
13. Committed business facilities (all counterparties)	26,715,677,413	2,671,567,741
14. Other contractual obligations within a 30-day period	2,150,027,178	2,150,027,178
15. Other contingent funding obligations	394,222,117,734	11,826,663,532
16. TOTAL EXPECTED CASH OUTFLOWS	931,654,134,786	174,865,871,971
<b>EXPECTED CASH INFLOWS</b>		
17. Secured lending	0	-
18. Fully performing exposures (all counterparties)	51,613,521,070	37,996,886,982
19. Other cash inflows	21,599,224,585	21,599,224,585
20. TOTAL EXPECTED CASH INFLOWS	73,212,745,654	59,596,111,567
21. TOTAL STOCK OF HQLA	175,083,806,516	168,287,538,593
22. TOTAL EXPECTED NET CASH OUTFLOWS	858,441,389,132	115,269,760,404
23. LIQUIDITY COVERAGE RATIO (%)		145.99%

RCBC Parent LCR as of December 31, 2019

NATURE OF ITEM	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
<b>STOCK OF HIGH-QUALITY LIQUID ASSETS (HQLA)</b>		
1. TOTAL STOCK OF HQLA	177,858,656,708	170,907,904,182
<b>EXPECTED CASH OUTFLOWS</b>		
2. Deposits, of which	456,716,966,017	142,113,688,769
3. Retail Funding	154,341,394,422	19,631,807,851
4. Wholesale funding, of which:	294,100,349,806	122,481,880,918
5. Operational deposits	176,031,328,366	52,809,398,510
6. Non-operational deposits (all counterparties)	118,069,021,440	69,672,482,408
7. Unsecured wholesale funding (all counterparties)	17,542,115,665	17,331,307,951
8. Secured funding	32,677,324,570	0
9. Derivatives contracts, of which:	514,873,410	514,873,410
10. Outflows related to deriative exposures (net)	122,145,810	122,145,810
11. Outflows related to collateral requirements	392,727,600	392,727,600
12. Structured financing instrument	-	-
13. Committed business facilities (all counterparties)	26,715,677,413	2,671,567,741
14. Other contractual obligations within a 30-day period	2,269,920,264	2,269,920,264
15. Other contingent funding obligations	394,222,117,734	11,826,663,532
16. TOTAL EXPECTED CASH OUTFLOWS	930,658,995,073	176,728,021,667
<b>EXPECTED CASH INFLOWS</b>		
17. Secured lending	0	-
18. Fully performing exposures (all counterparties)	48,063,631,387	34,235,689,766
19. Other cash inflows	22,476,029,350	22,476,029,350
20. TOTAL EXPECTED CASH INFLOWS	70,539,660,737	56,711,719,116
21. TOTAL STOCK OF HQLA	177,858,656,708	170,907,904,182
22. TOTAL EXPECTED NET CASH OUTFLOWS	860,119,334,336	120,016,302,551
23. LIQUIDITY COVERAGE RATIO (%)		142.40%

NET STABLE FUNDING RATIO (NSFR) AND OTHER GUIDELINES

Based on Circular 1007 – Implementation of Net Stable Funding Ratio (NSFR), BSP required banks to submit quarterly solo and consolidated group NSFR reports during the observation period starting July to December 2018. This liquidity ratio, which will be implemented in 2019, aims to promote long-term resilience of the Bank against liquidity risk by limiting overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

The quarter-end NSFR balances of the RCBC Parent and Consolidated Group are as follows:

Date	Solo	Consolidated	Regulatory Requirement
Sept. 2018	125.00%	117.71%	100.00%
Dec. 2018	126.14%	117.66%	100.00%

In addition, BSP issued a draft circular on Intraday Liquidity Reporting for all banks last October 2018 to supplement the Section V: Intraday Liquidity Risk Management of BSP Circular 981. The objective of this additional reporting is to facilitate sound management of intraday liquidity risk as well as provide sufficient understanding and allocation of resources

OPERATIONAL RISK

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or external events. Operational risks include the risk of loss arising from various types of human or technical error, settlement or payments failures, business interruption, administrative and legal risks, and the risk arising from systems not performing adequately.

MANAGING OPERATIONAL RISK (ORM TOOLS)

For purposes of identification, monitoring and reporting and analysis, Group categorizes operational risk events as follows:

- Internal Fraud: Losses due to acts of a type intended to defraud, misappropriate funds/property or circumvent regulations, the law or company policy, excluding diversity/discrimination events, which involves at least one internal party. Example is theft of bank property by staff.
- External Fraud: Losses due to acts of a type intended to defraud, misappropriate property or circumvent the law, by a third party. Example includes forgery of the drawer's signature on checks drawn on the bank.
- Employment Practices and Workplace Safety (EPWF): Losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity/discrimination events. This includes events arising from organized labor activity.
- Clients, Products and Business Practices (CPDP): Losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients (including fiduciary and suitability requirements), or from the nature or design of a product. Example is legal liability that may arise from the sale of products to customers deemed without proper risk disclosure.

- Damage to Physical Assets: Losses arising from loss or damage to physical assets from natural disaster or other events such as those caused by natural calamities as well as those caused by terrorism.
- Business Disruption and System Failures (BDSF): Losses arising from disruption of business or system failures such as information systems or telecommunications failure which disables the bank's ability to conduct its business with customers.
- Execution, Delivery and Process Management (EDPM): Losses or events caused due to failure of transaction processing, process management from relations with trade counter parties and vendors/alliance partners/service providers. Example is incomplete legal documentation of credit exposures.

To aid in the management of operational risk and the analysis of the Group operational risk profile, the following tools are used:

Loss Events Reporting

Loss information is a fundamental part of the Group's operational risk management process, as losses are a clear and explicit signal that a risk event has occurred. This may be due to the failure of control, the lack of control or simply a very unusual event that was not foreseen.

Businesses are required to report their loss events. These reports include losses reported to BSP, special audit cases, and other loss incidents occurring in the business such as penalties, etc. Potential losses and near misses are likewise required to be reported.

Key Risk Indicator (KRI)

KRIs are used to monitor the operational risk profile and alert the Group to impending problems in a timely fashion. KRIs facilitate the forward looking management of operational risk and provides information on the level of exposure to a given operational risk at a particular point in time. These indicators allow the monitoring of the Group's control culture and trigger risk mitigating actions.

KRIs include measurable thresholds that reflect risk appetite. These are monitored to serve as alerts when risk levels exceed acceptable ranges and drive timely decision making and actions.

Risk and Control Self-Assessment (RCSA)

The Group identifies and assesses all risks within each business and evaluates the controls in place to mitigate those risks. Business and support units use self-assessment techniques to identify risks, evaluate the effectiveness of controls in place, and assess whether the risks are effectively managed within the business.

In this annual self-assessment process, areas with high risk potential are highlighted and risk mitigating measures to resolve them are identified. Risk assessment results are then reviewed and discussed with the heads and senior officers of business and support units. These discussions of assessment results enable the Operational Risk Management Division (ORMD) to detect changes to risk profiles, and consequently take corrective actions. Business Continuity utilizes the results to provide guidance where to strengthen business continuity areas.

The Internal Audit Group and Compliance Office use the self-assessment results as a necessary component in aligning their activities to business priorities to determine where key risks lie within the Group.

RISK ASSESSMENT

The Group uses the Basic Indicator Approach in its assessment of this risk, as it relates to capital adequacy determination. It however uses an Operational Risk Management System (ORMS) to monitor operational risks, compile and analyze operational risk data and to facilitate timely reporting mechanisms for the Group's ROC, Senior Management, and business line levels that support proactive management of operational risk. The ORMS covers the parent Bank and its subsidiaries.

The following are the current methodologies used in assessing the Group's operational risk profile.

Probability and Severity Analysis

This tool is used to quantify the likelihood (or frequency) and impact (or consequence) of identified risks in order to prioritize risk response activities. The probability addresses: a) the likelihood of the risk event occurring (the uncertainty dimension) based on current status of mitigation actions, and b) the impact detailing the extent of what would happen if the risk were to materialize (the effect dimension).

Probability assessment uses a 5-scale likelihood factor matrix ranging from "least likely" to "almost certain". Impact Assessment on the other hand employs a 5-scale severity factor matrix ranging from "least severe" to "very severe."

Control Rating

Existing controls are assessed likewise using a 5-scale control adequacy matrix ranging from "substantially under control" to "no controls in place."

Risk Rating

The Probability & Severity Analysis described above, along with the control rating, result in a Risk Rating. It is a quantitative measure of the risk level of each event, and helps to focus on those determined to be high risk. For each risk event identified, a risk score is calculated and later classified as: Very High (Black), High (Red), Medium (Yellow) and Low (Green). The scale is as follows:

Classification	Risk Score	Remarks
LOW	1 – 3	Indicates normal operating condition
MEDIUM	4 – 9	Requires management attention; must take specific actions and document such
HIGH	10 – 19	Requires immediate management attention; further action required
VERY HIGH	20 – 25	Requires management attention; must take specific actions and document such

RISK MONITORING AND REPORTING

The continuous monitoring and reporting of Operational Risk is a key component of an effective Operational Risk Management Framework. It is imperative therefore that reports on operational risks are submitted on a timely basis, and information generated both for external and internal parties are reported internally to Senior Management and the Board where appropriate.

In accordance with its monitoring and reporting functions, ORMD prepares reports on operational risks as follows:

Particulars	Responsibility	Frequency of Reporting	Reported to
Loss Events Reporting	RMG-ORMD	Quarterly	ROC
Key Risk Indicators	RMG-ORMD	Monthly	ROC
Control Sample Tests	RMG-ORMD	Quarterly	ROC
Risk and Control Self-Assessment (RCSA)	RMG-ORMD	Annual	ROC

The Deputy Operational Risk Officers (DOROs)

Each major business line has an embedded operational risk management officer, headed by the designated Deputy Operational Risk Officer (DORO). The DOROs serve as a point-person on the implementation of various operational risk management tools on a per business unit level. Among others, the DOROs are responsible for assisting the respective business units in the timely, correct and complete submission of operational risk reports. The DOROs report to the ORMD for all its operational risk-related activities initiated by ORMD.

RISK MITIGATION

The Group operates within a strong control environment focused on the protection of the its capital and earnings, but allows the business to operate such that the risks are taken without exposure to unacceptable potential losses through the utilization of approved policies, sound processes, and reliable information technology systems. These controls include: segregation of duties, dual controls, approvals and authorization, exception reporting, sound technology infrastructure, product manuals, and circulars review.

Insurance

One of the ways operational loss is mitigated is through insurance policies maintained by the Group. Securing insurance protects the Group against unexpected and substantial unforeseeable losses.

ORMD handles the Group’s major insurance needs such as the Bankers Blanket Bond (BBB). BBB insurance premiums are allocated to business groups based on an approved allocation method.

Outsourcing

Outsourcing is an arrangement to contract out a business function to another party (i.e. the service provider) which undertakes to provide the services instead of the financial

institution performing the function itself. The Group maintains an outsourcing policy to guide business units in outsourcing agreements, and to ensure the effective management of operational risks that may arise from such arrangements – ORMD requires the business units to perform a risk assessment before engaging the service provider.

Business Continuity Plan (BCP)

The Group has a separate functional unit wholly dedicated to the conduct and management of its BCP and Disaster Recovery Plan. These plans aim to establish a planned process, procedure or strategy that can assure and provide for the continuity of major and critical services and operations during any critical event which may prevent or diminish the Group’s capacity to perform normal business operations.

The Group’s BCP is currently being managed by RMG-ORMD.

Product Manual, Policies, Procedures and Circulars

The Product Manual is the key document which provides a comprehensive description about a particular product. It includes among others, the identification or risks and appropriate measures on the risks identified through controls, procedures and limits, as well as compliance with the consumer protection standards of conduct.

Policies, Procedures and Circulars represent the Group’s basic and primary set of principles and essential guidelines formulated and enforced across the organization. To ensure that risk areas are covered in all manuals, policies and circulars, ORMD reviews and signs-off on these documents.

Exception Reporting

Exception reporting provides the ability to monitor transactions and events that fall outside norms and deemed as an exception. It documents what is abnormal and therefore deserves attention.

Risk Awareness

The Group recognizes the importance of raising risk awareness and instilling an operational risk culture to be able to understand the operational risk management business benefits as well as the responsibilities attached to it. Operational risk and consumer protection are also in the Group’s standard training module for new employees, as well as continuing learning for existing associates.

INFORMATION SECURITY RISK

Information Security Risk is the risk of loss resulting from information security/cyber security breaches. Information Security Risk Management aims to reduce the disruptions to the Group’s operations as a consequence of information security incidents. Concretely, this aim expands to the following objectives:

- To protect the information assets that support the Group’s operation;
- To provide management an accurate view of significant current and future information security risks and assist them to make well-informed risk management decisions about the extent of the risk, risk appetite and risk tolerance;
- To provide an end-to-end guidance on how to manage information security risks, beyond purely technical control measures;

- To establish a risk profile to better understand the Group’s full exposure, and better utilize its resources;
- To integrate the management of information security risk into the overall enterprise risk management of the Group; and

- To implement and continuous improve a sound framework for the identification, measurement, control, monitoring, and reporting of key risks faced by the Group.

The foregoing objectives are achieved through the following exercises of information security risk management:

- Identification of information assets including both hardware and software that are considered essential to the Group;
- Assistance to business units in identifying risks in information assets being handled; and
- Implementation of risk assessment to determine current information security risks and threats present in the information assets, determine acceptable risk levels, and implement preventive measures to mitigate potential high risks.

ASSET IDENTIFICATION AND VALUATION

Asset Identification and Valuation aim to identify and provide an inventory of all information assets relating to business processes which may impact business operations when confidentiality, integrity, and availability are compromised. At the end of the exercise, the following are produced:

- Inventory of all information assets pertaining to the processes assessed;
- Overall criticality value of each information asset; and
- Sensitivity of process being assessed.

RISK IDENTIFICATION AND ASSESSMENT

This process aims to identify the threats and vulnerabilities present in the business process and assess the identified risks in order to determine measures to mitigating them. Further, this will assist the process owner in determining the risks to be prioritized and monitored.

To assess risk likelihood and impact, the current threat environment and controls are considered. At the end of the exercise, the following are the expected outputs:

- List of potential threats with medium or high risks, and prioritization of those that need immediate mitigation; and
- Risk treatment plan for those threats/vulnerabilities having medium to high risks, and determination of the responsible personnel to mitigate the risk.

RISK TREATMENT

The risk treatment stage aims to determine the overall risk owner who will be responsible for managing the risks identified, and for the strategy, activity, or functions related to the risk.

RISK MONITORING AND REPORTING

Upon receipt of the approved risk treatment plan, the Information Security Governance Department (ISGD) incorporates in the information security risk register the verified list of risks rated “High,” while all other identified risks will be monitored by the respective risk owner.

The overall risk owner for the process assessed is in-charge of monitoring all necessary action plans to mitigate high risk items. Also, the risk owner is responsible for providing ISGD with updates on the status of action items, planning

and implementing mitigation strategies. ISGD is responsible for tracking, monitoring, and providing the Risk Oversight Committee a regular report on the status of all high risk items registered in the risk register.

Compliance Risk/Regulatory Risk/ML/TF Risk

The Group differentiates compliance risk as the risk of loss resulting from failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities from regulatory risk which refers to risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy. ML/TF Risk represents the Group’s risk to being a conduit to money laundering and terrorist financing activities.

The Compliance Risk Management Framework is the tool used by the Regulatory Affairs Group (Compliance Office) to manage compliance risk. This framework operates within the context of the Bank’s Enterprise Risk Management Framework. The Compliance Risk Management Framework is embodied in the Group’s Compliance Policy Manual (CPM).

COMPLIANCE RISK ASSESSMENT

Risks, including their impact to the Group are evolving; thus, the risk identification and assessment process is performed on a continuing basis. Risks currently identified as material to the Group may be treated differently in succeeding assessments. Any significant change in either the actual risk profile, or the perception of threats, must therefore trigger corresponding action in terms of the management of such threats. The Compliance Office continuously identifies and assesses potential and existing compliance risks to ensure that these are immediately addressed. The Group assesses compliance risk based on impact and likelihood.

COMPLIANCE RISK MONITORING AND REPORTING

The Compliance Office mainly reports to the Audit and Compliance Committee (ACC). Compliance risk is also regularly reported to the Risk Oversight Committee (ROC) via Key Risk Indicators (KRI) monitoring under Operational Risk by RMG.

Compliance Risk is monitored in a number of ways. These include the following:

- Compliance Certification from Deputy Compliance Officers (DCO) – This is a quarterly Certification signed by the designated DCOs indicating a unit’s compliance (or non-compliance) to regulations.
- Compliance risk is also monitored via the progress of corrective actions relating to ROE findings.
- Regulatory ratios are also monitored at least on a quarterly basis to ensure compliance.
- Submission of regulatory reports is also monitored to avoid penalties.

MONEY LAUNDERING/TERRORIST FINANCING RISK MANAGEMENT

In the implementation of the ML/TF Risk Management Framework, RCBC adheres to the highest standards of corporate governance and ML/TF prevention as embodied in the laws and regulations with due consideration of other industry leading practices. The Bank’s ML/TF risk management is a holistic, continuous, proactive and systematic process to identify, assess, manage, monitor and report ML/TF risks from a Bank-wide perspective.

The process covers all levels of the Bank - Board of Directors, Senior Management and all personnel. AML/CFT risk management involves assessing the risk attributed to money laundering and financing of terrorism and then implementing an appropriate response to mitigate the risk. RCBC's AML/CFT risk management structure, well-defined roles and responsibilities and transparent escalation process support the commitment to implement an effective AML/CFT risk management.

#### ***Money Laundering and Terrorist Financing Prevention Program (MTPP)***

The Group's MTPP's main purpose is to comply with any of the provisions of the Philippines' Anti-Money Laundering Act (AMLA), as amended, the Terrorism Financing Prevention and Suppression Act (TFPSA), their Implementing Rules and Regulations (IRR), and all Anti-Money Laundering council (AMLC) and Bangko Sentral issuances.

It is strategically aligned with the results of the National Risk Assessment (NRA) on Money Laundering (ML) and Terrorist Financing (TF) of the Philippines, a government-wide assessment of the overall exposure of the country to money laundering and its related predicate offenses, terrorism and terrorist financing. The Group's MTPP manual provides a general guide to all employees of the Bank in order to help them better understand and meet their obligations under the aforementioned laws and regulations as well as to support the overall AML/CFT Risk Management and Compliance program of the Bank.

The MTPP manual is maintained by the Compliance Office. It is updated at least once every two (2) years or as needed to properly adhere to new rules and regulations of regulatory agencies, laws of the Republic of the Philippines and other countries, and policies and procedures of the Bank, and presented to the Board of Directors for approval.

The Board and Management have heavily invested in the purchase of and/or subscription to systems or applications that can help mitigate the Group's ML/TF risks.

As a matter of policy, the Group has created a more robust sanctioning system by providing more detailed and specific guidelines in handling employee violations of AML/CTF policies. The Group's AML Sanction Policy addresses both the preventive and penal nature of the sanctioning system, promotes a culture of compliance, and duly recognizes employees that continuously exhibit a high level of compliance with existing AML-related laws and policies.

The Compliance Office also conducts special investigation of news reports on the commission of unlawful activities of certain clients, individuals and/or entities, which could pose as a potential money laundering risk to the Group.

In order to minimize compliance risk and eliminate deviation from regulatory requirements, the Compliance Office conducts classroom training and has created an e-learning module for the employees of the Group. The AML Training Programs are designed specifically for the different bank employees depending on their areas of responsibility and exposure to risk. These training programs are consistent and in accordance with

the pertinent provisions of the BSP Manual of Regulations for Banks and related BSP and SEC circulars, as well as, the Anti-Money Laundering Act of the Philippines.

The Compliance Office regularly reports to the AML Management Committee, Senior Management Committee, AML Board Committee, Audit & Compliance Committee and the Board of Directors to ensure that monitoring of AML activities is regularly disclosed allowing management to perform its oversight function on AML and TF matters.

## CORPORATE GOVERNANCE

On Corporate Governance, compliance risk is monitored via reports submitted to the BSP, and through the implementation of a corporate governance framework that adheres to the principles set out in BSP Circular No. 969 or the *Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions and SEC Memorandum No. 19 or the Code of Corporate Governance for Publicly-Listed Companies*.

These reports include reporting on the Group's conglomerate structure and material related party transactions.

The Audit and Compliance Committee has oversight over the internal audit and compliance functions. The Risk Oversight Committee oversees the Group's risk governance framework. The Corporate Governance Committee assists the Board in fulfilling its corporate governance responsibilities. The Related Party Transactions Committee evaluates all material related party transactions of the bank to ensure that these are undertaken on arm's length terms. Finally, the AML Committee carries out the mandate of the Board to fully comply with the Anti-Money Laundering Act, as amended, its Revised Implementing Rules and Regulations and the Anti-Money Laundering Regulations under the Manual of Regulations for Banks ("MORB").

#### **RELATED PARTY TRANSACTIONS**

In accordance with the requirements of BSP Circular No. 895, the Group has further enhanced its Policy on Related Party Transactions which include, among others:

- Definition of related parties;
- Materiality threshold for RPTs;
- Definition of control;
- Further monitoring, identification and reporting of RPTs;
- Additional provisions on approvals for RPTs, including voting and abstention;
- Provision on when requirement of a fairness opinion issued by an independent adviser is warranted;
- Creation of a Related Party Transactions Management Committee to review related party transactions below materiality threshold;
- Composition of the RPT Committee;
- Provision on Individual and Aggregate Exposures to Related Parties; and
- Provision on periodic formal review of the Group's system and internal controls governing RPTs.

Reports pertinent to election/appointment of directors and officers are also monitored to avoid penalties.

## OTHERS

#### ***ASEAN Corporate Governance Scorecard (ACGS) and the Integrated Annual Corporate Governance Reports (I-ACGR)***

In September 2012, the ASEAN CG Scorecard was adopted by the Philippines, replacing the national CG Scorecard for Publicly Listed Companies (PLCs).

On 15 December 2017, SEC issued Memorandum Circular No. 15, Series of 2017, requiring all listed companies to submit an Integrated Annual Corporate Governance Report (I-ACGR). The I-ACGR would take the place of the old Annual Corporate Governance Report. The I-ACGR would also be used in place of the PSE Corporate Governance Guidelines Disclosure Survey.

Responses to notices and correspondence from PDEX are also monitored to ensure compliance. Issues that arise are taken up with the concerned unit/department of the Treasury Group to ensure that adequate steps, corrective or otherwise, are promptly taken to ensure compliance.

#### ***Outsourced and Insourced Banking Activities***

The Compliance Office maintains a bank-wide master list to effectively monitor and oversee compliance with all applicable rules and regulations and that no inherent banking function is outsourced.

#### ***Exchange of Information***

##### **FATCA**

The Group has taken great strides to become globally compliant with the Foreign Account Tax Compliance Act (FATCA) and remains steadfast in this direction. The Exchange of Information Division has and continues to render various opinions, answers and give frequent assistance to various units regarding client concerns and FATCA implementation. To ease FATCA compliance for clients, the Group rolled out a new self-certification form for non-U.S. entity clients. This form replaced the U.S. IRS Form (W-8BEN-E) to give its clients a more comprehensible form that covers all mandatory information required under FATCA. The FATCA status tags are likewise updated to comply with the reporting requirements of the IGA.

The bank's Exchange of Information Division Head is also its FATCA Responsible Officer.

#### ***COMMON REPORTING STANDARD***

The Common Reporting Standard (CRS) was first introduced by the Organization for Economic Cooperation and Development (OECD) in February 2014. At present, a number of correspondent banks from outside of the Philippines but within CRS-participating jurisdictions are already complying with the mandate of the CRS, including but not limited to requiring their correspondent banks in the Philippines to submit CRS certification forms and to answer CRS-related queries in relation with compliance. The Group's FCOMD has taken over the task of answering these queries and reviewing CRS certifications.

#### ***DATA PRIVACY***

Republic Act No. 10173 or The Data Privacy Act of 2012 (DPA) was approved into law on August 15, 2012. Subsequently, the DPA's Implementing Rules and Regulations (IRR) were promulgated on August. 24, 2016, and took effect fifteen (15) days after its publication. Entities covered by the DPA and its IRR have one (1) year to comply with their provisions from the date of effectivity of the IRR.

The Group has completed its registration with the National Privacy Commission (NPC) in 2017. It created the Data Privacy Project Team led by the Exchange of Information Division Head, who was subsequently appointed as the Group's Data Protection Officer (DPO).

The Compliance Office and the UniBank's Legal Affairs Group have been coordinating closely with Business Units in conducting a bankwide review of all Service Agreements ensuring that Data Sharing Agreements are in place for all contracts with third party service providers.

The Exchange of Information Division is conducting a bank-wide Privacy Impact Assessment (PIA) that determines the DPA's impact to its operations, possible threats, vulnerabilities and risks that can help it strengthen its already strong data privacy policies. The PIA is the basis of the UniBank's future initiatives in aligning its already existing data privacy-related policies to what is required by the DPA and the international standards set by the European Union in its existing directives. To further educate the UniBank's employees, the Data Privacy E-Learning Module was rolled in May 2018. New employees are also trained on data privacy upon onboarding and branch induction programs.

The UniBank completed its Phase II of its registration with the NPC in March 2018.

The Exchange of Information Division was renamed as Regulatory Affairs Division II as it now handles all compliance-related matters for Digital Banking, IT, Risk Management, Global Transactions Banking, Corporate Planning, Cash Management, and Marketing as it simultaneously handles Compliance Office's compliance functions related with FATCA, CRS and Data Privacy.

## CONSUMER PROTECTION

The Bank's Consumer Protection Program follows the set standards which are reflected in its core principles. These are embedded in the corporate culture to further enhance the governance framework and protect the best interest of the customers. The bank believes that all consumers shall be protected and each one of them shall be given an avenue to air out their concerns and issues in the products and services of the bank.

The complaint reports coming from different channels are analyzed to identify if there are systemic, recurring problems, and weaknesses in the Bank's control procedures or processes. The consolidated report is presented to the Risk Oversight Committee to ensure that bank practices remain effective in addressing the concerns and rights of our consumers.

In 2018, the Bank received a total of 29,480 complaints, a 19.5% increase versus previous year, while transaction volume increased by 23.3%. As a percentage of transaction volume, complaints accounted for 0.031% of transactions, declining slightly from 0.032% versus previous year.

TOTAL COMPLAINTS		
	2018	2017
Complaints	29,480	24,663
Transactions	94.2 million	76.4 million
Complaints to Transactions Ratio	0.031%	0.032%

ATM and Online Banking complaints accounted for 95% of total complaints. As a percentage of transaction volume, ATM and Online Banking complaints accounted for 0.038% and 0.014% of transactions, respectively. Among the ATM complaints, 14,600 were undispensed cash concerns; however, 7,565 or 52% of these were issues from withdrawal transactions via ATM terminals of other banks. Other issues included terminal hardware problems and the normal wear and tear of ATM terminals, which were addressed through regular preventive maintenance.

ATM AND ONLINE BANKING COMPLAINTS		
	ATM	Online Banking
Complaints	23,569	4,526
Transactions	61.8 million	32.4 million
Complaints to Transactions Ratio	0.038%	0.014%

Moreover, management report on customer complaints received from different channels (i.e. Customer Care, Business Centers, Business Units, Social Media and the BSP) are reviewed and analyzed in order to identify systemic problems and weaknesses in the Bank's control procedures that affect its product offering and services in general. In compliance to the governance framework, the same is being reported and presented at the Bank's Risk Oversight Committee on a regular basis.

In 2019, the Bank received a total of 25,589 complaint cases, a 13% decrease against the previous year:

Total Customer Complaints Year on Year	
No. of Customer Complaints – YR 2018:	29,480
No. of Customer Complaints – YR 2019:	25, 589
Ratio Year on Year (Decrease)	13%

REPUTATION RISK

Reputation Risk is the risk of loss arising from negative public opinion. Moreover, the Group subscribes to the view that reputation risk is a consequence of other risks. Its management therefore is tied closely to the manner by which the Group manages its other risks. By ensuring effective identification, assessment, control, monitoring, and reporting of the other material risks, reputation risk is implicitly managed.

RISK ASSESSMENT

The management of reputation risk in the Group is framed by its Balanced Scorecard. While growth is projected to emanate from the drivers in the scorecard, the Group recognizes that potential failure in the same ushers in a potential damage to reputation. Without the public needing to know exactly what the Group plans to achieve, reputation is impaired when, for example, profitability dips, a re-branding scheme backfires, incidence of fraud becomes significant and public, or when employee attrition is high.

Financial Performance

Other than doing a self-assessment (via quarterly business reviews) of where the Group is vis-à-vis financial targets, what to expect in the coming months, and what can go wrong, the Group relies on assessments rendered by external rating agencies and by its regulators. The potential deterioration of these assessments, independent of sovereign rating, constitutes a major reputation event.

Customer

The Group recognizes that campaigns aimed at deepening customer relations and building brand equity can potentially backfire due to bad execution; and the more visible and embedded the Group becomes, the bigger the potential loss.

Other than the business quarterly review, another tool used by the Group in identifying customer reputation risk is a feedback process employed for all products and services before they are launched, during soft launches, and throughout the life of a product or service.

Internal Processes

While the Group aims to strengthen its internal processes, it also recognizes that failure of these processes is a likely scenario. The Group turns to its own operational risk identification tools to carry out the identification of possible risk areas in relation to processes.

People

Failure on the “people” component of the scorecard may lead to publicly visible manifestations such as strikes, an exodus of talent and even customers, and the inability to attract good talent to work for the Group. Benchmarking of recruitment, compensation, benefits, and even organizational development practice is a tool used by the Group in identifying gaps in its people management process.

RISK CONTROL

Consistent with the view that reputation risk is a product of other material risks, controlling the magnitude of reputation risk is attained by controlling those of the others’.

RISK MONITORING AND REPORTING

The Parent Bank’s Marketing Committee (MarComm) consolidates the reputation risk management efforts of the Group. The Chief Marketing Officer of RCBC is the designated Chair of the Committee.

The MarComm has the following objectives in relation to Reputational Risk:

- To serve as venue for surfacing and managing issues that affect, or tend to affect the public’s perception principally of the RCBC Group, and by extension, the members of the Yuchengco Group of Companies (YGC)
- To design, recommend and, once approved, implement public relation strategies and/or marketing campaigns that are designed to enhance the Group’s positive public image, avert any potential negative perception arising from looming reputation issues, and contain or minimize any incurred or continuing damage to the Group’s image arising from subsisting negative public information

RISK MITIGATION

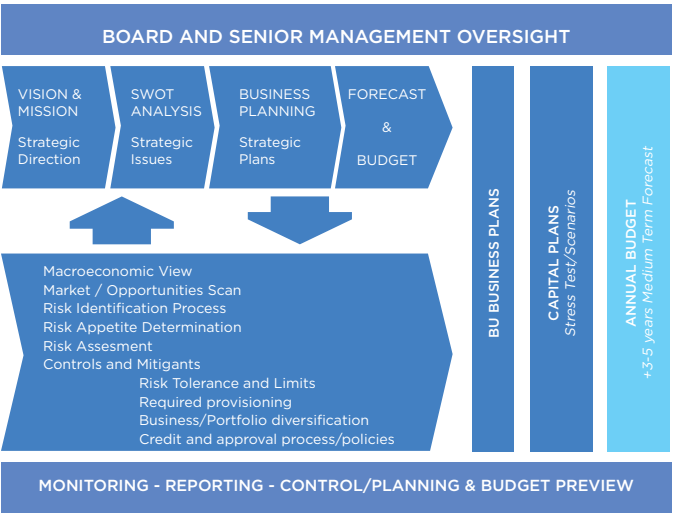
On the public relations front, the Group’s Public and Media Relations Division sets an annual target of free media/publicity via the release of positively slanted stories.

CAPITAL MANAGEMENT FRAMEWORK

The Capital Management Framework of the Group incorporates the planning process, the Capital Plan, and the continuing review and reporting of results

STRATEGIC AND BUSINESS PLANNING

The Group’s Strategic and Business Planning process may be summarized by the following illustration:



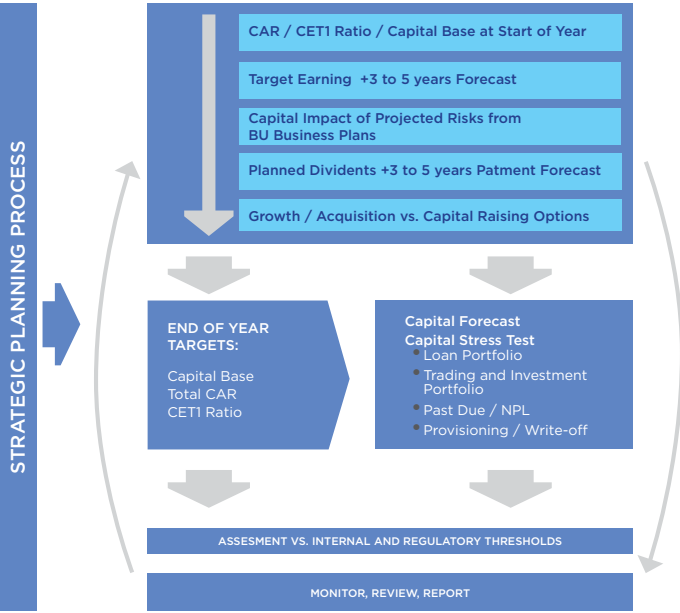
In the Strategic & Business Planning Process of the Group, the overall risk appetite is developed as part of the business plans.

The process involves the development of strategic and business objectives, anchored on the Mission & Vision, as interpreted and articulated by Senior Management. This is an iterative process involving both internal and external analyses and risk assessment.

The planning process then results to a business plan, the annual budget, medium-term forecast/projections, which all incorporate identified risks. It includes a regular review of the business plan (monthly, quarterly) based on key performance indicators.

CAPITAL PLANNING

The other component of the Framework is the development of the Capital Plan that incorporates the current business plan and additional projections and stress testing.

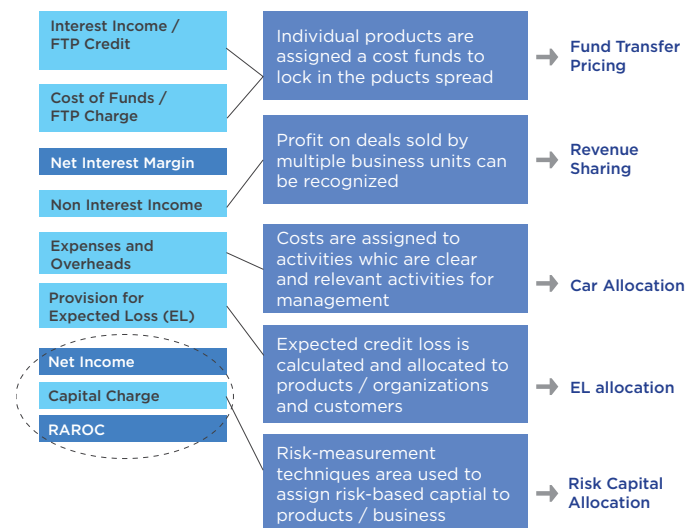


This component highlights the use of medium to long-term forecasts and stress scenarios in the management of capital. The results of the forecasts are always reviewed against the internal minimum capital ratios, inclusive of Pillar 2 charges, and the regulatory minimum.

**RISK-ADJUSTED PROFITABILITY MEASUREMENT (RAPM)**  
The Risk-Adjusted Profitability Measurement (RAPM) framework allows for the active monitoring and management of risk exposures and allocation of economic capital proportionate to the amount of risk each business unit takes. The end-product is a dashboard for RAPM that results to a measure of Risk-adjusted Return on Capital (RAROC) that may then be used both for performance measurement and capital and strategic planning. Capital allocation as a result of RAROC is also a goal.

The RAPM dashboard is the Group's way of firmly linking risk and capital. The RAPM allows Senior Management to assess the contribution of each business – after considering the related risks – and its return on the capital used. It also allows for capital planning at the business segment and/or subsidiary level, allocating capital based on the identified risks and strategic intent. A view of performance, tempered with the risks and capital requirements, clarifies the components of the risk appetite for each strategy.

The RAPM Framework is illustrated as follows.



RAROC is computed as risk-adjusted net income over the allocated economic capital. Risk-adjusted net income is the financial income of business units after adjustments for FTP, revenue sharing, cost allocation and EL allocation.

A well-designed RAPM Framework shows integrated risk and finance views of the Group's business units and provides for a sound and balanced understanding of business units' performance. It also helps Management in strategic planning activities. As an integrated risk-finance measure, RAPM drives business units to optimize risk/return profile and shareholder value. It encourages risk-based pricing which takes into account expected losses.

RAPM serves as a tool in improving and enhancing the process of linking risk with the strategy and performance of the Bank's business units, and RAROC is a strategic management tool used to measure how the business groups use capital. The current RAPM Framework and the resulting RAROC numbers will be used to have a better assessment of the bank-wide strategies, capital allocation and utilization, and business unit performance.

Moving forward, RAPM will serve as a management tool for decision-making especially in terms of capital allocation and strategizing. RAPM will also be adopted as one of the KPIs of the Parent bank and the Subsidiaries. The use of RAPM will continue to run in parallel to the existing capital allocation and performance measure frameworks in order for the process and resulting values to attain a certain level of stability and acceptability. Considering that the process is performed

manually, producing results only after a significant amount of time, RAPM may not yet be applied as the primary tool for making decisions and measuring performance, hence results shall only supplement existing frameworks for now. For the near future, the Bank will be focusing on the refinement of the RAPM framework.

#### IMPLEMENTATION OF BASEL STANDARDS

##### Capital Adequacy

The Group manages its capital in line with the over-all growth strategy and regulatory requirements, balanced with optimizing value for the stockholder and the Group as a whole. Regulatory developments, primarily the implementation of Basel III components in 2015 were a main consideration for the Group to actively strengthen its capital base.

The Group began its capital build up as early as 2006 to make room for organic growth and/or acquisition plans. By 2009, the Group raised a total of Php22.6 billion of capital (including Basel II eligible capital).

The implementation of Basel III however required additional common equity tier 1 capital and beginning 2010, the Group managed a series of capital raising activities to prepare for this and to further support long term growth plans. In May 2010, the Board approved the amendment of the articles of incorporation to increase the authorized capital from 1.1 billion common shares to 1.4 Billion to allow room and flexibility in raising capital.

In March 2011, the International Finance Corp (IFC) invested Php2.13 billion for 73 million shares resulting to 6.4% ownership share, by the end of 2011. In May of the same year, the Group raised Php3.67 billion in common equity, through the investment of Hexagon Investment Holdings Limited ("HIHL") for a 15% ownership and two board seats.

In 2013, the Group raised a total of Php8.2 billion in common equity capital from two different capital raising activities. In March 2013, a total of Php4.1 billion raised coming from various investors through a top-up placement and in April 2013, IFC investment another of Php4.1 billion for an additional 5.6% ownership share in the Group.

The Group again raised capital in 2014. In June, the Group issued Php7 billion of 5.375% Unsecured Subordinated Notes due 2024 which qualify as Tier 2 Capital pursuant to BSP circular 781 (Series of 2013) and are Basel III-compliant. On September of the same year, the Group issued another Php3.0 billion Tier 2 Capital Notes as part of the BSP approval on May 9, 2014 authorizing the issuance of up to Php10.0 billion of Tier 2 Notes.

On December 17, 2014, the Group and Cathay Life Insurance Co., Ltd., a wholly owned subsidiary of Cathay Financial Holding Co., Ltd. signed definitive agreements to acquire approximately 20% stake in RCBC on a pro-forma, post-transaction basis comprising 124,242,272 newly-subscribed shares and 155,757,728 existing shares. This transaction effectively cancelled the planned Stock Rights Offering which was earlier approved by the PSE on September 24, 2014.

The strategic investment in April 2015 by Cathay Life, Php7.95 billion of new Core Equity Tier 1 ("CET 1") capital for the Group, is part of RCBC's capital raising strategy in order to comply

with the more stringent capital adequacy rules under the new Basel III framework and is expected to enable RCBC to be comfortably above the minimum CET1 requirements of the BSP. In addition, the proceeds from the investment is expected to continue to support the continued growth of RCBC's loan book and increased expansion into the SME and Consumer segments to improve margins and risk diversification/actuarialization. The transaction is also in-line with Cathay's strategy to expand its business in ASEAN region.

On July 24, 2015 the Group redeemed its USD 100 Million 9.875% Non-Cumulative Step-up Perpetual Securities ("the Hybrid Tier 1 Notes") as approved by the Board of Directors and by the Bangko Sentral ng Pilipinas last March 30, 2015 and May 27, 2015, respectively. The Hybrid Tier 1 Notes were redeemed for a total price of USD 113.93 million. Hybrid Tier 1 Notes were redeemed earlier than expected as they were classified as not eligible for Basel III requirement.

Rizal Commercial Banking Corporation and Cathay Life Insurance Corp, a wholly owned subsidiary of Cathay Financial Holding Co., Ltd. closed the equity investment deal for a 20% stake in RCBC on April 20, 2015. The key terms of the transaction involved the subscription of primary shares (124,242,272) and the purchase of shares from CVC (119,033,590 shares) and IFC (36,724,138 shares) all at Php64.00 per share.

The foregoing capital raising activities are summarized in the table below.

	2009	2011	2013	2014	2015	2016	2017	2018
<b>Capital raised</b>	P4.0bio Unsecured Subordinated Debt Qualifying as Tier II Capital	P5.8bio Tier 1 Common Stock—P2.1bio from IFC and P3.7bio from CVC Capital Partners	P4.1bio Common Stock from a "top-up offering" and P4.1bio Common Stock from additional investment of IFC  P5.1bio freed-up capital from sale of RCBC Realty/Land & Bankard	P10.0bio Unsecured Subordinated Debt Qualifying as Tier II Capital	P7.95 bio Equity Investment			P15.0 bio Common Stock from Stock Rights Offering
<b>Stockholder's Equity (P)</b>	30.5bio	37.846bio	44.8bio	52.6bio	58.1bio	62.1 bio	67.0 bio	81.4 bio
<b>CAR (%)</b>	18.5%	18.5%	16.5%	15.37%	15.72%	16.16%	15.46%	16.13%
<b>Tier 1 Ratio (%)</b>	12.6%	13.7%	16.0%	11.83%	12.55%	12.89%	12.45%	13.38%
<b>Net Income (P)</b>	3.3bio	5.03bio	5.3bio	4.4bio	5.1bio	3.8 bio	4.3 bio	4.3 bio

In January 2018, the Board approved the amendment of the articles of incorporation to further increase the authorized capital from 1.4 billion common shares to 2.6 billion, ahead of the Bank's stock rights offering (SRO) that was successfully completed in July 2018. The additional capital from the SRO amounted to Php15.0 billion which is aimed to strengthen the Bank's capital ratios and fund its business expansion.

In March 2018, the Bank recognized a one-time capital charge amounting to Php66.3 million representing the transition adjustments as of January 1, 2018 to cover provisioning requirements of Expected Credit Losses under BSP Circular 855 and PFRS 9. This adjustment includes the appropriation of retained earnings amounting to Php1.7 billion representing the additional general allowance set by the BSP to meet the minimum 1% floor on top of the actual ECL.

##### Recovery Planning Process

Recovery planning has been designed to be integrated with the Bank's existing risk and capital management processes and functions. The Recovery Planning Framework emphasizes that the Framework should allow for proper development, approval and implementation of the planning process in the Bank's ongoing business (normal times), and on the other hand, for a timely decision on and implementation of recovery options during a crisis situation.

The Bank has established a robust Recovery Planning Governance Framework to ensure that all aspects of recovery planning—including the development, review and approval, and maintenance of the Plan—receive appropriate attention by both Senior Management and the Board. The Recovery Planning Framework leverages established roles and responsibilities and committee charters, directs the personnel that the Bank dedicates to recovery planning, and incorporates enhancements specifically designed to address recovery planning. As a result, the recovery plan development, review, approval and maintenance activities are fully integrated into the Bank's existing corporate governance structure.

#### Risk and Capital Disclosures

The following are the pertinent risk and capital disclosures for RCBC and its subsidiaries. The figures for the Group and the Parent are calculated based on accounting methodologies prescribed by the BSP for prudential reporting, and therefore may not necessarily tally with the figures stated in the Group's Audited Financial Statements.

The capital adequacy ratio of the Group and the Parent as reported to the BSP as of December 31, 2019 and 2018 under Basel 3 framework are shown in the table below.

	Group		Parent	
	2019	2018	2019	2018
CET 1 Capital	70,153	67,539	64,997	53,512
Tier 1 Capital	70,155	67,542	65,000	53,515
Tier 2 Capital	4,701	13,871	4,614	13,173
<b>Total Qualifying Capital</b>	<b>74,856</b>	<b>81,412</b>	<b>69,614</b>	<b>66,688</b>
Credit Risk Weighted Assets	482,459	455,812	470,213	368,938
Market Risk Weighted Assets	10,411	8,310	10,353	8,346
Operational Risk Weighted Assets	51,274	40,534	48,220	26,852
<b>Risk Weighted Assets</b>	<b>544,144</b>	<b>504,657</b>	<b>528,786</b>	<b>404,136</b>
<b>Total Capital Adequacy Ratio</b>	<b>13.76%</b>	<b>16.13%</b>	<b>13.16%</b>	<b>16.50%</b>
<b>Tier 1 Capital Adequacy Ratio</b>	<b>12.89%</b>	<b>13.38%</b>	<b>12.29%</b>	<b>13.24%</b>
<b>Common Equity Tier 1 Ratio</b>	<b>12.89%</b>	<b>13.38%</b>	<b>12.29%</b>	<b>13.24%</b>
<b>Capital Conservation Buffer</b>	<b>6.89%</b>	<b>7.38%</b>	<b>6.29%</b>	<b>7.24%</b>
<b>Capital Conservation Buffer after DSIB</b>	<b>5.89%</b>	<b>6.38%</b>	<b>5.29%</b>	<b>6.24%</b>

The regulatory qualifying capital of the Group and the Parent consists of Tier 1 (Common Equity Tier 1 plus Additional Tier 1) Capital less regulatory deductions. The components of qualifying capital as of December 31, 2019 and 2018 are as follows:

	Group		Parent	
	2019	2018	2019	2018
<b>Tier 1 (Common Equity Tier 1 plus Additional Tier 1) Capital</b>				
Paid up common stock	22,509	19,356	22,509	19,356
Additional paid in capital	42,568	32,061	42,568	32,061
Retained Earnings	28,069	27,203	28,069	27,203
Undivided profits	5,653	4,372	5,653	4,372
Other Comprehensive Income				
Net unrealized gains or losses on AFS securities	1,233	1,436	1,233	1,436
Cumulative foreign currency translation	54	54	54	54
Remeasurement of Net Defined Benefit Liability/(Asset)	(3,020)	(1,248)	(3,020)	(1,248)
Minority interest in subsidiary financial allied undertaking which are less than wholly owned	20	25		
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>97,086</b>	<b>83,260</b>	<b>97,066</b>	<b>83,234</b>

	Group		Parent	
	2019	2018	2019	2018
<b>Less: Regulatory Adjustments to CET1 Capital</b>				
Common stock treasury shares	13,719		13,719	
Unbooked valuation reserves and other capital adjustments based on the latest report of examination as approved by the Monetary Board	3,140	2,599	3,130	2,108
Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)	0	1	0	1,001
Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates	17	196	17	196
Deferred tax assets	2,297	2,233	2,018	965
Goodwill	269	269	269	
Other Intangible Assets	1,902	1,943	1,895	1,786
Defined benefit pension fund assets (liabilities)				
Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers brokers and insurance companies), after deducting related goodwill, if any			6,759	19,338
Other equity investments in non-financial allied undertakings and non-allied undertakings	5,575	8,466	4,248	4,315
Reciprocal investments in common stock of other banks/quasi-banks and financial allied undertakings including securities dealers/brokers and insurance companies, after deducting related goodwill, if any (for both solo and consolidated bases)	15	15	15	15
<b>Total Regulatory Adjustments to CET1 Capital</b>	<b>26,934</b>	<b>15,721</b>	<b>32,069</b>	<b>29,722</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>70,153</b>	<b>67,539</b>	<b>64,997</b>	<b>53,512</b>
<b>Additional Tier 1 (AT1) Capital</b>				
Instruments issued by the bank that are eligible as AT1 Capital	3	3	3	3
<b>Less: Regulatory Adjustments to AT1 Capital</b>				
<b>Total Additional Tier 1 (AT1) Capital</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Total Tier 1 (Common Equity Tier 1 plus Additional Tier 1) Capital</b>	<b>70,155</b>	<b>67,542</b>	<b>65,000</b>	<b>53,515</b>
<b>Tier 2 Capital</b>				
Instruments issued by the bank that are eligible as Tier 2 capital		9,986		9,986
General loan loss provision	4,701	3,885	4,614	3,187
<b>Total Tier 2 Capital</b>	<b>4,701</b>	<b>13,871</b>	<b>4,614</b>	<b>13,173</b>
<b>Less: Regulatory Adjustments to Tier 2 Capital</b>				
<b>Total Tier 2 Capital</b>	<b>4,701</b>	<b>13,871</b>	<b>4,614</b>	<b>13,173</b>
<b>Total Qualifying Capital</b>	<b>74,856</b>	<b>81,412</b>	<b>69,614</b>	<b>66,688</b>

Full Reconciliation of all Regulatory Capital Elements and Regulatory Adjustments/Deductions (In Millions)

Group										
FRP Equity Accounts	2019					2018				
	FRP	BASEL III				FRP	BASEL III			
		CET1 Capital	Additional Tier 1	Tier 2 Capital	Total Basel III Capital		CET1 Capital	Additional Tier 1	Tier 2 Capital	Total Basel III Capital
Paid in Capital Stock	22,512	22,509	3		22,512	19,359	19,356	3		19,359
Common Stock	22,509	22,509			22,509	19,356	19,356			19,356
Perpetual and Non-Cumulative Preferred Stock	3		3		3	3		3		3
Additional Paid-in Capital	42,568	42,568			42,568	32,061	32,061			32,061
Retained Earnings	28,069	28,069			28,069	27,203	27,203			27,203
Undivided Profits	5,653	5,653			5,653	4,372	4,372			4,372
Other Comprehensive Income	(1,733)	(1,733)			(1,733)	242	242			242
Treasury Stock	(13,719)									
Minority Interest in Subsidiaries (for consolidated report only)	20	20			20	25	25			25
Total Equity Accounts	83,370	97,086	3		97,089	83,262	83,260	3		83,262
Other Accounts Eligible as Regulatory Capital										
Unsecured Subordinated Debt									9,986	9,986
General Loan Loss Reserves				4,701	4,701				3,885	3,885
Regulatory Adjustments/Deductions to CET1 Capital										
Common stock treasury shares		(13,719)			(13,719)					
Unbooked valuation reserves and other capital adjustments based on the latest report of examination as approved by the Monetary Board		(3,140)			(3,140)		(2,599)			(2,599)
Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)			(0)		(0)		(1)			(1)
Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates			(17)		(17)		(196)			(196)
Deferred tax assets		(2,297)			(2,297)		(2,233)			(2,233)
Goodwill		(269)			(269)		(269)			(269)
Other Intangible Assets		(1,902)			(1,902)		(1,943)			(1,943)
Defined benefit pension fund assets (liabilities)										
Other equity investments in non-financial allied undertakings and non-allied undertaking			(5,575)		(5,575)		(8,466)			(8,466)
Reciprocal investments in common stock of other banks/ quasi-banks and financial allied undertakings including securities dealers/brokers and insurance companies, after deducting related goodwill, if any (for both solo and consolidated bases)			(15)		(15)		(15)			(15)
Total Regulatory Capital	83,370	70,153	3	4,701	74,856	83,262	67,539	3	13,871	81,412

Full Reconciliation of all Regulatory Capital Elements and Regulatory Adjustments/Deductions (In Millions)

Parent										
FRP Equity Accounts	2019					2018				
	FRP	BASEL III				FRP	BASEL III			
		CET1 Capital	Additional Tier 1	Tier 2 Capital	Total Basel III Capital		CET1 Capital	Additional Tier 1	Tier 2 Capital	Total Basel III Capital
Paid in Capital Stock	22,512	22,509	3		22,512	19,359	19,356	3		19,359
Common Stock	22,509	22,509			22,509	19,356	19,356			19,356
Perpetual and Non-Cumulative Preferred Stock	3		3		3	3		3		3
Additional Paid-in Capital	42,568	42,568			42,568	32,061	32,061			32,061
Retained Earnings	28,069	28,069			28,069	27,203	27,203			27,203
Undivided Profits	5,653	5,653			5,653	4,372	4,372			4,372
Other Comprehensive Income	(1,733)	(1,733)			(1,733)	242	242			242
Treasury Stock	(13,719)									
Minority Interest in Subsidiaries (for consolidated report only)										
Total Equity Accounts	83,350	97,066	3		97,069	83,237	83,234	3		83,237
Other Accounts Eligible as Regulatory Capital										
Unsecured Subordinated Debt									9,986	9,986
General Loan Loss Reserves				4,614	4,614				3,187	3,187
Regulatory Adjustments/Deductions to CET1 Capital										
Common stock treasury shares		(13,719)			(13,719)					
Unbooked valuation reserves and other capital adjustments based on the latest report of examination as approved by the Monetary Board		(3,130)			(3,130)		(2,108)			(2,108)
Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)			(0)		(0)		(1,001)			(1,001)
Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates			(17)		(17)		(196)			(196)
Deferred tax assets		(2,018)			(2,018)		(965)			(965)
Goodwill		(269)			(269)					
Other Intangible Assets		(1,895)			(1,895)		(1,786)			(1,786)
Defined benefit pension fund assets (liabilities)										
Investments in equity of unconsolidated subsidiary banks and quasi- banks, and other financial allied undertakings (excluding subsidiary securities dealers brokers and insurance companies), after deducting related goodwill, if any		(6,759)			(6,759)		(19,338)			(19,338)
Other equity investments in non-financial allied undertakings and non-allied undertaking		(4,248)			(4,248)		(4,315)			(4,315)
Reciprocal investments in common stock of other banks/ quasi-banks and financial allied undertakings including securities dealers/brokers and insurance companies, after deducting related goodwill, if any (for both solo and consolidated bases)		(15)			(15)		(15)			(15)
Total Regulatory Capital	83,350	64,997	3	4,614	69,614	83,237	53,512	3	13,173	66,688

Components of Regulatory Capital

Regulatory Capital consist of the sum of the following accounts as reported in the BSP Financial Reporting Package (FRP) which are eligible as Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital guided by Circular No. 781 - Basel III Implementing Guidelines on Minimum Capital Requirements

- a. Paid in Capital Stock
- b. Additional Paid-in Capital Stock
- c. Retained Earnings
- d. Undivided Profits
- e. Other Comprehensive Income
  - Net Unrealized Gains or Losses on AFS Securities
  - Cumulative foreign currency translation
  - Remeasurement of Net Defined Benefit Liability/ (Asset) pertains to Reserves on remeasurements of post-employment defined benefit plan comprise of net accumulated actuarial gains or losses arising from experience adjustments and other changes in actuarial assumptions and actual return on plan assets
- f. Minority Interest in Subsidiaries (for consolidated report only)

Tier 2 Capital consists of sum of Unsecured Subordinated Debt which matured on September 2019 and General Loan Loss Provision, limited to a maximum of 1.00% of credit riskweighted assets.

Regulatory Adjustments to Capital consists of the sum of the following accounts :

- a. Unbooked valuation reserves and other capital adjustment based on latest examination of monetary board (Retained Earnings - Appropriated for General Loan Loss Reserves)
- b. Unsecured credit accomodations
- c. Unsecured loans, other credit credit accomodations and guarantees granted to subsidiaries and affiliates
- d. Deferred Tax Assets pertains to the tax impact of deductible temporary differences such as but not limited to provisions for impairment,minimum corporate income tax and retirement benefits
- e. Goodwill represents goodwill of RCBC Savings
- f. Other Intangible Assets consist of computer software and branch licenses
- g. Defined benefit pension fund assets pertains to the excess of the fair value of the plan assets over the present value of the defined benefit obligation
- h. Investments in equity of unconsolidated subsidiary banks for the solo reporting represents carrying amount as reported in the FRP, net of related goodwill
  - RCBC Savings Bank
  - RCBC Capital Corporation
  - RCBC Forex Brokers Corp.
  - RCBC Leasing and Finance Corp.
  - Merchant Savings & Loan Association Inc.
  - RCBC Telemoney Europe
  - RCBC International Finance Ltd.
- i. Other equity investments in non-financial allied undertakings and non-allied undertakings represents investments in various companies such as Niyog Properties, YGC Corporate Services, Honda Cars, GPL Holdings, MICO Equities, Roxas Holdings, Pilipinas Shell, Isuzu Phils. among others

Main Features of Tier 2 Subordinated Debt Issued

On June 27, 2014 the Parent Company issued Php7.0 billion Basel III-compliant Tier 2 Capital Notes (Tier 2 Notes) which shall be part of the Group's regulatory capital compliance in accordance with Basel III capital guidelines of the BSP. The Parent Company re-opened the Tier 2 Notes and issued an additional Php3.0 billion of the Notes on September 5, 2014, which constituted a further issuance of, and formed a single series with the existing Php7.0 billion Tier 2 Notes.

The significant terms and conditions of the Tier 2 Notes with an aggregate issue amount of Php10.0 billion, are as follows :

- (a) The Tier 2 Notes shall mature on September 27, 2024, provided that they are not redeemed at an earlier date.
- (b) Subject to satisfaction of certain regulatory approval requirements, the Parent Company may, on September 26, 2019, and on any Interest Payment Date thereafter, redeem all of the outstanding Tier 2 Notes at redemption price equal to 100% of its face value together with accrued and unpaid interest thereon. The terms and conditions of the Tier 2 Notes also allow for early redemption upon the occurrence of a Tax Redemption Event or a Regulatory Redemption Event.
- (c) The Tier 2 Notes shall initially bear interest at the rate of 5.375% per annum from and including June 27, 2014 to but excluding September 27, 2019 and shall be quarterly in arrears at the end of each interest period on March 27, June 27, September 27 and December 27 of each year.
- (d) Unless the Tier 2 Notes are previously redeemed, the initial interest rate will be reset on September 26, 2019 at the equivalent of the five-year PDST-R2 or the relevant five-year benchmark plus the initial spread of 1.93% per annum Such reset interest shall be payable quarterly in arrears commencing on September 27, 2019 up to and including September 27, 2024, if not otherwise redeemed earlier.
- (e) The Tier 2 Notes have a loss absorption feature which means the notes are subject to a Non-Viability Write-Down in case of the occurrence of a Non-Viability Event, subject to certain conditions as set out in the terms and conditions of the notes, when the Issuer is considered non-viable as determined by the BSP. Non- Viability is defined as a deviation from a certain level of CET1 ratio or the inability of the Issuer to continue business (closure) or any other event as determined by the BSP, whichever comes earlier. Upon the occurrence of a Non-Viability Event, the Issuer shall write-down the principal amount of the notes to the extent required by the BSP, which could go as low as zero. A Non-Viability Write-Down shall have the following effects :
  - (i) it shall reduce the claim on the notes of the liquidation;
  - (ii) reduce the amount re-paid when a call or redemption is properly exercised; and,
  - (iii) partially or fully reduce the interest payments on the notes.

For the features of the other capital instruments please refer to Note 23.1 of the Audited FS for the Preferred Shares.

Full Reconciliation of Regulatory Capital Elements back to the FRP Balance Sheet in the Audited Financial Statements  
(In Millions)  
RCBC Parent

December 31, 2019					
Equity Accounts	Audited FS	BSP FRP	Change	Details	Amount
Common Stock	22,509	22,509	-		
Preferred Stock	3	3	-		
Capital Paid in Excess of Par	42,568	42,568	-		
Revaluation Reserves	(2,234)	(1,733)	(501)	Marked to market adjustment of Equity Securities	(378)
				Adjustment on retirement plan benefits	(123)
					(501)
Reserve for Trust Business	485	471	14	Additional provision on Reserves for Trust Business	14
General Loan Loss Reserves	3,130	3,130	-		
Surplus	29,800	30,121	(321)	Losses on Sale of FVOCI	(41)
				Transition adjustment on PFRS 16 - ATMs	(1)
				Additional provision on Reserves for Trust Business	(14)
				Profit and Loss and prior year adjustment	(265)
					(321)
Total Capital	96,261	97,069	(808)		(808)

Reconciliation for the Group Regulatory Elements are the same as that of the Parent Bank.

Full Reconciliation of Regulatory Capital Elements back to the FRP Balance Sheet in the Audited Financial Statements  
(In Millions)  
RCBC Parent

December 31, 2018					
Equity Accounts	Audited FS	BSP FRP	Change	Details	Amount
Common Stock	19,356	19,356	-		
Preferred Stock	3	3	-		
Capital Paid in Excess of Par	32,061	32,061	-		
Revaluation Reserves	265	242	23	Marked to market adjustment of Equity Securities	119
				Adjustment on retirement plan benefits	(96)
					23
Reserve for Trust Business	406	401	5	Additional provision on Reserves for Trust Business	5
General Loan Loss Reserves	2,112	2,108	4	Additional Requirement on appropriated RE	4
Surplus	26,872	29,065	(2,194)	Additional provision on Reserves for Trust Business	(5)
				Adjustment on ECL transition	(2,010)
				PFRS9 Transition adjustment	(124)
				Additional Requirement on appropriated RE	(4)
				Profit and Loss and prior year adjustment	(51)
					(2,194)
Total Capital	81,075	83,237	(2,162)		(2,162)

Capital Requirements by type of exposure as of December 31, 2019 and 2018 are as follows:

(in Millions)

December 31, 2019						
	Credit Risk		Market Risk		Operational Risk	
	Group	Parent	Group	Parent	Group	Parent
On- Balance Sheet Assets	461,192	448,945				
Off- Balance Sheet Assets	17,485	17,485				
Counterparty Risk-Weighted Assets in the Banking & Trading Book	3,783	3,783				
Credit Linked Notes in the Banking Book						
Securitization Exposures						
Market Risk-Weighted Assets			10,411	10,353		
Operational Risk using Basic Indicator Approach					51,274	48,220
<b>Total</b>	<b>482,459</b>	<b>470,213</b>	<b>10,411</b>	<b>10,353</b>	<b>51,274</b>	<b>48,220</b>
<b>Capital Requirements</b>	<b>48,246</b>	<b>47,021</b>	<b>1,041</b>	<b>1,035</b>	<b>5,127</b>	<b>4,822</b>

(in Millions)

December 31, 2018						
	Credit Risk		Market Risk		Operational Risk	
	Group	Parent	Group	Parent	Group	Parent
On- Balance Sheet Assets	428,434	341,578				
Off- Balance Sheet Assets	14,719	14,700				
Counterparty Risk-Weighted Assets in the Banking & Trading Book	12,660	12,660				
Credit Linked Notes in the Banking Book						
Securitization Exposures						
Market Risk-Weighted Assets			8,310	8,346		
Operational Risk using Basic Indicator Approach					40,534	26,852
<b>Total</b>	<b>455,812</b>	<b>368,938</b>	<b>8,310</b>	<b>8,346</b>	<b>40,534</b>	<b>26,852</b>
<b>Capital Requirements</b>	<b>45,581</b>	<b>36,894</b>	<b>831</b>	<b>835</b>	<b>4,053</b>	<b>2,685</b>

Risk weighted on-balance sheet assets covered by credit risk mitigants were based on collateralized transactions as well as guarantees by the Philippine National Government (NG) and those guarantors and exposures with the highest credit rating.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on the rating by Standard & Poor's, Moody's, Fitch and Philratings on exposures to Sovereigns, Multilateral Development Banks, Banks, Local Government Units, Government Corporation and Corporates.

Total Credit Risk Exposures by Type, Risk Buckets and Risk Weighted Assets as of December 31, 2019 and 2018 are as follows :

RCBC Group  
Total Credit Risk Exposures by Type, Risk Buckets and Risk Weighted Assets

December 31, 2019										
Type of Exposures	Total Exposures*	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets
				0%	20%	50%	75%	100%	150%	
On-Balance Sheet Exposures										
Sovereigns	229,115	1,500	227,615	199,527	343	24,794		2,950		15,416
Banks	43,777		43,777		9,287	32,418		2,071		20,138
Government corporations	2,823	2,823	0					0		0
Corporates	290,725	6,070	284,655		4,321	265		279,126	943	281,537
Housing Loans	48,243	20,037	28,206			25,506		2,700		15,453
MSME Qualified portfolio	11,730		11,730				11,730			8,797
Defaulted exposures	14,356		14,356					1,207	13,149	20,931
Housing Loans	1,207		1,207					1,207		1,207
Others	13,149		13,149						13,149	19,724
ROPA	4,534		4,534						4,534	6,801
All other assets, net of deductions	108,934		108,934	16,840	95			91,797	202	92,119
Total on-balance sheet exposures	754,236	30,430	723,806	216,367	14,047	82,983	11,730	379,850	18,829	461,192
Off-balance sheet exposures										
Direct credit substitutes	7,904		7,904					7,904		7,904
Transaction-related contingencies	17,655		17,655					8,828		8,828
Trade-related contingencies	3,766		3,766					753		753
Others	184,583		184,583	184,583						
Total off-balance sheet exposures	213,908		213,908	184,583				17,485		17,485
Counterparty Risk-Weighted Assets in the Banking Book	78,512		78,512	75,832		1,732		947		1,813
Counterparty Risk-Weighted Assets in the Trading Book										
Derivatives - interest rate contracts	528		528		13	397		118		319
Derivatives - exchange rate contracts	1,866		1,866		15	450		1,401		1,629
Credit Derivatives	23		23			3		20		22
Total counterparty RWA in trading book	2,417		2,417		28	849		1,539		1,969
Risk-Weighted Amount of Credit Linked Notes in the Banking Book										
Risk-Weighted Securitization Exposures										
Total Deductions from Capital	1,049,073	30,430	1,018,643	476,782	14,076	85,564	11,730	399,822	18,829	482,459
General loan loss provision (in excess of the amount permitted to be included in Tier 2)										
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination										
Total, net of deductions	1,049,073	30,430	1,018,643	476,782	14,076	85,564	11,730	399,822	18,829	482,459

\* Principal amount for on-balance sheet and credit equivalent amount for off-balance sheet, net of specific provision

RCBC Parent  
Total Credit Risk Exposures by Type, Risk Buckets and Risk Weighted Assets

December 31, 2019										
Type of Exposures	Total Exposures*	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets
				0%	20%	50%	75%	100%	150%	
On-Balance Sheet Exposures										
Sovereigns	227,257	1,500	225,757	197,669		24,794				15,416
Banks	44,070		44,070		9,287	32,418		2,365		16,838
Government corporations	2,823	2,823								
Corporates	283,345	6,070	277,275		3,907	265		272,159		274,488
Housing Loans	48,232	20,037	28,195			25,495				15,447
MSME Qualified portfolio	11,374		11,374				11,374			8,531
Defaulted exposures	13,515		13,515					1,207	12,308	19,669
Housing Loans	1,207		1,207					1,207		1,207
Others	12,308		12,308						12,308	18,462
ROPA	4,413		4,413						4,413	6,620
All other assets, net of deductions	105,174		105,174	16,808	29			88,337		88,343
Total on-balance sheet exposures	740,203	30,430	709,773	214,477	13,567	82,972	11,374	369,718	17,665	448,945
Off-balance sheet exposures										
Direct credit substitutes	7,904		7,904					7,904		7,904
Transaction-related contingencies	8,828		8,828					8,828		8,828
Trade-related contingencies	753		753					753		753
Others	184,583		184,583	184,583						
Total off-balance sheet exposures	202,068		202,068	184,583				17,485		17,485
Counterparty Risk-Weighted Assets in the Banking Book	78,512		78,512	75,832		1,732		947		1,813
Counterparty Risk-Weighted Assets in the Trading Book										
Derivatives - interest rate contracts	528		528		13	397		118		319
Derivatives - exchange rate contracts	1,866		1,866		15	450		1,401		1,629
Credit Derivatives	23		23			3		20		22
Total counterparty RWA in trading book	2,417		2,417		28	849		1,539		1,969
Risk-Weighted Amount of Credit Linked Notes in the Banking Book										
Risk-Weighted Securitization Exposures										
Total Deductions from Capital	1,023,199	30,430	992,769	474,893	13,595	85,554	11,374	389,689	17,665	470,213
General loan loss provision (in excess of the amount permitted to be included in Tier 2)										
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination										
Total, net of deductions	1,023,199	30,430	992,769	474,893	13,595	85,554	11,374	389,689	17,665	470,213

\* Principal amount for on-balance sheet and credit equivalent amount for off-balance sheet, net of specific provision

RCBC Group  
Total Credit Risk Exposures by Type, Risk Buckets and Risk Weighted Assets

December 31, 2018											
Type of Exposures	Total Exposures*	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets	
				0%	20%	50%	75%	100%	150%		
On-Balance Sheet Exposures											
Sovereigns	144,988	13,489	131,499	95,635		35,864				17,932	
Banks	31,494		31,494		1,198	28,594			1,703	16,239	
Government corporations	6,817	3,483	3,334			3,013			320	1,827	
Corporates	281,787	6,157	275,629		2,175	1,833			271,621	272,973	
Housing Loans	43,226	17,452	25,774			22,942			2,832	14,303	
MSME Qualified portfolio	10,211		10,211					10,211		7,658	
Defaulted exposures	12,462		12,462						3,590	8,872	16,897
Housing Loans	3,590		3,590						3,590		3,590
Others	8,872		8,872							8,872	13,308
ROPA	2,410		2,410							2,410	3,616
All other assets, net of deductions	94,666	349	94,318	17,344	108				76,664	202	76,989
Total on-balance sheet exposures	628,061	40,930	587,130	112,979	3,480	92,246		10,211	356,730	11,485	428,434
Off-balance sheet exposures											
Direct credit substitutes	6,492		6,492					6,492		6,492	
Transaction-related contingencies	6,856		6,856					6,856		6,856	
Trade-related contingencies	1,371		1,371					1,371		1,371	
Others	144,379		144,379	144,379							
Total off-balance sheet exposures	159,098		159,098	144,379				14,719		14,719	
Counterparty Risk-Weighted Assets in the Banking Book	20,653		20,653			20,653				10,326	
Counterparty Risk-Weighted Assets in the Trading Book											
Derivatives - interest rate contracts	452		452		12	124		315		380	
Derivatives - exchange rate contracts	2,071		2,071		8	279		1,784		1,925	
Credit Derivatives	63		63	33		3		27		28	
Total counterparty RWA in trading book	2,586		2,586	33	20	406		2,127		2,334	
Risk-Weighted Amount of Credit Linked Notes in the Banking Book											
Risk-Weighted Securitization Exposures											
Total Deductions from Capital	810,397	40,930	769,466	257,391	3,501	113,305	10,211	373,575	11,485	455,812	
General loan loss provision (in excess of the amount permitted to be included in Tier 2)											
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination											
Total, net of deductions	810,397	40,930	769,466	257,391	3,501	113,305	10,211	373,575	11,485	455,812	

\* Principal amount for on-balance sheet and credit equivalent amount for off-balance sheet, net of specific provision

RCBC Parent  
Total Credit Risk Exposures by Type, Risk Buckets and Risk Weighted Assets

December 31, 2018										
Type of Exposures	Total Exposures*	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets
				0%	20%	50%	75%	100%	150%	
On-Balance Sheet Exposures										
Sovereigns	111,374	13,489	97,885	67,242		30,643				15,322
Banks	30,573		30,573		1,198	28,439		936		14,502
Government corporations	6,292	3,483	2,809			2,489		320		1,565
Corporates	270,334	5,985	264,349		2,175	1,833		260,341		261,693
Housing Loans	33	32	1			1				
MSME Qualified portfolio	9,782		9,782				9,782			7,336
Defaulted exposures	1,918		1,918					4	1,913	2,875
Housing Loans	4		4					4		4
Others	1,913		1,913						1,913	2,870
ROPA	657		657						657	986
All other assets, net of deductions	48,670		48,670	12,225	48			36,397		36,406
Total on-balance sheet exposures	479,632	22,988	456,644	79,466	3,421	63,405	9,782	297,999	2,571	341,578
Off-balance sheet exposures										
Direct credit substitutes	6,492		6,492					6,492		6,492
Transaction-related contingencies	6,837		6,837					6,837		6,837
Trade-related contingencies	1,371		1,371					1,371		1,371
Others	114,657		114,657	114,657						
Total off-balance sheet exposures	129,357		129,357	114,657				14,700		14,700
Counterparty Risk-Weighted Assets in the Banking Book	20,653		20,653			20,653				10,326
Counterparty Risk-Weighted Assets in the Trading Book										
Derivatives - interest rate contracts	452		452		12	124		315		380
Derivatives - exchange rate contracts	2,071		2,071		8	279		1,784		1,925
Credit Derivatives	63		63	33		3		27		28
Total counterparty RWA in trading book	2,586		2,586	33	20	406		2,127		2,334
Risk-Weighted Amount of Credit Linked Notes in the Banking Book										
Risk-Weighted Securitization Exposures										
Total Deductions from Capital	632,228	22,988	609,240	194,157	3,441	84,464	9,782	314,825	2,571	368,938
General loan loss provision (in excess of the amount permitted to be included in Tier 2)										
Unbooked valuation reserves and other capital adjustments affecting asset accounts based on the latest report of examination										
Total, net of deductions	632,228	22,988	609,240	194,157	3,441	84,464	9,782	314,825	2,571	368,938

\* Principal amount for on-balance sheet and credit equivalent amount for off-balance sheet, net of specific provision

RCBC Group  
Total Credit Risk Exposures by Asset Type, Risk Buckets and Risk Weighted Assets

December 31, 2019										
On-Balance Sheet Assets	Pincipal Amount	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets
				0%	20%	50%	75%	100%	150%	
Cash on Hand	16,840		16,840	16,840						
Checks and Other Cash Items	95		95		95					19
Due from Bangko Sentral ng Pilipinas (BSP)	87,234		87,234	87,234						
Due from Other Banks	18,782		18,782		2,298	15,425		1,059		9,232
Financial Assets Designated at Fair Value through Profit or Loss										
Available-for-Sale (AFS) Financial Assets	50,932		50,932	31,407	3,837	9,310		6,379		11,801
Held-to-Maturity (HTM) Financial Assets	102,230	1,500	100,730	75,114	828	20,913		2,932	943	14,969
Loans and Receivables	447,058	28,930	418,128		6,990	37,335	11,730	348,924	13,149	397,511
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	5,771		5,771	5,771						
Sales Contract Receivable (SCR)	798		798					595	202	899
Real and Other Properties Acquired	4,534		4,534						4,534	6,801
Other Assets	19,962		19,962					19,962		19,962
Total Risk-weighted On-Balance Sheet Assets	754,236	30,430	723,806	216,367	14,047	82,983	11,730	379,850	18,829	461,192

RCBC Group  
Total Credit Risk Exposures by Asset Type, Risk Buckets and Risk Weighted Assets

December 31, 2018										
On-Balance Sheet Assets	Pincipal Amount	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets
				0%	20%	50%	75%	100%	150%	
Cash on Hand	17,344		17,344	17,344						
Checks and Other Cash Items	108		108		108					22
Due from Bangko Sentral ng Pilipinas (BSP)	56,497		56,497	56,497						
Due from Other Banks	20,342		20,342		1,128	17,670		1,544		10,604
Financial Assets Designated at Fair Value through Profit or Loss										
Available-for-Sale (AFS) Financial Assets	15,643		15,643	14,708		509		426		680
Held-to-Maturity (HTM) Financial Assets	91,133	13,489	77,644	14,393	2,175	41,669		19,407		40,677
Loans and Receivables	396,455	27,442	369,014		69	32,398	10,211	317,464	8,872	354,642
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	10,037		10,037	10,037						
Sales Contract Receivable (SCR)	910		910					707	202	1,011
Real and Other Properties Acquired	2,410		2,410						2,410	3,616
Other Assets	17,182		17,182					17,182		17,182
Total Risk-weighted On-Balance Sheet Assets	628,061	40,930	587,130	112,979	3,480	92,246	10,211	356,730	11,485	428,434

RCBC Parent  
Total Credit Risk Exposures by Asset Type, Risk Buckets and Risk Weighted Assets

December 31, 2019										
On-Balance Sheet Assets	Pincipal Amount	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets
				0%	20%	50%	75%	100%	150%	
Cash on Hand	16,808		16,808	16,808						
Checks and Other Cash Items	29		29		29					6
Due from Bangko Sentral ng Pilipinas (BSP)	85,516		85,516	85,516						
Due from Other Banks	18,467		18,467		2,298	15,425		744		8,916
Financial Assets Designated at Fair Value through Profit or Loss										
Available-for-Sale (AFS) Financial Assets	49,904		49,904	31,407	3,423	9,310		5,765		11,104
Held-to-Maturity (HTM) Financial Assets	101,544	1,500	100,044	75,114	828	20,913		2,245	943	14,282
Loans and Receivables	439,999	28,930	411,069		6,990	37,324	11,374	343,275	12,106	390,025
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	5,632		5,632	5,632						
Sales Contract Receivable (SCR)	779		779					577	202	880
Real and Other Properties Acquired	4,413		4,413						4,413	6,620
Other Assets	17,112		17,112					17,112		17,112
<b>Total Risk-weighted On-Balance Sheet Assets</b>	<b>740,203</b>	<b>30,430</b>	<b>709,773</b>	<b>214,477</b>	<b>13,567</b>	<b>82,972</b>	<b>11,374</b>	<b>369,718</b>	<b>17,665</b>	<b>448,945</b>

RCBC Parent  
Total Credit Risk Exposures by Asset Type, Risk Buckets and Risk Weighted Assets

December 31, 2018										
On-Balance Sheet Assets	Pincipal Amount	Credit Risk Mitigants (CRM)	Total Credit Risk Exposure after CRM	Risk Weights						Total Risk Weighted Assets
				0%	20%	50%	75%	100%	150%	
Cash on Hand	12,225		12,225	12,225						
Checks and Other Cash Items	48		48		48					10
Due from Bangko Sentral ng Pilipinas (BSP)	39,846		39,846	39,846						
Due from Other Banks	19,420		19,420		1,128	17,515		777		9,760
Financial Assets Designated at Fair Value through Profit or Loss										
Available-for-Sale (AFS) Financial Assets	12,093		12,093	12,093						
Held-to-Maturity (HTM) Financial Assets	80,000	13,489	66,511	11,301	2,175	36,433		16,602		35,254
Loans and Receivables	299,079	9,500	289,579		69	9,457	9,782	268,359	1,912	283,306
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	4,002		4,002	4,002						
Sales Contract Receivable (SCR)	28		28					27	1	29
Real and Other Properties Acquired	657		657						657	986
Other Assets	12,234		12,234					12,234		12,234
<b>Total Risk-weighted On-Balance Sheet Assets</b>	<b>479,632</b>	<b>22,988</b>	<b>456,644</b>	<b>9,466</b>	<b>3,421</b>	<b>3,405</b>	<b>9,782</b>	<b>297,999</b>	<b>2,571</b>	<b>341,578</b>

Market Risk Weighted Assets

Group				Parent			
	2019	2018		2019	2018		
Using Standardized Approach	Notional Amount	Market Risk Weighted Assets (MRWA)	Notional Amount	Market Risk Weighted Assets (MRWA)	Notional Amount	Market Risk Weighted Assets (MRWA)	Market Risk Weighted Assets (MRWA)
Interest Rate Exposures	97,254	5,283	90,880	6,101	96,507	5,225	90,003
Equity Exposures							
Foreign Exposures	10,582	5,090	5,607	2,165	10,583	5,090	5,643
Options	709	37	470	44	709	37	470
<b>Total</b>	<b>108,545</b>	<b>10,411</b>	<b>96,957</b>	<b>8,310</b>	<b>107,799</b>	<b>10,353</b>	<b>96,115</b>

Operational Risk-Weighted Assets under Basic Indicator Approach  
(Based on 3 year Average Gross Income)

Nature of Item	GROUP		PARENT	
	2019	2018	2019	2018
Net interest income	18,050	16,450	17,658	11,293
Other non-interest income	5,389	5,168	4,385	3,028
Gross Income	23,439	21,618	22,044	14,321
<b>Capital Requirements</b>	<b>51,274</b>	<b>40,534</b>	<b>48,220</b>	<b>26,852</b>

Use of Third Party Assessment for Credit Risk

Following the standardized approach for credit risk, the determination of capital requirement is based on an approach that links predefined risk weights to predefined asset classes. Standardized credit risk weights following BSP Circular 538 were used in the credit assessment of these asset exposures. Third party credit assessments in turn were based on the rating by Standard & Poor’s, Moody’s, Fitch and Philratings on exposures to Sovereigns, Multilateral Development Banks, Banks, Local Government Units, Government Corporation and Corporates.

Moreover, as of December 31, 2018 the Bank had exposures to the following countries via direct exposure to local corporates, the range of issuer ratings of which is indicated:

Country	Rating Range
United States	AAA to BBB-
Mexico	AA-
China	A-

NEW RELEVANT BSP REGULATIONS

BSP Circular/ Other Regulation	Description	Impact to RCBC’s Operations/ Bank’s Action
BSP Circular No. 1042	Guidelines on Investment Activities of BSP-Supervised Financial Institutions (BSFIs)	<ul style="list-style-type: none"><li>• The circular outlines the guidelines on sound risk management practices pertaining to investment activities of banks, requires banks to clearly articulate the desired market liquidity characteristics of investments under both trading and banking books, and recommends setting up limits in the Bank’s investments in certain securities in view of perceived lack of market liquidity.</li><li>• In compliance with this guideline, liquidity assessment tools are currently being set up to identify the market liquidity characteristics of RCBC’s investments, effects of market risk on the liquidity of investments under various scenarios, and to ensure that valuation and risk measurement models are able to capture the illiquidity of investments.</li><li>• Enhanced risk management on investments activities of Treasury and Financial Institutions</li></ul>
BSP Circular No. 1044	Guidelines on the Management of Interest Rate Risk in the Banking Book and Amendment of the Guidelines on Market Risk Management.	<ul style="list-style-type: none"><li>• The document formalized the separation of Interest Rate Risk in the Banking Book from Market Interest Rate Risk. It emphasized the importance of (1) a dynamic approach to earnings management and balance sheet forecasting, (2) integrating behavioral models to IRRBB measures and (3) developing a comprehensive stress testing/scenario analysis methodology.</li></ul>
BSP Circular No. 1042	Report on Intraday Liquidity of Universal and Commercial Banks (UBS/KBs) and their Subsidiary Banks/Quasi-Banks(QBs)	<ul style="list-style-type: none"><li>• Provides guidelines to banks in reporting intraday liquidity position, sources of intraday liquidity and ability to meet payment and settlement obligations on a timely basis under both normal and stressed condition. The objective of this Circular is to facilitate sound management of intraday liquidity risk as well as provide sufficient understanding and allocation of resources. The submission of the report is expected to encourage banks to adopt a systematic and disciplined approach in managing intraday liquidity. Covered banks are required to submit the report by end-June 2021.</li></ul>
BSP Circulars No. 1035	Amendments to the Basel III Liquidity Coverage Ratio Framework and Minimum Liquidity Ratio Framework	<ul style="list-style-type: none"><li>• BSP approved the extension of the observation period for the Basel III liquidity ratios compliance of subsidiary banks and quasi-banks up to end-December 2019</li><li>• During the extended observation period, covered banks and quasi banks are required to comply with a 70% LCR and NSFR floor, with the minimum LCR and NSFR requirements still at 100% upon effectivity date.</li></ul>
BSP Circular No. 1030	Amendments to Foreign Exchange Transactions	<ul style="list-style-type: none"><li>• Revisions of policies and processes particularly on the following: (1) issuance of Certificate of Inward Remittance; (2) Registration of Inward Investments; (3) Outward Investments; and (4) Application to Purchase (OTP)</li><li>• Adoption of new/revised forms</li><li>• Generation of new reports, and units responsible have been identified.</li></ul>
BSP Circular No. 1031	Additional Guidelines on the Grant of Licenses/Authorities and Types of Licenses of Permissible Activities	<ul style="list-style-type: none"><li>• Updating of Certification with Prudential Requirements;</li><li>• Updating of policies and procedures for the application of licenses for branches and branch-lite units;</li></ul>
BSP Circular No. 1032	Amendments to the Guidelines on the Basic Security Deposit Requirement	<ul style="list-style-type: none"><li>• Templates of internal reports aligned with the requirements of the circular;</li><li>• A system was put in place for monitoring withdrawal/replacement of securities.</li><li>• The policy was revised to align with the report template and revised cut-off for submission.</li></ul>
BSP Circular No. 1034	Amendments to the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio	<ul style="list-style-type: none"><li>• Policy Amendments;</li><li>• Monitoring of Compliance and Reporting</li></ul>
BSP Circular No. 1035	Amendments to the Basel III Liquidity Coverage Ratio Framework and Minimum Liquidity Ratio Framework	<ul style="list-style-type: none"><li>• Policy Amendments;</li><li>• Monitoring of Compliance and Reporting</li></ul>
BSP Circular No. 1042	Guidelines on Investment Activities of BSP-Supervised Financial Institutions (BSFIs)	<ul style="list-style-type: none"><li>• Revisited and strengthened the Bank’s Risk Management Framework on investment activities and updated related manuals</li></ul>
SEC Memorandum Circular No. 4, series of 2019	Sustainability Reporting Guidelines for Publicly-Listed Companies	First report to be submitted together with the Annual Report (SEC Form 17-A) for 2019 due for submission in 2020.
SEC Memorandum Circular No. 7, series of 2019	Guidelines on the Establishment of a One Person Corporation (OPC)	Policy on the on-boarding of one person corporations as clients
Republic Act No. 11232	Revised Corporation Code of the Philippines	Alignment of Corporate Governance Policies particularly on the following: <ul style="list-style-type: none"><li>• Dealing of Directors</li><li>• Election of Directors</li><li>• Disclosures</li><li>• Emergency Board</li><li>• Annual Stockholders Meeting</li></ul>
SEC Memorandum Circular No. 10, series of 2019	Rules of Material Related Party Transactions for Publicly-listed Companies	<ul style="list-style-type: none"><li>• Updating of the Policy on RPT;</li><li>• Additional reporting requirement of material RPTs to SEC;</li><li>• Coverage of RPT expanded;</li></ul>

BSP Circular/ Other Regulation	Description	Impact to RCBC’s Operations/ Bank’s Action
AMLC Resolution No. 81 dated 09 May 2019	Reminder on the Presentation of Certificate of Registration Issued by the AMLC to Designated Non-Financial Businesses and Professionals (DNFBPs) as part of Customer Due Diligence	<ul style="list-style-type: none"><li>• Assessment of potential DNFBPs upon account on-boarding;</li><li>• Requirement of self-certification for potential DNFBPs</li></ul>
BSP Circular Letter No. CL-2019-053	Mandatory Adoption of ISO 20022 as the Message Standard for Electronic Retail and High Value Payments that Settle in the Next-Generation Philippine Payment and Settlement System (PhilPaSS)	Compliance with ISO 20022 message standard
AMLC Procedural Issuance (API) A, B, and C No. 1 Series of 2019	Rules of Procedure in Administrative Cases (RPAC) under RA 9160 or the Anti-Money Laundering Act of 2001, as amended, and its Implementing Rules and Regulations, and Guidelines and Other Issuances of the AMLC, and the Imposition of Administrative Sanctions	Review and revision of the AML Sanction Policy to align the same with the RPAC
BSP Circular No. 1033	Amendments to Regulations on Electronic Banking Services and Other Electronic Operations	<ul style="list-style-type: none"><li>• Re-registration of existing electronic payment and financial services (EPFS) with BSP;</li><li>• Requirement of registration of EPFS before launching of new product/service</li><li>• Monitoring of compliance and reporting</li></ul>
BSP Circular No. 1048	BSP Regulations on Financial Consumer Protection; Guidelines and Procedures Governing the Consumer Assistance and Management System of BSP-Supervised Financial Institutions; and Amendments to the Manual of Regulations for Banks and Non-Bank Financial Inst	Policy review and/or update
BSP Circular No. 1049	Rules and Regulations on the Registration of Operators of Payment Systems	Requirement of registration of activities as operator of payment systems
BSP Circular No. 1055	Adoption of a National Quick Response (QR) Code Standard	Policy update requiring the use of the National Quick Response (QR) Code standard when using QR codes
BSP Memorandum No. M-2019-020	Lifting of Moratorium on Automated Teller Machines (ATM) Fees	Updating of policies and procedures for changing of ATM fees
BSP Circular No. 1044	Guidelines on the Management of Interest Rate Risk in the Banking Book and amendment of the Guidelines on Market Risk Management	Conduct and documentation of Gap analysis and updating of IRRBB and Market Risk Management Policy
BSP Circular No. 1051	Amendments to the Framework for Dealing with Domestic Systemically Important Banks (D-SIBs)	Monitoring and Compliance
BSP Circular No. 1054	Reduction in the Reserve Requirement of Bonds	Revision of existing policies and/or manuals of the Bank to reflect the change in the reserve requirement.
BSP Circular No. 1058	Amendment to the Policy on Peso Consumer Loans to Overseas Filipino Workers, Non-Immigrants, and Embassy Officials and Employees	Revision of existing policies and for compliance
BSP Circular No. 1059	Moratorium on the Issuance of Long-Term Negotiable Certificates of Time Deposit	Monitoring of Compliance
BSP Circular No. 1061	Amendment to the Definition of a Deposit Substitute	Revision of existing policies and/or manuals of the Bank to reflect the changes and to ensure compliance therewith.
BSP Circular No. 1062	Amendment of the Requirements on the Issuance of Long-Term Negotiable Certificates of Time Deposit (LTNCTDs), Bonds and Commercial Papers	Revision of existing policies and/or manuals of the Bank to reflect the changes and to ensure compliance therewith.
BSP Circular No. 1064	Report on Intraday Liquidity of Universal and Commercial Banks (UBs/KBs) and their Subsidiary Banks/Quasi-Banks (QBs)	Revision of existing policies and/or manuals of the Bank to reflect the changes and to ensure compliance therewith.
BSP Circular No. 1067	Amendments to the Disclosure Requirement on Interest Rate Risk in the Banking Book	Revision of existing policies and/or manuals of the Bank to reflect the changes and to ensure compliance therewith.

## Corporate Governance



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

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

#### Key Roles and Responsibilities

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

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

#### Board Composition

In accordance with RCBC's By-Laws and Corporate Governance Manual, its Board of Directors is comprised of 15 members, all of whom are known for their integrity, experience, education, training and competence. The Corporate Governance Committee ensures that majority of the Board are non-executive directors who possess the necessary qualifications to effectively participate and help secure objective and independent judgment on corporate affairs and to substantiate proper check and balances. Out of the 15-member board, 14 are non-executive directors including the 6 independent directors, and 1 executive director.

The Board of Directors promotes diversity in its membership. It is the policy of RCBC that no person shall be disqualified to sit as member of its Board on the basis of gender, age, religion or political affiliation. The representation of women in the Board has increased from 14% in 2015 to 20% in 2016, and remained at 20% from 2017 to 2019. Among the women in the Board is Mrs. Helen Y. Dee, the Chairperson.

#### Nomination and Election

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

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

#### Maximum Board Seats

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

#### Independent Directors

The Bank adopts the definition of independent directors under SEC's Code of Corporate Governance and BSP's Enhanced Guidelines on Corporate Governance for BSP Supervised Financial Institutions. In 2016, the Board reinforced its independence by increasing the number of independent directors. The attributes of an independent director include independence from management or from any business or relationship which could, or could reasonably be perceived to materially interfere with the exercise of independent judgment, and the lack of relationship to the Bank, its related companies or substantial shareholders as a regular director or officer or relative of said director or officer, as an executive or professional adviser within the past three (3) years, or business relations other than arm's length, immaterial or insignificant transactions.

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

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

The incumbent independent directors are Mr. Gabriel S. Claudio, Mr. Armando M. Medina, Mr. Vaughn F. Montes, Ph.D., Mr. Juan B. Santos, Atty. Adelita A. Vergel De Dios, and Mr. Laurito E. Serrano.

#### The Chairperson

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

To promote checks and balances, it is provided under the Bank's Corporate Governance Manual that the Chairperson of the Board of Directors shall be a non-executive director or an independent director, and must not have served as CEO of the Bank within the past three (3) years. Moreover, the Chairperson should not concurrently serve as CEO. However, in exceptional cases where the positions of Chairperson and CEO of the Bank are allowed by the Monetary Board of the Bangko Sentral ng Pilipinas to be held by one person, the Corporate Governance Manual prescribes that a lead independent director shall be appointed who shall perform a more enhanced function over other independent directors. The lead independent director is tasked to direct the independent directors at Board of Directors meetings in raising queries and pursuing matters, and to head meetings of independent directors without the presence of executive directors.

The Corporate Vice Chairman

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

Meetings and Quorum Requirement

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

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

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

Non-executive directors are required to have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the Bank. From the period January to December 2019, the members' attendance at Board and Committee meetings are as follows: (see Table of Attendance on page 131).

Board Performance

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

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

Board of Directors Training Program

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

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

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

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

DIRECTORS	BOARD		EXCOM		TRUST		TECH		ACC		ROC		CG		RPT		AML		TOTAL		% ATTENDANCE
	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A	
HELEN Y. DEE	13	12	47	39			11	11											71	62	87.32
CESAR E.A. VIRATA	13	13	47	44	11	10	11	11											82	78	95.12
GIL A. BUENAVENTURA	13	13	47	39	6	6	6	6									5	5	77	69	89.61
EUGENE S. ACEVEDO <sup>1</sup>	8	8	24	22	5	5	5	5											42	40	95.24
RICHARD G.A. WESTLAKE	13	10									12	9							25	19	76.00
JOHN LAW	13	10																	13	10	76.92
LILIA B. DE LIMA <sup>2</sup>	7	7			5	5							1	1					13	13	100.00
LAURITO E. SERRANO <sup>3</sup>	11	9							9	8	10	7							30	24	80.00
ARNOLD KAI YUEN KAN <sup>4</sup>	7	7																	7	7	100.00
ARMANDO M. MEDINA	13	12	47	46															60	58	96.67
SHIH-CHIAO (JOE) LIN <sup>5</sup>	11	9											8	8	8	8			27	25	92.59
VAUGHN F. MONTES	13	12							12	10	12	12	10	9			11	11	58	54	93.10
JUAN B. SANTOS	13	12			11	10													24	22	91.67
ADELITA A. VERGEL DE DIOS	13	11							12	12			10	10	11	11			46	44	95.65
GABRIEL S. CLAUDIO	13	12											10	10	11	11	11	11	45	44	97.78
YUH-SHING PENG <sup>6</sup>	2	2											2	1	2	2			6	5	83.33
T. C. CHAN <sup>7</sup>	7	6																	7	6	85.71
LILIA R. BAUTISTA <sup>8</sup>	7	4	23	18	6	4													36	26	72.22
FLORENTINO M. HERRERA <sup>9</sup>	7	4															6	5	13	9	69.23
MELITO S. SALAZAR JR. <sup>10</sup>	1	0							1	1	1	0							3	1	33.33

Notes:  
<sup>1</sup> Effective July 1, 2019  
<sup>2</sup> Effective June 24, 2019  
<sup>3</sup> Effective March 20, 2019  
<sup>4</sup> Effective June 24, 2019  
<sup>5</sup> Effective March 25, 2019  
<sup>6</sup> BOD member until March 25, 2019  
<sup>7-9</sup> BOD members until June 24, 2019  
<sup>10</sup> Passed away on Feb. 16, 2019

Remuneration of the Board

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

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

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

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

Remuneration Item	2019
(a.) Per Diem allowance	Php11,515,000.00 (aggregate amount for NED's, ID's, for the Board and Committees for the year 2019)
(b.) Directors' Bonuses	Directors' bonuses are given to executive, non-executive and independent directors based on the formula provided for in the Bank's By-Laws. N/A
TOTAL	Php11,515,000.00

### Board Committees

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

#### 1. Executive Committee

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

Members:

- Helen Y. Dee - Chairperson
- Gil A. Buenaventura - Vice Chairperson (until June 2019)
- Eugene S. Acevedo - Vice Chairperson (effective July 1, 2019)
- Cesar E.A. Virata (NED)
- Armando M. Medina (ID)
- Lilia R. Bautista (ID - until June 24, 2019)
- Gil A. Buenaventura (NED - effective July 1, 2019)

The Executive Committee has the power to act and pass upon such matters as the Board of Directors may entrust to it for action. However, matters affecting general policy are always referred to the Board of Directors for decision. The Executive Committee has the power to review an asset or loan to ensure timely recognition and resolution of impaired assets. In 2019, the Executive Committee:

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

#### 2. Audit and Compliance Committee

Composition: The Audit and Compliance Committee shall be composed of at least three (3) members of the board of directors, majority of whom shall be independent including the Chairperson. The Chairperson should not be the Chairperson of the Board or of any other board-level committees. Members of the committee should have the knowledge of the industry in which the bank operates, the ability to read and understand fundamental financial statements, and the ability to understand key business and financial risks and related controls and control processes.

Members:

- Melito S. Salazar Jr. (ID) - Chairman (passed away on Feb. 16, 2019)
- Laurito E. Serrano (ID) - Chairman (effective March 20, 2019)
- Vaughn F. Montes (ID)
- Adelita A. Vergel de Dios (ID)

The Audit and Compliance Committee assists the Board in oversight responsibilities on: (1) internal control and risk management; (2) internal and external audit function; (3) financial reporting; and (4) compliance function.

In 2019, the highlights of the Audit and Compliance Committee's actions pertaining to Internal Audit, External Audit and Compliance functions are as follows:

##### A. For External Audit Function

- Approval of the Fees for the Quarterly Review of the Financial Statements (FS) of RCBC and selected Subsidiaries.
- Review of Results and Endorsement for Board Approval of the Punongbayan & Araullo's (P&A) Quarterly Review of the FS of RCBC and selected Subsidiaries
- Review of Results and Endorsement for Board Approval of the P&A's Audit of the RCBC and Subsidiaries' FS for the year ending December 31, 2018.
- Reappointment of P&A as External Financial Auditor and corresponding Review and Approval of P&A's Plan for Audit of the RCBC and Subsidiaries' FS for the year ending December 31, 2019.

##### B. For Internal Audit Function

- Engaging in discussions of the results of internal audits handled by both the Internal Audit Group (IAG) and the Outsourced Service Providers during monthly Audit and Compliance Committee meetings to evaluate the adequacy and effectiveness of internal control system and risk management including financial reporting and information technology security.
- Directing to escalate matters that need immediate attention of the responsible business units, Board-level Committees and Bank personnel.
- Monthly review and notation of the status of Audit Plans, IAG manpower complement and vacancies, and outstanding/unresolved audit issues.

- Approval of Outsourced Service Providers to handle audits of business units to address the deficiency in IAG's manpower due to vacancies.
- Approval of Special Audits to be conducted by the Internal Audit Group 1) Special Audit of RCBC Valenzuela Business Center (BC); 2) Special Audit of RCBC Olongapo BC; 3) Special Audit of RCBC Garnet BC; 4) Special Audit of RCBC Tuguegarao BC; 5) Special Audit of RCBC Pasay BC; 6) Special Audit of RCBC Amoranto BC; 7) Special Audit of RCBC E. Rodriguez BC
- Approval of Audit Strategy for Low and Moderate Risk Business Centers
- Approval of factors for the evaluation of the performance of Chief Audit Executive (CAE) and corresponding performance evaluation for the year 2018
- Approval of appointment of Deputy CAE due to impending retirement of CAE by August 2020.
- Approval of Revised IAG Table of Organization effective June 2019 subject to Approval of Executive Committee
- Approval of revisions on 2018 and 2019 Annual Audit Plan
- Approval of 2020 Annual Audit Plan and Budget
- Approval of 2018 Internal Audit Group's Annual Report
- Approval of Revised Audit and Compliance Committee Charter and Internal Audit Charter effective June 21, 2019
- Approval of Risk Based Annual Audit Planning Policy effective June 21, 2019 and October 18, 2019
- Approval of Policy on IAG's Role in Implementing Sanctions effective May 15, 2019
- Approval of Exceptions and Management Issues for Tracking Policy effective March 13, 2019
- Approval of Policies and Procedures on Audit Sampling effective May 15, 2019 and June 24, 2019
- Approval of Onboarding and On-the-Job Training Policy effective July 24, 2019
- Approval of Revised Audit Examination Policy effective October 18, 2019
- Review and approval of IAG's Reply to the BSP's Report on Examination (ROE) pertaining to the Internal Audit

##### C. For Compliance Function

- Review of the extent and scope, activities, staffing, resources and organizational structure of the Compliance Function.
- Review and approval of the annual testing plan and monitoring the status thereof.
- Review of the compliance reports of the Compliance Officer to assess compliance with laws, rules and regulations. This also included the review of findings of any examinations by regulatory agencies (e.g., BSP, National Privacy Commission, etc.).
- Review and Approval of Privacy Impact Assessment (PIA) Criteria for Risks and Risk Acceptance

- Notation and review of status of the Bank's compliance to the Data Privacy Act (DPA).
- Notation of Data Privacy Impact Assessment (Key Highlights and Findings)
- Notation of reports and submissions to National Privacy Commission
- Approval of Compliance Culture Change : 3-Year Road Map
- Approval of the Revised Data Privacy Policy
- Approval of Compliance Manual Updating
- Approval of Revision to the 2019 Annual Testing and Monitoring Division's Workplan
- Approval of Compliance Checklist Updating
- Approval of Change of FATCA Responsible Person
- Approval of Appointment of Temporary Associated Person
- Approval of Factors for Performance Evaluation of Chief Compliance Officer
- Approval of the Subsidiary Oversight framework
- Notation of Compliance Performance Assessment
- Notation of BSP Advance Report of Examination (AREF) and corresponding BSP Examiner's Comment
- Notation of BSP Report of Examination (ROE)

#### 3. Risk Oversight Committee

Composition:

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

Members:

- Vaughn F. Montes (ID) - Chairperson
- (Late) Melito S. Salazar, Jr. (ID) - Vice Chairman (passed away on Feb. 16, 2019)
- Laurito E. Serrano (ID) - Vice Chairperson (effective March 20, 2019)
- Richard G.A. Westlake (NED)

Observers:

- Gil A Buenaventura (until June 2019)
- Eugene S. Acevedo (effective July 1, 2019)
- John Law

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

The highlights of the Risk Oversight Committee's actions in 2019 are as follows:

#### Approved Revisions

##### Risk Governance Framework

- Approved Amendments to the ROC Charter and Risk Governance Framework

##### Enterprise Risk and ICAAP

- Approved:
  - Amendments to ICAAP Management Committee Charter
    - 2019 ICAAP and Recovery Plan
    - Revisions to Stress Testing Framework
    - Industry Limit Monitoring Framework
    - Revisions to the Back-Testing Policy Revisions
- Monitored RCBC Group Risk Profile, Risk Dashboards, and Risk Heat Maps
- Noted the Enterprise Risk Reports including Asset Quality Monitoring, Concentration Risk Reports, Loan Portfolio Stress Testing Results and Capital & Risk Weighted Assets Analysis Reports
- Noted the Results of Uniform Stress Testing for Credit Risk
- Noted the review of the performance of the Credit Rating Model and Back-testing

##### Credit Risk

- Noted the Credit Management Reports
- Approved Amendments to Delegated Credit Authorities/ Approval Limits of the Credit and Collection Committee

##### Market & Liquidity Risk

- Approved:
  - Market & Liquidity Risk Framework
  - Market & Liquidity Risk Limits (2019)
  - Treasury Limits (2019)
  - PSR Factors (2019)
  - Core Deposit and Loan Rollover Ratios
  - Contingency Funding Plan
  - Limit Governance on Non-Trading Book
  - Revised Liquidity Stress Testing Methodology
  - Amendments to the MCO Policy
  - Off Market Rate Tolerance Factors
  - Trust Risk Management Framework
- Noted the Results of Uniform Stress Testing for Market Risk
- Noted the Market & Liquidity Risk Reports and Stress Test Reports

##### Portfolio Quality

- Approved the Sustainable Finance Framework and Amendments to Social and Environmental Management System (SEMS) Policy
- Noted the Portfolio Quality Reports, Independent Credit Review Reports and SEMS Reports

##### Operational Risk

- Approved:
  - Amendments to Operational Risk Management Framework and Consumer Protection Framework
  - Key Risk Indicator (KRI) Library
  - Control Sample Tests (CST)
- Reviewed RCBC Comprehensive Crime Insurance and Directors & Officers Insurance Cover
- Noted the Operational Risk Reports, KRI Monitoring Reports, RCSA Results, CST Results and reports on various control activities performed by Operational Risk Management Division
- Noted the Revised AML Key Risk Indicators and AML CST Results

##### Enterprise Fraud Risk

- Approved Amendments to Enterprise Fraud Framework
- Noted Fraud Incident Reports and Fraud Management Updates

##### Information Security Governance

- Approved:
  - Information Security Risk Management Framework
  - Information Security Strategic Plan
  - Information Security Annual Certification (ISAC) Process
  - Cyber Security Incident Response Plan (CSIRP)
  - Submissions to Banker's Association of the Philippines Cyber Intelligence Database (BAP CIB)
  - Renewal of Cyber Security Insurance
  - Revisions to the Information Security Policies and Minimum standards for Information Classification
- Noted Information Security Reports, InfoSec KRI Monitoring Reports and Risk Management Systems Reports

##### Business Continuity Management

- Approved the Industry-Wide Earthquake Resiliency Plan

- Oversaw Annual Disaster Recovery and Business Continuity Program (BCP) Exercise
- Noted reports on Business Continuity Management (BCM) Framework Presentations and Business Resiliency Reports

#### 4. The Corporate Governance Committee

##### Composition:

The Corporate Governance Committee shall be composed of at least five (5) members of the board of directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson, with (1) one member representing the minority shareholders.

##### Members:

- Adelita A. Vergel de Dios (ID) – Chairperson
- Vaughn F. Montes (ID)
- Gabriel S. Claudio (ID)
- Yuh-Shing (Francis) Peng (NED) – until March 25, 2019
- Shih-Chiao (Joe) Lin (NED) – effective March 25, 2019
- Lilia B. de Lima (NED) – effective Sept. 30, 2019

The Corporate Governance Committee assists the Board of Directors in fulfilling its corporate governance responsibilities. The highlights of the actions of the Corporate Governance Committee in 2019 are as follows:

- The Board approved the increase of the Corporate Governance Committee membership to five (5);
- Exercised oversight on the nomination process for members of the Board of Directors and for positions requiring board approval;
- Reviewed and endorsed for Board approval the interlocking positions of directors and officers;
- Ensured the implementation of the training program for the members of the Board of Directors;
- Facilitated the performance evaluation process of the Board of Directors, the Board-level Committees, the individual members, the Chairperson and the CEO;
- Reviewed and endorsed for Board approval the proposed changes to the Bank's table of organization;
- Reviewed and approved the revisions to the Corporate Governance Charter;
- Reviewed and endorsed for Board approval the Retirement Policy for Directors as part of the Bank's Succession Plan;
- Reviewed and endorsed for Board approval the reclassification of Personnel Evaluation and Review Committee (PERC) from Boar-level Committee to Management-level Committee, including its amended charter;
- Approval of the 2019 Integrated Annual Corporate Governance Report (iACGR)

#### 5. The Related Party Transactions Committee

##### Composition:

The Related Party Transactions (RPT) Committee shall be composed of at least three (3) members of the board of directors, two (2) of whom shall be independent directors,

including the chairperson. The Committee shall at all times be entirely composed of independent directors and non-executive directors, with independent directors comprising majority of the members.

##### Members:

- Adelita A. Vergel de Dios (ID) – Chairperson
- Gabriel S. Claudio (ID)
- Yuh-Shing (Francis) Peng – until March 25, 2019
- Shih-Chiao (Joe) Lin (NED) – effective March 25, 2019

The RPT Committee assists the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders. In 2019, the RPT Committee fulfilled its mandate under its charter particularly on the review and disclosure of material related party transactions. Work done by the Committee in 2019 includes the following:

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

#### 6. The Anti-Money Laundering Committee

##### Composition:

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

##### Members:

- Gabriel S. Claudio (ID) – Chairperson
- Vaughn F. Montes (ID)
- Florentino M. Herrera III (NED) – until June 24, 2019
- Gil A. Buenaventura (NED) – effective July 1, 2019

##### Observer:

Eugene S. Acevedo

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

**Client Profiling**

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

**Suspicious Transaction Reporting**

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

**Alerts Monitoring**

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

**Disposition of Issues**

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

**Compliance Testing and Monitoring**

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

**Policy and Manuals**

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

**Others**

- To review and approve training plan for the Board and bank employees on AML;
- To note the Covered Transactions Reports;

- To note the AML risk indicators set by the Risk Oversight Committee;
- To confirm minutes of the AML Management Committee; and
- To monitor the status of requests for information by the regulators, i.e., BSP and AMLC.

**7. The Trust Committee**

**Composition:**

At least five (5) members including (i) the president or any senior officer of the bank and (ii) the trust officer. The remaining committee members, including the chairman, may be any of the following: (i) non-executive directors or independent directors who are not part of the Audit Committee or (ii) those considered as qualified independent professionals, provided that in case there are more than five (5) Trust Committee members, the majority shall be composed of qualified non-executive members

**Members:**

- Juan B. Santos (ID) – Chairperson
- Cesar E.A. Virata (NED)
- Lilia R. Bautista (ID) – until June 24, 2019
- Atty. Lilia B. de Lima (NED) – effective June 24, 2019
- Gil A. Buenaventura (Exec.) – until June 2019
- Eugene S. Acevedo (Exec.) – effective July 1, 2019
- Mario T. Miranda – Trust Officer

The Trust Committee is a special committee which reports directly to the Board of Directors and is primarily responsible for overseeing the fiduciary activities of the Bank. Its activities in 2019 include the following:

- Formulation of policies and guidelines
  1. Approval of Revised Trust Policy Manual (April 2019)
  2. Approval of Revised Trust Risk Governance Framework (October 2019)
  3. Approval of new and amended Trust policies
- Oversight of trust business
  1. Review of Trust performance for 2019 and approval business plans for 2020
  2. Review of quarterly financial performance of Trust for 2019
  3. Approval of the Audited Financial Statements of TIG and the RCBC UITFs for 2018 (February 2019)
  4. Discussions on the results of the Self-Assessment of the Trust Committee for 2018
  5. Discussions of impact of new regulations issued on the trust business

6. Administrative and Performance review of accounts
7. Discussions on the monthly market updates and investment strategies of Trust
8. Product development efforts for 2019
  - 8.1 Amended the Plan Rules of seven (7) UITFs to improve features (e.g. lower minimum investment amounts)
  - 8.2 Creation of the two (2) new R25 Equity Funds
9. Review of organization structure, succession plan for Trust and other HR matters

- Evaluation and approval of management recommendations on the investment and disposition of funds or properties held in trust
- Management of risks in the conduct of the trust business
  1. Monthly discussions and review of various risk management reports (market risk, credit risk, operational risk, reputation risk, strategic risk, legal risk)
  2. Discussions on incident reports and issues affecting Trust
  3. Monitoring of the proper implementation of approved policies and guidelines
  4. Review of compliance with applicable laws and regulations
  5. Development of the New Trust core system (Miles Moneyware) and integration with the RSB Trust system (Infobanker)
  6. Updates on regulatory developments affecting the Trust business
- Audit and compliance
  1. All trust units (except for Stock Transfer which was rated Needs Improvement) obtained a satisfactory rating from Internal Audit for the period as of June 30, 2018
  2. Completed compliance review of TIG as of August 31, 2018 and as of May 31, 2019
  3. Addressed various audit and compliance issues in BSP examination, internal audit and compliance reviews

**8. The Technology Committee**

**Composition:**

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

**Members:**

Helen Y. Dee (NED) – Chairperson  
Cesar E.A. Virata (NED)  
Gil A. Buenaventura (Exec.) – until June 2019  
Eugene S. Acevedo (Exec.) – effective July 1, 2019

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

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

**Advisory Board**

The Bank has an Advisory Board that provides informed guidance to the Board of Directors. Members of the Advisory Board are appointed by the Board of Directors. They do not have any voting rights but contribute by way of providing non-binding but relevant advice during board meetings. While the By-Laws allow for up to 10 members in the Advisory Board, the Bank has 2 appointed Advisory Board members. Each of these members is considered as business leaders and is of known probity and integrity. The members of the Advisory Board are Mr. Francis C. Laurel and Ms. Yvonne S. Yuchengco.

SHAREHOLDINGS IN THE COMPANY

As of December 31, 2019, only the following stockholders own more than 5% of RCBC’s common stock:

Title of Class	Name, Address of record owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	<b>Pan Malayan Management &amp; Investment Corporation</b>	Pan Malayan Management & Investment Corporation	Filipino	806,431,473*	41.66%
	Address: 48/F Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue Makati City  Relationship with issuer: RCBC is a subsidiary of PMMIC	The records in the possession of the Bank show that the beneficial ownership of this company belong to the shareholders of record of said company. The Bank has not been advised otherwise.			
Common	Cathay Life Insurance Corporation		Non-Filipino	452,018,582	23.35%
	Address: 296 Ren Ai Road Sec4 Taipei 10633 Taiwan R.O.C.  Relationship with Issuer: Stockholder				
Common	International Finance Corporation (IFC) & IFC Capitalization (Equity) Fund, L.P.		Non-Filipino	107,875,642	5.57%
	Address: 2121 Pennsylvania Avenue, NW Washington, DC 20433 USA  Relationship with Issuer: Stockholder				

\*Combined Direct and Indirect Shares of PMMIC

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

Title of Class	Name of Beneficial Owner	Amount and nature of record / beneficial ownership		Citizenship	Percent of Class (%)
		Par Amount	Nature		
Common	Helen Y. Dee	13,988,060	R / B	Filipino	0.07
Common	Gil A. Buenaventura	50	R / B	Filipino	0.00
Common	Cesar E.A. Virata	1,384,340	R / B	Filipino	0.01
Common	Lilia B. De Lima	10	R	Filipino	0.00
Common	Vaughn F. Montes	50	R	Filipino	0.00
Common	Eugene S. Acevedo	1,986,000	R / B	Filipino	0.00
Common	Richard G.A. Westlake	10	R	New Zealander	0.00
Common	Shih-Chiao Lin	10	R	R.O.C. Taiwan	0.00
Common	Arnold Kai Yuen Kan	10	R	Canadian	0.00
Common	Armando M. Medina	1,950	R	Filipino	0.00
Common	John Law	10	R	French	0.00
Common	Gabriel S. Claudio	10	R	Filipino	0.00
Common	Laurito E. Serrano	10	R	Filipino	0.00
Common	Adelita A. Vergel de Dios	10	R	Filipino	0.00
Common	Juan B. Santos	50	R	Filipino	0.00
Subtotal		17,360,580			
Executive Officers					
Common	Evelyn Nolasco	27,000	B	Filipino	0.00
Subtotal		27,000			
TOTAL		17,387,580			

CONGLOMERATE STRUCTURE

The Bank is a member of the Pan Malayan Management and Investment Corporation (PMMIC)/Yuchengco Group of Companies (YGC) conglomerate, and the parent of the RCBC Group. The Board of Directors of the Bank ensures the RCBC Group's compliance with corporate governance policies, practices and requirements under existing regulations.

CONGLOMERATE STRUCTURE



MANAGEMENT

Chief Executive Officer (CEO)

The Bank's CEO is Mr. Eugene S. Acevedo. He is responsible for the management of the business and affairs of the Bank, guided by the strategic direction and risk appetite approved by the Board of Directors. He is primarily accountable to the Board of Directors in championing the desired conduct and behavior, implementing strategies, and promoting the long-term interest of the Bank. He ensures that the business and affairs of the Bank are managed in a sound and prudent manner, and that operational, financial and internal controls are adequate and effective.

The CEO is also in charge of public relations and advertising relations with the BSP and other offices, agencies and instrumentalities of the Philippine government, the Bankers' Association of the Philippines and other industry associations. He is a member of the Executive Committee and of all major management committees, and exercises such other powers and performs such other duties as the Board of Directors may prescribe from time to time.

The CEO provides leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the Board. He provides the Board with a balanced and understandable account of the Bank's performance, financial condition, results of operations prospects on a regular basis.

The Bank's Corporate Governance Manual prescribes that the positions of Chairperson and CEO shall not be held by one person.

Duties and Responsibilities of Management

Under the direction of the Board, Management shall ensure that the Bank's activities are consistent with the business strategy, risk tolerance and appetite, and policies approved by the Board. Senior Management is responsible and held accountable for overseeing the day-to-day management of the Bank. Thus, it is required that members of Senior Management shall have the necessary experience, competencies and integrity to manage the businesses under their supervision as well as have appropriate control over the key individuals in these areas.

Management Committees

The Bank has four senior management committees that provide a regular forum, at a lower level, to take up risk issues:

**The Credit and Collection Committee (CRECOLCOM)**, an intermediary credit approving body chaired by the CEO and composed of the heads of the Asset Management and Remedial Group, the Treasury Group, the Corporate Banking Group, the Small and Medium Enterprises Banking Group, and the Retail Banking Group, meets weekly to review and approve credit/ credit-related proposals with the specific authority delegated to it by the Board. It also reviews plans and progress on the resolution of problem loan accounts.

**The Asset and Liability Committee (ALCO)** is composed of a group of executives of the bank, chaired by the Treasurer and joined by the President and CEO together with the heads of various business and support groups from Corporate Banking,

Commercial Banking, Consumer Lending, Branch Banking, Risk Management, Corporate Planning, Controllership and Accounting. The ALCO coordinates the management of assets and liabilities of the bank with the objective of earning acceptable returns for the stockholders of the institution.

ALCO meetings are held every week. The major responsibilities of the committee, among others, are 1) that the degrees of liquidity, interest-rate and foreign exchange risk are accurately communicated to the members; 2) monitors the composition of the assets and liabilities and identifies the gaps in the balance sheet. It develops a maturity profile and mix of incremental assets and liabilities, such as, cash flow and interest rate gaps; 3) decides on the major structure of the balance sheet, such as the duration, ratio of foreign exchange of assets and liabilities vs. local the local currency and the mix of wholesale and retail funding; and 4) decides on how to respond to domestic and international market developments which may affect interest and foreign exchange rates in terms of setting the rates for various assets and liabilities; 5) It articulates the interest rate view of the bank used for deciding the future business strategy with consideration on the funding cost, market conditions and competitive positioning. ; 6) decides on the transfer pricing policy and communicates the deposit and lending pricing strategy for the local market; 7) It reviews and revises, as and when needed, the bank's funding policy and annually the liquidity contingency plan for the bank; and, 8) It evaluates market risk involved in launching of new products.

**The Related Party Transactions Management Committee (RPT ManCom)**, composed of select Group Heads of the business units as specified in the charter or their respective designates. It meets monthly to review and approve proposed RPT below the materiality threshold for the purpose of determining whether or not the transaction is on terms no less favorable to the Bank than terms available to any unconnected third party under the same or similar circumstances unless the transaction requires board approval. On favorable review, the RPT ManCom endorses the transaction for BOD confirmation.

**The Anti-Money Laundering Committee (AMLC)**, chaired by the Chief Compliance Officer, meets weekly for the evaluation of suspicious transaction reports (STRs) filed by various units prior to its submission to the Anti-Money Laundering Council (AMLC). In addition to the evaluation of STRs, the Committee also reviews filed AML cases and tagged frozen accounts.

Long-Term Bonus Plan for Key Employees and Material Risk Takers

The Bank has set a performance period of 5 years in establishing a long-term bonus plan for key employees and material risk takers as this is seen as necessary to ensure that they do not take a short-sighted view, and will be driven to work for the long-term financial success of the organization. The performance-driven approach aligns the interests of key employees with the shareholders' interests and links the long-term bonus plan to the achievement of business and performance objectives by key employees which is deemed to have a major influence on the long-term performance of the Bank and to the market value of the shares of the Bank. In determining the bonus pool, consideration is given to the Bank's financial performance, market benchmarks and market conditions, as well as to individual performance of the employees. Consideration is given to audit findings and a general evaluation of the risks taken.

The right long-term bonus plan for an organization is one that meets the following objectives:

- 1. Alignment with shareholder interests. The long-term bonus plan must be one that drives high performance and contributes to overall business goals, including sustainable long-term growth, thereby increasing shareholder value.
- 2. Key employees’ retention. It must attract, retain and reward the key employees that are able to successfully execute the organization’s strategic objectives.
- 3. Alignment of the bonus plan with prudent risk-taking. The bonus plan must be one that is designed to provide incentives to build sustainable sources of income and enterprise value. Long-term bonuses awarded are earned over a 5-year period and are directly correlated to changes in profitability and enterprise value.

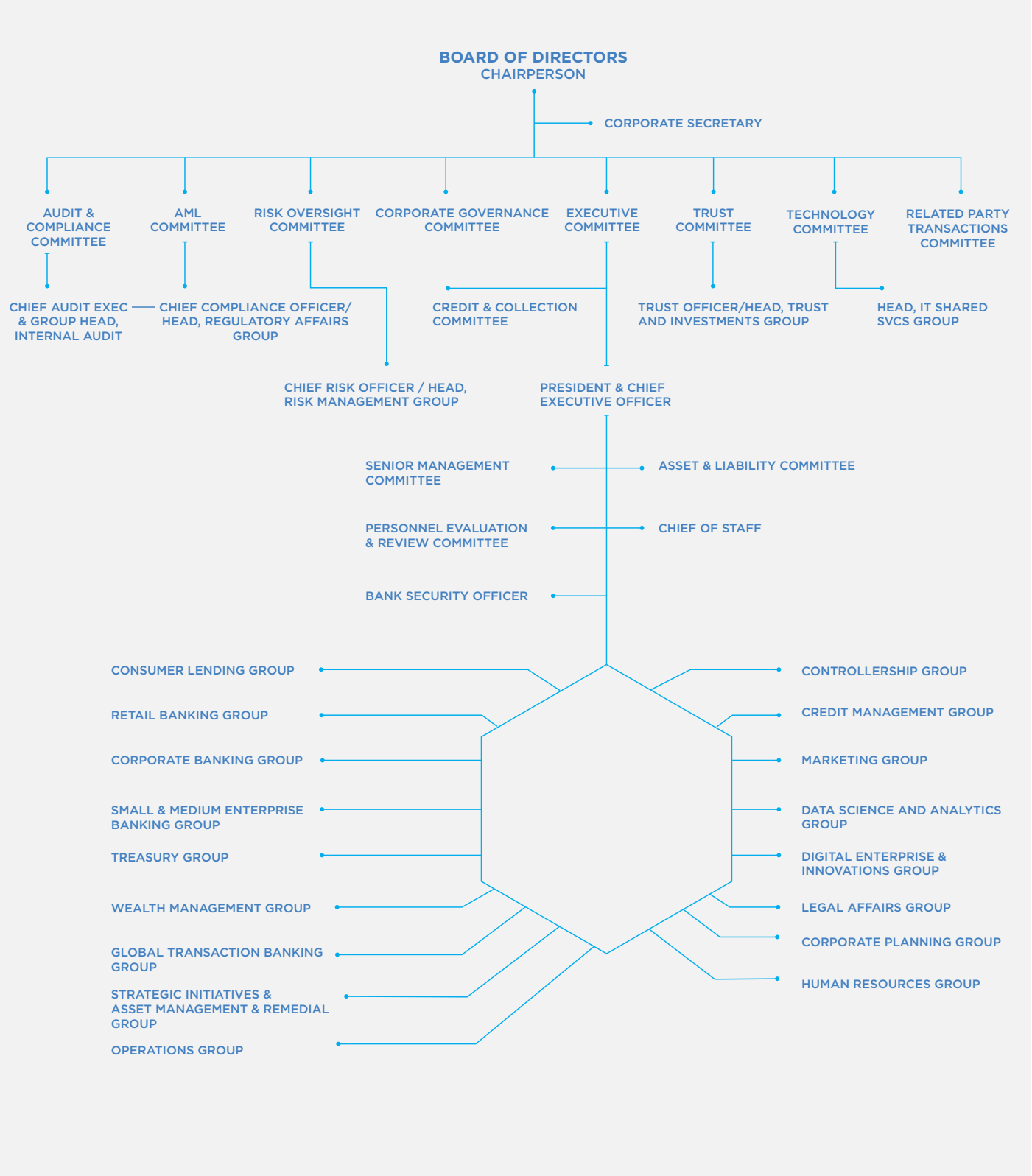
Senior Executive Compensation

The aggregate compensation paid or accrued to the Bank’s Chief Executive Officer and four other most highly compensated executive officers are as follows (in thousand pesos):

Names	Principal Position	Aggregate Compensation (net of bonuses)	Bonuses
Eugene S. Acevedo	President and CEO	88,217	33,448
Redentor C. Bancod	Senior Executive Vice President		
Horacio E. Cebrero III	Senior Executive Vice President		
John Thomas G. Deveras	Senior Executive Vice President		
Emmanuel T. Narciso	Executive Vice President		

OUR ORGANIZATION

As of December 31, 2019



SHAREHOLDERS

Shareholders' Rights and Protection of Minority Stockholders' Interest

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

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

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

Right to Nominate Candidates for Board of Directors

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

Voting Right

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

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

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

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

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

Conduct of Shareholders' Meeting

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

The last Annual Stockholders' Meeting was held on June 24, 2019. The Bank hired an independent party, Punongbayan & Araullo, to count and validate votes cast at the said meeting. Proper and timely disclosures were made immediately after the ASM. Results of the meeting as well as minutes thereof are available in the Bank's website.

Right to Inspection

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

Right to Information

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

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

The minority stockholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority stockholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

Dividend Policy

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

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

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

The net amount available for dividends is also in accordance with the formula provided under Section 124 of the BSP's Manual of Regulations for Banks, as follows:

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

- (a.) Bad debts against which valuation reserves are not required by the BSP to be set up;
- (b.) Unbooked valuation reserves, and other unbooked capital adjustments required by the BSP, whether or not allowed to be set up on a staggered basis;
- (c.) Deferred income tax;
- (d.) Accumulated profits not yet received but already recorded by a bank representing its share in profits of its subsidiaries under the equity method of accounting;
- (e.) Accrued interest as required to be excluded pursuant to Section 305 per MORB, net of booked valuation reserves on accrued interest receivable or allowance for uncollectible interest on loans; and
- (f.) Foreign exchange profit arising from revaluation of foreign exchange denominated accounts.

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

Details of the 2019 cash dividend distribution are as follows:

Nature of Securities	Date Declared	Dividend		Record Date	Date Approved		Date Paid / Payable
		Per Share	Total Amount		By BOD	By BSP	
Convertible Preferred	Feb. 26, 2019	0.1205	0.03	Mar. 21, 2019	Feb. 26, 2019	*	Mar. 25, 2019
Common	April 29, 2019	0.4460	863.29	May 15, 2019	April 29, 2019	*	May 29, 2019
Preferred	April 29, 2019	0.4460	0.12	May 15, 2019	April 29, 2019	*	May 29, 2019
Convertible Preferred	May 27, 2019	0.1166	0.03	June 21, 2019	May 27, 2019	*	June 26, 2019
Convertible Preferred	Aug. 27, 2019	0.1121	0.03	Sept. 21, 2019	Aug. 27, 2019	*	Sept.24, 2019
Convertible Preferred	Nov. 25, 2019	0.1051	0.03	Dec. 21, 2019	Nov. 25, 2019	*	Dec. 26, 2019

\*Not applicable; BSP approval not anymore required during these periods

Appraisal Right

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

Investor Relations Program

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

Transactions between related parties shall be disclosed to include the nature of the related party relationship as well as

information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship of the financial statements.

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

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

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

The governance of the bank shall be adequately transparent to its shareholders and other stakeholders. The Bank shall designate authorized signatories and alternates for disclosures.

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

Material Information / Transactions

The Bank is committed to disclose material information to its stakeholders as part of its adherence to transparency, accountability, and fairness. The following are the material information / transactions were approved by the Board of Directors for 2019:

- Board Approval for the setting a Special Stockholders Meeting on February 26, 2019 with record date of January 25, 2019 for the purpose of approving the merger between the Bank and RSB, and the terms and conditions set forth in the Plan of Merger. Special Stockholders' Meeting to be held on February 26, 2019, 4:00 pm, Alfonso Sycip Executive Lounge 47th Floor Yuchengco Tower, RCBC Plaza, Ayala Ave. cor Gil Puyat Ave. Makati. Updated information on venue and provided copy of the Notice and the Agenda.
- Death of Independent Director Melito S. Salazar, Jr.
  - During the February 26, 2019 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:
  - The Audited Financial Statements of Rizal Commercial Banking Corporation and RCBC—Trust and Investments Group as of year ended December 31, 2018, as audited by Punongbayan & Araullo, for final approval of the stockholders.
  - Declaration of cash dividends on convertible preferred shares amounting to P0.12054 per share or a total of P32,291.30, payable to holders of convertible preferred shares as of January 21, 2019.
  - Appointment of Mr. Laurito E. Serrano as Independent Director of the Bank, Member and Chairman of Audit and Compliance Committee, and Member and Vice Chairman of the Risk Oversight Committee, and approval of his interlocking positions.
  - Appointment of Ms. Marita E. Bueno as Data Science and Analytics Group Head, with the rank of First Senior Vice President, effective March 18, 2019.
- During the February 26, 2019 Special Stockholders' Meeting of the Bank, where a quorum was present and acting throughout, the following was approved by the affirmative vote of stockholders owning and/or representing at least two-thirds (2/3) of the

Bank's outstanding capital stock:

- Merger of RSB into RCBC, subject to regulatory approvals
- The Plan of Merger with attached Articles of Merger.
- Resignation of Mr. Yuh-Shing (Francis) Peng as member of the Board of Directors and of the Related Party Transactions and Corporate Governance Committees effective March 4, 2019, in view of his nomination by the Cathay Group to other assignments.
- During its March 25, 2019 Regular Meeting, the Board of Directors of the Bank approved the appointment of Mr. Shih-Chiao (Joe) Lin as Director of the Bank, Member Corporate Governance Committee, and Member Related Party Transactions Committee, and his interlocking positions.
- Change in the number of issued and outstanding shares due to conversion of 477 Preferred series shares to 121 common shares:

Type of Security/ Stock Symbol	Before	After
Common Shares	1,935,628,775	1,935,628,896
- During the April 29, 2019 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:
  - Declaration of cash dividends amounting to P.0446 per share or a total of approximately P863.41 Million to holders of Common and Preferred shares as of the close of the 10th trading day from approval by the Board (record date). "). The payment date shall be within ten trading days from the record date.
  - Appointment of Angelito M. Villanueva as Chief Innovation and Inclusion Officer with the rank of Executive Vice President.
- Notice of Annual Stockholders' Meeting on June 24, 2019 at 4:00pm at the Alfonso Sycip Executive Lounge, 47th Floor Yuchengco Tower, RCBC Plaza 6819 Ayala cor. Gil J. Puyat Ave., Makati City.
- During the May 27, 2019 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:
  - Declaration of cash dividends amounting to P0.11660 (US\$0.00224) per share or a total of P31,180.02 (US\$598.41 @ P52.105) payable to holders of the Bank's convertible preferred shares as of June 21, 2019.
  - Exercise of Call Option to Redeem Tier 2 Capital Notes (subject to BSP approval)
- Items approved by Stockholders at their

Annual meeting and Board of Directors at their regular and organizational meetings respectively held on June 24, 2019.

- Regular Meeting of the Board of Directors
  - Promotion/appointment of the Officers effective 01 July 2019, subject to the final approval/confirmation of the Monetary Board of Bangko Sentral ng Pilipinas:
    - From First Senior Vice President to Executive Vice President  
Simon Javier A. Calasanaz  
Emmanuel T. Narciso
    - From Senior Vice President to First Senior Vice President  
Ma. Christina P. Alvarez  
Ma. Angela V. Tinio
    - From First Vice President to Senior Vice President  
Bernice U. Gaspar
- Annual Stockholders' Meeting
  - Election of the following Directors to hold office for a term of one year:
    - As Regular Directors  
Ms. Helen Y. Dee  
Mr. Cesar E. A. Virata  
Mr. Eugene S. Acevedo  
Mr. Gil A. Buenaventura  
Mr. Arnold Kai Yuen Kan  
Mr. Richard G.A. Westlake  
Mr. John Law  
Mr. Shih-Chiao (Joe) Lin  
Atty. Lilia B. De Lima
    - As Independent Directors  
Mr. Armando M. Medina  
Mr. Juan B. Santos  
Atty. Adelita A. Vergel De Dios  
Mr. Gabriel S. Claudio  
Mr. Vaughn F. Montes  
Mr. Laurito E. Serrano
  - Approval of the 2018 Annual Report and 2018 Audited Financial Statements; and
  - Appointment of Punongbayan & Araullo as the Bank's external auditor for the fiscal year 2019.
- Organizational Board of Directors Meeting:
  - Appointment of Corporate Officers:  
Mr. Eugene S. Acevedo - President and Chief Executive Officer (effective July 1, 2019)  
Mr. Horacio E. Cebrero III - Treasurer  
Atty. George Gilbert G. dela Cuesta - Corporate Secretary  
Atty. Joyce Corine O. Lacson - Assistant Corporate Secretary  
Atty. Eva Marie M. Sison - Assistant Corporate Secretary  
Various Officers - SVPs and up
  - Appointment the following as Members of the Advisory Board:  
Ms. Yvonne S. Yuchengco  
Mr. Francis C. Laurel
  - Appointment of Ms. Helen Y. Dee as Chairperson, and Mr. Cesar E. A. Virata as Corporate Vice-Chairperson

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

Committee	Names	Position
Executive Committee	Helen Y. Dee Eugene S. Acevedo Cesar E.A. Virata Armando M. Medina Gil A. Buenaventura	Chairperson Vice Chairperson Member Member Member
Audit and Compliance Committee	Laurito E. Serrano Vaughn F. Montes, Ph.D. Atty. Adelita Vergel de Dios	Chairperson Member Member
Risk Oversight Committee	Vaughn F. Montes, Ph.D. Laurito E. Serrano Richard G.A. Westlake  John Law Eugene S. Acevedo	Chairperson Vice Chairperson Member  Observer Observer
Corporate Governance Committee	Atty. Adelita A. Vergel de Dios Gabriel S. Claudio Shih-Chiao (Joe) Lin Vaughn F. Montes, Ph.D.	Chairperson Member Member Member
AML Committee	Gabriel S. Claudio Gil A. Buenaventura Vaughn F. Montes, Ph.D.  Eugene S. Acevedo	Chairperson Member Member  Observer
Related Party Transactions Committee	Atty. Adelita A. Vergel De Dios Shih-Chiao (Joe) Lin Gabriel S. Claudio	Chairperson Member Member
Trust Committee	Juan B. Santos Cesar E.A. Virata Eugene S. Acevedo (President) Atty. Lilia B. De Lima Trust Officer	Chairperson Member Member Member Member
Technology Committee	Helen Y. Dee Cesar E.A. Virata Eugene S. Acevedo	Chairperson Member Member

- During the July 29, 2019 Regular Meeting of the Board of Directors of the Bank, where a quorum was present and acting throughout, the following were approved:
  - Increase in the Bank's Peso Bond and Commercial Paper Program to P100 Billion
  - Concurrent/interlocking positions of President and Chief Executive Officer Mr. Eugene S. Acevedo:  
RCBC Capital Corporation -Director (subject to Monetary Board approval)  
RCBC Leasing and Finance Corporation - Director and Vice Chairman  
RCBC Rental Corporation - Director  
Rizal Microbank Inc., a Thrift Bank of RCBC - Director and Chairman  
RCBC Forex Brokers Corporation - Director and Chairman  
Niyog Property Holdings, Inc. - Director  
RCBC International Finance Limited - Director  
RCBC Investment Limited - Director

- During the meeting held on August 27, 2019 Regular Meeting of the Board of Directors of the Bank where a quorum was present and acting throughout, the following were approved:
  - Declaration of cash dividends on convertible preferred shares amounting to P0.11209 per share or a total of P29,973.98 payable to holders of convertible preferred shares as of September 21, 2019.
  - Appointment of Arniel Vincent B. Ong as Head, Cards Strategic Initiatives with the rank of Senior Vice President.
- During the meeting held on September 30, 2019 Regular Meeting of the Board of Directors of the Bank where a quorum was present and acting throughout, the following were approved:
  - Appointment of Aline A. Novilla as AML Segment Head, Regulatory Affairs Group, with the rank of Senior Vice President
  - Appointment of Director Lilia B. De Lima to the Corporate Governance Committee
- During the meeting held on November 25, 2019 Regular Meeting of the Board of Directors of the Bank where a quorum was present and acting throughout, the following were approved:
  - Declaration of cash dividends on convertible preferred shares amounting to P0.10513 per share or a total of P28,112.08 payable to holders of convertible preferred shares as of December 21, 2019
  - Appointment of Nilo C. Zantua as Deputy Chief Technology Officer with the rank of Senior Vice President
- During the meeting held on December 9, 2019 Special Meeting of the Board of Directors of the Bank where a quorum was present and acting throughout, the proposed 2020 budget was approved.

## OTHER STAKEHOLDERS

### Creditors' Rights

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

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

### Supplier/Contractor Selection and Criteria

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

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

HOI's Procurement Shared Services has the following policies:

- Code of Ethics for Procurement
- Code of Ethics for Suppliers
- Supplier Management
- Policies in Choosing a Supplier
- Procurement Process
- Contract Management
- Manual Structure, Use, Revisions/Amendments
- Early Involvement in Procurement

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

### Environment-friendly Value Chain

RCBC has a Sustainable Finance strategy that recognizes its role in promoting sustainable practices for the Bank and its clients that will minimize any negative environmental, social and reputation impact of the Bank's financing activities and its clients' operation. The Bank believes that good sustainable practices are a key pillar of responsible lending which can have a meaningful impact on the environment and communities. In pursuit thereof, the Bank has instituted the Environmental and Social Management System (ESMS) and has developed a Sustainable Finance Framework.

RCBC's ESMS requires that all lending relationships/credits, both pipeline and portfolio, are vetted from an environmental and social (E&S) risk perspective. ESMS is implemented to

safeguard our lending operations from exposure to activities with identified E&S risks. We aim to develop environmental awareness and social responsibility in our lending personnel, and ultimately, our clients. We work alongside our customers and as needed advise them on how to reduce their impact on the environment and communities. The ESMS Policy is a declaration of our commitment to sustainable development and management of E&S issues by integrating this in the lending process from initiation, evaluation, approval, documentation, implementation, and monitoring of loan accounts. The ESMS Policy goes through a comprehensive review process on a regular basis with latest revisions made effective and re-issued in January 2020.

The E&S risk and impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and communities. All credit proposals for loans and other credit accommodations from RCBC need to go through E&S risk and impact assessment. Only activities or projects which pass the E&S risk and impact assessment shall be eligible for financing and are screened using the applicable requirements – the Exclusion List, applicable national and international laws on environment, biodiversity, deforestation, marine environment, water risk, pollution prevention, indigenous peoples and protection of cultural heritage, health, human and labour rights, safety and social issues and any standards established therein, and the Performance Standards. Environmental Risk Categories are assigned, and credit approvals obtained in accordance with requirements depending on the risk category. This assessment takes place before a lending decision is made, and continues during the life cycle of the loan agreement with the client. Applicable environmental covenants are incorporated in the loan/credit agreement and these are periodically evaluated and monitored to ensure they are complied with for the entire duration of the loan.

The ESMS is based on IFC Performance Standards, directives of Environmental Management Bureau (EMB) and other government agencies, and international/domestic best practices.

The environmental and social impact assessment process is a systematic way of identifying and assessing the type and scale of impact a project may have on the environment and social conditions. The ESMS assessment takes place before a lending decision is made and continues during the life cycle of the lending agreement with the client.

In addition to ESMS, the Bank developed its Sustainable Finance Framework in 2019, which articulates its intention to fund loans and projects that have clear environmental and/or social benefits. Under this framework, RCBC can issue green, social or sustainable debt instruments to finance and refinance RCBC's loans to customers or its own operating activities in Eligible Green Categories and/or Eligible Social Categories. Green and Sustainability bonds were successfully issued in 2019, with proceeds supporting RCBC's portfolio of Eligible Green Assets (17 obligors) and Eligible Social Assets (9,347 obligors), amounting to PHP51.74 billion as of 31 December 2019. Disclosures on the value created for the environment and society are discussed through RCBC's Impact Report released in January 2020.

## INTERNAL CONTROL

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

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

### • Control Environment

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

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

### • Risk Assessment

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

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

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

### • Control Activities

Control activities refer to the policies and procedures designed to help ensure that all bank personnel are properly guided by the control measures established by the Bank. Control activities form an integral part of the daily activities of the Bank. An effective internal control system requires that appropriate control mechanisms are set up, with control activities defined at

every business level. In this regard, the Bank has ensured that control activities, which are directed through policies and procedures, are designed and implemented to address the risks involved in banking operations.

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

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

• *Management Reporting System*

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

• *Monitoring Activities and Correcting Deficiencies*

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

The overall effectiveness of the Bank's internal controls is monitored on an ongoing basis. In view of changing internal and external conditions, Management continually monitors and evaluates the Bank's internal control system to ensure that these are adequate and continue to function properly. Periodic assessment and evaluation of control mechanisms used in managing risks are conducted by the business units in coordination with internal audit, risk management and other support units. Internal control deficiencies, whether identified by business units, internal audit or other control personnel, are reported in a timely manner to the appropriate management level so that the same can be addressed immediately.

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

*Compliance Function*

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

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

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

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

- f. Monitoring and testing compliance by performing sufficient and representative compliance testing; and
- g. Maintaining a constructive working relationship with the Bangko Sentral ng Pilipinas (BSP) and other regulators.

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

- a. The Regulatory Affairs Divisions (RADs) performs horizon scanning and impact assessment of new regulations and market trends, and the embedding of rules and regulations to the Bank's policies, procedures, and controls.
- b. The Anti-Money Laundering Monitoring and Reporting Division (AMRD) is responsible for the monitoring, analysis, disposition and investigation of AML alerts; reporting of possible suspicious transactions; filing of reports on crimes and losses; monitoring and filing of covered transactions reports and suspicious transactions reports; recommending new or updating AML alert rules; and updating AML watchlists for name screening.
- c. The Testing and Monitoring Division (TMD) is responsible for the identification, assessment and monitoring of compliance risks and level of compliance of the different business lines, products and services with the relevant regulations governing banks. It also supports the overall operations of RAG which includes project management for key compliance projects; dissemination and reporting of regulatory issuances; planning, and administrative matters.

*Internal Audit*

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

The scope of work of Internal Audit encompasses, but is not limited to, the examination and evaluation of all business systems, processes, operation, function and activities within the Bank including functions that are outsourced, its subsidiaries and branches. Such scope of work determines the adequacy and effectiveness of the Bank's risk management, control and governance process to provide reasonable assurance that:

- Risks are appropriately identified and managed in the context of current and potential risks;
- Interaction with various governance groups and controls units occurs as needed;
- Programs, plans and objectives are achieved;
- Resources are acquired economically , used efficiently and protected adequately;
- Quality and continuous improvement are fostered in the Bank's control process;
- Significant financial, managerial and operating information is accurate, reliable and timely;
- Employees' actions including performance of trading activities are in compliance with policies, standards, procedures and applicable laws and regulations;

- Significant legislative or regulatory issues impacting the Bank are appropriately recognized and addressed including areas of interest to regulators such as, among others monitoring of compliance with relevant laws, rules and regulations, including but not limited to the assessment of the adequacy of capital and provisions; liquidity level; regulatory and internal reporting;
- Management and financial information system including the electronic information system and electronic banking services are reliable and effective and resulting data has integrity.

The Internal Audit adheres to the applicable professional standards and code of ethics, including the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (ISPPIA), Information Systems Audit and Control Association and the relevant requirements of the Bangko Sentral ng Pilipinas and other bank regulators.

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

*The External Auditor*

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

The following are audit and non-audit fees paid to the bank's external auditor, Punongbayan and Araullo, in 2019:

2019	Audit Fee (in Million Pesos)	Non-Audit Fee (in Million Pesos)	Total (in Million Pesos)
Parent	P 7.39	P6.39	P13.78
Group	P 12.68	P7.81	P20.49

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

*Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

In connection with the audits of the Bank's financial statements for the two (2) most recent years ended December 31, 2019 and 2018, there were no disagreements with Punongbayan and Araullo on any matter of accounting principles or practices, financial statement disclosures, audit scope or procedures.

## POLICIES

### Code of Conduct

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

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

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

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

### Anti-Corruption Policies

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

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

**Favors.** The Bank does not buy business. This is obtained on the merits of the Bank's products, services and people. It does not bend rules nor offer money, illegal or inappropriate favors of unusual value to obtain or retain business. In this regard, any and all significant donations or contributions to or through a customer for whatever purpose using Bank property or funds should be with the prior authorization of the concerned Group Head. Should said donation

or contribution be through the purchase of a raffle or lottery ticket, any prize or winnings therefrom, regardless of whether the ticket is in the employee's possession or in the employee's name, must be turned over to the Bank.

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

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

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

### Use of Insider Information

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

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

### Whistleblowing Policy

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

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

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

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

### AMLA

The Money Laundering and Terrorist Financing Prevention Program (MTPP) manual was created to adopt the policies of the State to:

1. protect and preserve the integrity of the Philippine financial system, including the confidentiality of bank accounts;
2. ensure that the Philippines, in general, and the covered persons, in particular, shall not be used as money laundering sites and conduit for proceeds of unlawful activities as herein defined;
3. protect life, liberty and property from acts of terrorism and to condemn terrorism and those who support and finance it and reinforce the fight against terrorism by criminalizing the financing of terrorism and related offenses;
4. recognize terrorism and terrorist financing as inimical and dangerous to national security and the welfare of the people; and make the financing of terrorism a crime against the Filipino people, against humanity and against the law of nations; and
5. adhere to international commitments to combat financing of terrorism, specifically the International Convention for the Suppression of the Financing of Terrorism, as well as other binding terrorism related resolutions of the United Nations Security Council, pursuant to Chapter 7 of the United Nations Charter.

The MTPP's main purpose is to comply with any of the provisions of the Philippines' Anti-Money Laundering Act (AMLA), as amended, the Terrorism Financing Prevention and Suppression Act (TFPSA), their Revised Implementing Rules and Regulations (RIRR), and all Anti-Money Laundering Council (AMLC) and Bangko Sentral issuances.

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

The MTPP shall be updated at least once every two (2) years or as needed to properly adhere to the new rules and regulations of regulatory agencies, laws of the Republic of the Philippines and other countries, and policies and procedures of the Bank.

### Related Party Transactions

In July 2019, the Board approved the revised Policy on Related Party Transactions (RPT) following SEC Memorandum Circular No. 10, series of 2019 or the "Rules on Material Related Party Transactions for Publicly-listed Companies" issued on April 27, 2019. The said policy defines "related party transactions" as transactions or dealings with related parties of the Bank, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited, to the following:

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

RPTs shall be interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that were entered into with an unrelated party that subsequently becomes a related party.

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

Under the revised policy, the coverage of the definition of close family member has been extended up to the 4th civil degree of consanguinity and affinity of the director, officer or stockholder of the bank.

A new provision requiring fairness opinion by an external independent party for transactions involving an amount of at least 10% of the combined assets of the RCBC Group is also added. The external independent party shall be appointed by the Board of Directors which may include but not limited to, auditing or accounting firms and third party consultants and appraisers.

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

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

Further, all material RPTs shall be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent directors’ vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

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

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

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

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

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

*\* Not to exceed the aggregate limit for Other Contracts*

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

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

Details of the Bank’s major related party transactions in 2019 are described below:

- Sale and Purchase of Securities - The Parent Company and certain subsidiaries engage in the trading of investment securities as counterparties to the transaction. These transactions are priced similar to transactions with other counterparties outside the Group and there are no unsettled transactions as of the end of each reporting period.
- Retirement Fund - The Parent Company and certain subsidiaries’ retirement funds covered under their defined benefit post-employment plan maintained for qualified employees are administered and managed by the Parent Company’s and RSB’s Trust Departments in accordance with the respective trust agreements covering the plan.

The Group’s significant transactions with its related parties as of end December 2019 include loans and receivables and deposit liabilities. The total amount of loans outstanding was at Php3.809 Billion while total deposit liabilities was at Php8.175 Billion as of December 31, 2019. The total amount of Parent Company DOSRI loans was Php416 Million by end of December 2019. The RPT Policy as well as any update thereto shall be submitted to the Securities and Exchange Commission (SEC) pursuant to SEC

Memorandum Circular No. 10, series of 2019 or the ‘Rules on Material Related Party Transactions for Publicly-Listed Companies.’ The policy shall be signed by the Chairperson and the Chief Compliance Officer. The policy shall also be posted in RCBC’s website within 5 days from submission to the SEC.

For transactions with amounts of at least 10% of the consolidated assets of the RCBC Group based on the latest audited financial statement, an Advisement Report on Material RPTs shall be filed with the SEC within 3 calendar days after the execution date of the transaction. The Advisement Report shall be signed by the Corporate Secretary.

A summary of material related party transactions entered into during the reporting year shall be disclosed in the Bank’s Integrated Annual Corporate Governance Report (IACGR).

To manage potential or actual conflict of interest, it is in the Bank’s RPT Policy that interested directors and officers with personal interest in the transaction shall fully and timely disclose any and all material facts, including their respective interests in the related party transaction. Interested directors and officers shall abstain from discussion, approval and management of such transaction or matter affecting the company. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.

Provision on restitution for losses and remedies for abusive RPTs is also added. Abusive RPTs are defined as RPTs that are not entered at arm’s-length and unduly favor a related party. Reporting and investigation of abusive RPTs shall be handled following the Bank’s existing Code of Conduct and Whistleblowing Policy.

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

- Lease contract with RRC and Sublease Agreements with Subsidiaries - The Parent Company and certain subsidiaries occupy several floors of RCBC Plaza as leaseholders of RRC. The occupancy of some of subsidiaries in RCBC Plaza is covered by sublease agreements with RCBC. RCBC’s lease contract with RRC is effective until December 31, 2020
- Service Agreement with RBSC - The Parent Company has Service Agreement with RBSC, wherein RBSC shall provide the Parent Company with marketing, distribution, technical, collection and selling assistance and processing services in connection with the operation of the Parent Company’s credit card business.
- Capital Infusion to RCBC LFC - In August 2018, the Board of Directors of RCBC approved the additional capital infusion to RCBC LFC amounting to P800 million, which was paid to the latter in November 2018 after RCBC LFC’s BOD approved the increase in its authorized capital stock in its meeting held in October 2018. As the application for the increase in authorized capital stock is not yet filed by RCBC LFC to the SEC as of December 31, 2018, the P800 deposit for future stock subscription is recognized and presented as part of Other Resources Account in the 2018 statement of financial position of RCBC.

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

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

The Bank does not have any transactions with promoters within the past five (5) years. The Bank does not have transactions with parties that fall outside the definition of related parties under regulations, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm’s length basis.

## Board of Directors



HELEN Y. DEE  
Chairperson



CESAR E. A. VIRATA  
Corporate Vice Chairman



EUGENE S. ACEVEDO  
President and CEO



GIL A. BUENAVENTURA  
Director



ATTY. LILIA B. DE LIMA  
Director



JOHN LAW  
Director



RICHARD GORDON  
ALEXANDER WESTLAKE  
Director



SHIH-CHIAO (JOE) LIN  
Director



ARNOLD KAI YUEN KAN  
Director



LAURITO E. SERRANO  
Independent Director



ATTY. ADELITA A. VERGEL DE DIOS  
Independent Director



JUAN B. SANTOS  
Independent Director



ARMANDO M. MEDINA  
Independent Director



VAUGHN F. MONTES  
Independent Director



GABRIEL S. CLAUDIO  
Independent Director

## Directors' Profile

### **Ms. Helen Y. Dee** 76, Filipino, Board Chairperson, Director

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

Recent training/continuing education (2017 to present): Cybersecurity Seminar with Anti-Money Laundering Updates (RCBC); Corporate Governance and Financial Technology (RCBC); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC).

### **Mr. Cesar E. A. Virata** 89, Filipino, Corporate Vice-Chairman, Director

Mr. Virata has been a Director since 1995, Corporate Vice Chairman since June 2000 and Senior Adviser from 2007. Mr. Virata's roster of companies where he is also a Director and/or Chairman includes RCBC Realty Corp., RCBC Land, Inc., Malayan Insurance Co., Inc., Business World Publishing Corporation, Belle Corporation, Luisita Industrial Park Corporation, RCBC Bankard Services Corporation, and AY Foundation, Inc., among others. Mr. Virata has held important/key positions in the Philippine government, including Prime Minister, Secretary/Minister of Finance, Chairman of the Committee on Finance of the Batasang Pambansa (National Assembly) and member of the Monetary Board. He was also Chairman of the Land Bank of the Philippines. He has served as Governor for the Philippines to the World Bank, the Asian Development Bank and the International Fund for Agriculture Development. He was Chairman of the Development Committee of the World Bank and International Monetary Fund from 1976 to 1980 and Chairman of the Board of Governors of the Asian Development Bank. Prior to his Government positions, he was a Professor and Dean of the College of Business Administration of the University of the Philippines and Principal, SyCip Gorres Velayo and Company, Management Services Division. Mr. Virata graduated from the University of the Philippines with degrees in Mechanical Engineering and Business Administration (Cum Laude). He completed his Master's in Business Administration from the Wharton Graduate School, University of Pennsylvania

Recent training/continuing education (2017 to present): Cybersecurity Seminar with Anti-Money Laundering Updates (RCBC); Advanced Corporate Governance Training Program (Institute of Corporate Directors or "ICD"); Corporate Governance and Financial Technology (RCBC).

### **Mr. Eugene S. Acevedo** 56, Filipino, President and CEO, Director

Mr. Acevedo is the Bank's President and Chief Executive Officer. He has over thirty years (30) years of banking experience gained from local and multinational banks including Union Bank of the Philippines, CitySavings Bank, Philippine National Bank, and Citibank Philippines, N.A. He is a Magna Cum Laude graduate from the University of San Carlos where he earned a degree in Bachelor of Science in Physics in 1984. He has a Master's degree in Business Administration from the Asian Institute of Management and completed an Advanced Management Program at the Harvard Business School. He also holds a Professional Certificate in Clean Power from the Imperial College London.

Recent training/continuing education (2018 to present): Corporate Governance Orientation Program (ICD); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC).

### **Mr. Gil A. Buenaventura** 67, Filipino, Director

Mr. Buenaventura has been a Director of the Bank since July 2016 and has since been sitting as a member of the Bank's Executive Committee. He was also President and Chief and Executive Officer of the Bank until June 30, 2019. He holds directorship and officership positions in De La Salle Philippines School System, Malayan Insurance Company, Inc., House of Investments, Inc., and Manila Memorial Park Cemetery, Inc. He graduated with a Bachelor of Arts degree, major in Economics, from the University of San Francisco, California, and with a Master's of Business Administration in Finance from the University of Wisconsin.

Recent training/continuing education (2017 to present): Cybersecurity Seminar with Anti-Money Laundering Updates (RCBC); Corporate Governance and Financial Technology (RCBC); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC).

### **Mr. Richard Gordon Alexander Westlake** 68, New Zealander, Director

Mr. Westlake has been a Director of the Bank since October 2014. He is the founder and managing director of Westlake Governance Limited, a New Zealand-based globally focused business now regarded as a leading adviser and trainer on Corporate Governance. He has over 25 years of experience as a Director and Board Chairman across a wide range of industries. He is currently the Independent Chairman of the New Zealand Home Loan Company Limited, New Zealand, and of Co-op Money NZ, which provides core banking system and other infrastructure for New Zealand's credit unions, and manages most of New Zealand's non-bank ATMs. He holds a Master's degree from Oxford University in England. He is a Chartered Fellow at the Institute of Directors in New Zealand.

Recent training/continuing education (2017 to present): Cybersecurity Seminar with Anti-Money Laundering Updates (RCBC); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC)

### **Mr. John Law** 69, French & Taiwanese, Director

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

Recent training/continuing education (2017 to present): Cybersecurity Seminar with Anti-Money Laundering Updates (RCBC); Corporate Governance and Financial Technology (RCBC); Customer Due Diligence and Trade-Based Money Laundering (RCBC); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC).

### **Mr. Shih-Chiao (Joe) Lin** 48, Chinese, Director

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

Recent training/continuing education (2018 to present): Corporate Governance Orientation Program (ICD).

### **Atty. Lilia B. De Lima** 79, Filipino, Director

Atty. De Lima has been a Director of the since June 24, 2019. She was an Independent Member of the Bank's Advisory Board since July 3, 2017. Prior to this, she served as the Director General of the Philippine Economic Zone Authority (PEZA) from 1995 to 2016. Other positions she has held include being Board Member of the Cagayan and Zamboanga Economic Zones, Commissioner of the National Amnesty Commission, Executive Director of the Department of Trade and Industry Price Stabilization Council and Director of the Bureau of Trade, and Chief Operating Officer of the World Trade Center Manila. She was an Elected Delegate to the 1971 Constitutional Convention representing the 2<sup>nd</sup> District of Camarines Sur. She is the recipient of numerous local and international awards, including the 2017 Ramon Magsaysay Award, The Order of the Rising Sun-Gold and Silver Star (Japan), The Outstanding Women in the Nation's Service (TOWNS) in the field of law, and the 2010 Management Man of the Year.

Recent training/continuing education (2018 to present): Briefing on Best Practices in Board Risk Oversight (PHINMA); Corporate Governance Orientation Program (ICD); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC).

### **Mr. Arnold Kai Yuen Kan** 59, Canadian, Director

Mr. Kai Yuen Kan gained experience from Citibank, the First National Bank of Chicago, the National Westminster Bank, JP Morgan Chase Bank, Credit Agricole Corporate & Investment Bank, and Krea Capital Limited. He is currently the Chief Executive of Cathay United Bank's Hong Kong Branch and Co-Head of the International Banking Group. He is also a Director of Cathay United Bank (China) Ltd. He graduated with a Bachelor of Social Sciences degree from the University of Hong Kong and obtained a Master's degree in Business Administration from the York University in Canada.

Recent training/continuing education (2019): Corporate Governance Orientation Program (ICD).

## INDEPENDENT DIRECTORS

**Mr. Armando M. Medina**  
70, Filipino, Independent Director

Mr. Medina has been an Independent Director of the Bank since 2003. He is a member of various board committees of the Bank, including the Executive Committee. He is also an Independent Director of Malayan Insurance and RCBC Capital. He graduated from De La Salle University with a Bachelor of Arts degree in Economics and a Bachelor of Science degree in commerce with a major in Accounting.

Recent training/continuing education (2017 to present): Corporate Governance and Financial Technology (RCBC); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC)

**Mr. Juan B. Santos**  
81, Filipino, Independent Director

Mr. Santos has been an Independent Director of the Bank since November 2016. He holds independent directorship positions in First Philippine Holdings Corporation, Sun Life Grepa Financial, Inc., Alaska Milk Corporation, Philippine Investment Management (PHINMA), Inc. PHINMA Corp. and House of Investment. He is Trustee at Dualtech Training Center Foundation, Inc., St. Luke's Medical Center, and a consultant of the Marsman-Drysdale Group of Companies. He holds a Bachelor of Science in Business Administration degree from the Ateneo de Manila University and a degree in Foreign Trade from the Thunderbird School of Management in Arizona, USA.

Recent training/continuing education (2017 to present): Cybersecurity Seminar with Anti-Money Laundering Updates (RCBC); Advanced Corporate Governance Training (ICD)

**Atty. Adelita A. Vergel De Dios**  
74, Filipino, Independent Director

Atty. Vergel De Dios has been an Independent Director of the Bank since June 2016. She was also an Independent Director of RCBC Savings Bank before the merger of the same into RCBC. She served as Commissioner of the Insurance Commission and held directorship and officership positions in various companies. She obtained her Bachelor of Business Administration and Accounting and Bachelor of Laws (Magna Cum Laude) from the University of the East. She is a Certified Public Accountant and a Member of the Integrated Bar of the Philippines.

Recent training/continuing education (2017 to present): Sustainability, and Customer Due Diligence and Trade-Based Money Laundering (RCBC)

**Mr. Vaughn F. Montes Ph.D.**  
69, Filipino, Independent Director

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

Recent training/continuing education (2017 to present): Cybersecurity Seminar with Anti-Money Laundering Updates (RCBC); Corporate Governance and Financial Technology (RCBC); Sustainability Reporting, and Customer Due Diligence and Trade-Based Money Laundering (RCBC).

**Mr. Gabriel S. Claudio**  
65, Filipino, Independent Director

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

Recent training/continuing education (2017 to present): Corporate Governance and Financial Technology (RCBC); Corporate Governance and Crisis Management (Ginebra San Miguel, Inc.- GSMI).

**Mr. Laurito E. Serrano**  
59, Filipino, Independent Director

Mr. Serrano was elected as an independent director of the Bank effective March 20, 2019. Mr. Serrano was part of the Audit & Business Advisory Group and a partner of SGV & Co - Corporate Finance Consulting Group. He is currently in the financial advisory practice with clients mostly in the private sector. His past experience include, among others, directorships in Metro Global Holdings Group, Travellers Hotels Philippines, Inc. (Resorts World), MJCI Investments, Inc., United Paragon Mining Corp., Sagittarius Mining Corporation, and Philippine Veterans Bank. Mr. Serrano holds a Bachelor of Science degree in Commerce (Major in Accounting) from the Polytechnic University of the Philippines and has a Masters in Business Administration degree from the Harvard Graduate School of Business.

Recent training/continuing education (2018 to present): Corporate Governance Orientation Program (Institute of Corporate Directors)

## ADVISORY BOARD

**Mr. Francis C. Laurel**

- YKK Philippines, Inc., President and Chief Executive Officer
- Toyota Batangas City, Inc., President and Chief Executive Officer
- Toyota Naga City, Inc., President and Chief Executive Officer
- Philippine-Japan Society, Inc., President and Member of the Board of Trustees
- Philippines-Japan Economic Cooperation Committee, Inc., Senior Adviser
- UP College of Economic and Management Alumni Foundation, Inc. (CEMAFI), Board of Trustees

**Ms. Yvonne S. Yuchengco**

- RCBC Capital Corporation, Chairman and Director
- Philippine Integrated Advertising Agency, Inc., President and Director
- Malayan Insurance Company, Inc., President and Director
- MICO Equities, Inc., President and Director
- AY Foundation, Inc. Member, Board of Trustees



FRANCIS C. LAUREL  
Advisory Board Member



YVONNE S. YUCHENGCO  
Advisory Board Member

Senior  
Management



REDENTOR C. BANCOD  
Chief of Staff,  
IT Shared Services & Operations



HORACIO E. CEBRERO III  
Treasury



JOHN THOMAS G. DEVERAS  
Strategic Initiatives and Asset Management



ANA LUISA S. LIM  
Compliance & Regulatory Affairs



RICHARD C. LIM  
Retail Banking



ROMMEL S. LATINAZO  
Consumer Lending



EMMANUEL T. NARCISO  
Global Transaction Banking



EDEL MARY D. VEGAMORA  
Internal Audit



ANGELITO VILLANUEVA  
Digital Enterprise, Innovation & Inclusion



JAMAL AHMAD  
Risk Management



MA. CHRISTINA P. ALVAREZ  
Corporate Planning



MARITA E. BUENO  
Data Science and Analytics



ELIZABETH E. CORONEL  
Corporate Banking



GEORGE GILBERT G. DELA CUESTA  
Legal Affairs



FLORENTINO M. MADONZA  
Controllershship

## Senior Management



MARIO T. MIRANDA  
Trust & Investments (Unitl March 30, 2020)



BENNETT CLARENCE D. SANTIAGO  
Credit Management



ROWENA F. SUBIDO  
Human Resources



MA. ANGELA V. TINIO  
Small and Medium Enterprise  
Banking



JANE N. MAÑAGO  
Wealth Management



MARIA CECILIA F. NATIVIDAD  
Marketing

## HEADS OF SUBSIDIARIES



JOSEPH COLIN B. RODRIGUEZ  
RCBC Forex Brokers Corporation



SIMON JAVIER A. CALASANZ  
RCBC Bankard



JOSE LUIS F. GOMEZ  
RCBC Capital Corporation



RAYMUNDO C. ROXAS  
Rizal Microbank



ALFONSO C. TANSECO  
RCBC Leasing and Finance  
Corporation

Senior Management Profiles

Redentor C. Bancod

Senior Executive Vice President  
Chief of Staff, Head of the Information Technology Shared Services and Operations Groups

Prior to joining the bank, he was Vice President and General Manager, Central Systems Asia of Sun Life Financial, Asia and Senior Vice President and Chief Technology Officer of Sun Life of Canada (Philippines) Inc. He holds an MBA degree from Northwestern University, Kellogg School of Business and Hong Kong University of Science and Technology. He obtained his Bachelor of Arts degree in Philosophy from the University of the Philippines, a candidate for a Master of Science degree in Information Management from the Ateneo de Manila University, and has post-graduate studies at the Asian Institute of Management.

Horacio E. Cebrero III

Senior Executive Vice President  
Head of Treasury Group

Prior to joining RCBC he was Treasury Sector Head in charge of the Treasury , Wealth Management and Credit Management Groups of the Philippine National Bank. He was previously Treasurer of East West Banking and had stints with other firms as follows: Citibank N.A. (Manila) as Chief Dealer; Asian Bank Corporation as Vice President for Treasury Group, AB Capital and Investment House as Manager for Financial Markets; Anscor Capital and Investment House as Manager for Financial Markets, Asian Savings Bank as Manager for Trust and Investments Division; Asia Trust Development Bank as Account Officer; and at Far East Bank & Trust Company as Account Supervisor for Branch Treasury Marketing and Loans & Credit Analyst for Loans and Credit at the branch. He also held directorships in various firms as follows : Chairman, PNB Europe; PNB Capital and Investment, PNB Forex Corporation as Director ; and AIG Philam Savings Bank also as Director . He graduated with a Bachelor of Science in Commerce degree major in Marketing Management from De La Salle University. He earned units for a Master of Business Administration at the Graduate School of Business Economics of the same university. He also attended and finished the Stanford Senior Executive Leadership Program (SSEL), an advance 5-part Executive Education Course Series at the Stanford University's Arthur and Toni Rembe Rock Center in HongKong.

John Thomas G. Deveras

Senior Executive Vice President  
Head of Strategic Initiatives and Asset Management & Remedial Group

Prior to joining RCBC, he was a FIG Investment Officer at the International Finance Corporation (IFC). Before that, he worked at the Philippine National Bank, where he was concurrently President of PNB Capital and Head, Remedial Management Group, with a rank of Senior Vice President. Mr. Deveras also worked at Tokyo-Mitsubishi International (Singapore) from 1999 to 2002, where he was a key member of their SE Asian Mergers & Acquisitions (M&A) Team. He started his formal banking career with Citibank in 1989. He obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University and earned his MBA from the University of Chicago.

Ana Luisa S. Lim

Executive Vice President  
Chief Compliance Officer and Head of Regulatory Affairs Group

Prior to assuming her current position she was Head of Operational Risk Management and Internal Audit Groups. She earned her Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines. Ms. Lim is a Certified Public Accountant, Certified Information Systems Auditor and Certified Internal Auditor.

Richard C. Lim

Executive Vice President  
Retail Banking Group

Prior to his appointment, he was seconded to RCBC Savings as Chief Operating Officer. Mr. Lim previously worked with Maybank, Inc. as Head of Retail Banking. He also handled the following roles in the said bank: Head of Retail Marketing Management, Assistant Vice President for Cash Management Services, Head of Consumer Sales Department, and Cluster Head for Binondo Manila area. He also had stints with other banks namely , Philam Bank -AIG where he worked as Manager for Binondo Branch , International Exchange where he functioned as Assistant Manager/ Sales Officer, Banco De Oro where he was a Marketing Officer, Urban Bank where he performed the role of a Marketing Associate, and Chinabank where he was designated as Officer's Assistant at Cash Department. He graduated from the University of Santo Tomas in 1991 with a degree in Bachelor of Science major in Biology.

Rommel S. Latinazo

Executive Vice President  
Head of Consumer Lending Group

Prior to his appointment, he was seconded to RCBC Savings Bank as President and CEO, he was previously RCBC's Head of Corporate Banking Segment 1 under the Corporate Banking Group. He obtained his Bachelor of Science degree in Management from the Ateneo de Manila University and earned his Masters in Business Administration degree from the University of the Philippines.

Emmanuel T. Narciso

Executive Vice President  
Head of Global Transaction Banking Group

Prior to joining RCBC, he was Group Head for Transaction Banking at BDO Unibank, Inc. He was also previously connected with the Hongkong and Shanghai Banking Corporation, where he was Head of Business Banking Division (Philippines), and Head of Payments and Cash Management for Vietnam and Philippines. He also worked for Security Bank Corporation as Head of the Corporate Transaction Banking Division, and Citibank N.A. Philippines, where his last appointment was as Business Development Head for Global Transaction Services. He started his career in banking as an Analyst/Programmer in the Bank of the Philippine Islands in 1984. He obtained his Bachelor of Arts in Economics (Honors Program) from the Ateneo de Manila University and his Master in Business Management from the Asian Institute of Management as a Citibank scholar.

Edel Mary G.D. Vegamora

Executive Vice President  
Chief Audit Executive and Head of Internal Audit Group

Ms. Vegamora has over thirty eight (38) years of experience in the areas of governance, risk management, internal audit and control, financial statements and regulatory reporting, banking taxation, products and deals vetting, as well as due diligence reviews in M&As. Prior to joining RCBC in 2017, she helped organizations in her varied roles: as EVP& Chief Financial Officer of Bank of Commerce; Senior Consultant of HLB International/Diaz Murillo Dalupan & Co.; SVP&Chief Internal Auditor of BDO Unibank Inc. and its subsidiaries including BDO Private Bank; SVP&Chief Financial Officer of Sun Life of Canada Phils. Inc., Location CFO & Director of Finance for the Philippine Branch of International Nederlanden Groep N.V., ING Forex Corporation & ING Securities Philippines, Inc.; Director of Banking and Assurance of KPMG/ Laya Mananghaya & Co.; Director of Internal Audit and eventually AVP&Regional Finance Head of Asia Pacific Division of Sun Life Assurance Company of Canada; Head of Internal Audit for PSBank and eventually as PSBank's Vice President/Head of Controllershship Group. Ms.Vegamora's post-university studies and professional certifications include the following: Graduate of the Professional Directors Program (PDP) of the Institute of Corporate Directors (ICD), and was conferred a "Fellow" of ICD's Society of Fellows in 2017, Certified Public Accountant (CPA) 1981, Certified

Internal Auditor (CIA) 1999, Certification in Risk Management Assurance (CRMA) 2012, and a Leadership Certificate Course at the Niagara Institute, Canada. Ms. Vegamora had worked as Board of Director-Member in various legal entities, namely, *Bankers Institute of the Philippines; Sun Life Asset Management Corporation.; Sun Life Prosperity Funds NG Forex Corporation; ING Securities Philippines, Inc.; ING Foundation Philippines; The Institute of Internal Auditors Philippines, Inc.; The Institute of Internal Auditors Philippines, Inc.*

Angelito Villanueva

Executive Vice President  
Chief Innovation and Inclusion Officer and Group Head of Digital Enterprises and Innovation Group

Mr. Villanueva is the Philippines' leading and award-winning industry leader on digital transformation and inclusive digital finance. He has over 20 years of experience in banking, telecommunications, payments, development finance, and financial technology. He merited over 50 global and regional awards, including being cited as one of the Top 100 FinTech Leaders in Asia, the first and only Filipino, for scaling digital innovations and financial inclusion. He was also named "Mr. FinTech of the Philippines" by *BizNewsAsia* magazine. He started the PLDT Group's fintech business and is among the founding executives of Voyager and PayMaya. He was the Managing Director of FINTQnologies Corp, the fintech arm of Voyager Innovations. He was also with Visa on global mobile payments covering 32 markets in Asia Pacific, Latin America, Eastern Europe, Middle East and North Africa; and with the International Finance Corporation of the World Bank Group, focusing on mobile money transfers in Mongolia. He is the founding chairman of the FinTechAlliance.ph and President and Trustee of the Gov. Nestor A. Espenilla Jr. Institute for Growth towards National Inclusion, Transformation and Empowerment. He obtained his undergraduate and graduate degrees on political science and public administration, respectively with magna cum laude honors from the University of Santo Tomas. He completed his master's degree in National Security Administration at the National Defense College of the Philippines in 2000 as a state scholar.

Senior  
Management  
Profiles

**Jamal Ahmad**

First Senior Vice President  
Chief Risk Officer and Group Head of Risk  
Management Group  
(until July 01, 2020)

Mr. Ahmad is Chief Risk Officer and Head of Risk Management Group. He is responsible for management of all risks and also spearheads the Sustainable Finance activities of the bank. Prior to joining RCBC, Mr. Ahmad was Executive Director and Country Chief Risk Officer for Standard Chartered Bank, Vietnam Ltd. Mr. Ahmad also served as Country Chief Risk Officer at Standard Chartered Bank Philippines. Mr. Ahmad brings with him expertise in Risk Management, Management Consulting, and Project Management, gained from over 29 years of professional experience in developed and emerging markets in North America, Asia and the Middle East. His experience in Risk includes, Risk Due Diligence and Integration, Risk Governance, NPL management, debt recovery, special assets and credit portfolio management. Mr. Ahmad completed his undergraduate degree in Political Science and Journalism at the University of Punjab, Pakistan, a Master's degree in Business Administration at Ateneo De Manila University and MSC in Finance from Stern School of Business, New York University and Hong Kong University of Science and Technology.

**Ma. Christina P. Alvarez**

First Senior Vice President  
Head of Corporate Planning Group

She has more than 25 years of work experience in the financial services industry, ranging from credit to corporate and financial planning. Over 13 years of these have been with the Corporate Planning Group of RCBC. She graduated from the Ateneo de Manila University in 1991 with a degree in Management Economics and earned her Master in Business Management degree in 1998 from the Asian Institute of Management.

**Marita E. Bueno**

First Senior Vice President  
Head of Data Science and Analytics Group

Ms. Bueno brings with her twenty five (25) years of banking experience. She has expertise in the fields of Data Science, Analytics, and Risk Management. Prior to RCBC, Ms. Bueno was connected with Union Bank of the Philippines as the Data Science and Analytics Group Head. She had stints with Citi and JP Morgan Chase. She joined Citi in 1994 as a Credit Acquisitions Analyst in Citi's credit card business in New York. In 1995, she managed Citi's credit bureau relationship for the preapproved credit card channel. In 1997, she joined Risk Management where she managed the credit card portfolio

including the launching of Aadvantage & Citi business credit cards. In 2000, Ms. Bueno joined Risk Management at JP Morgan Chase where she managed the scored underwriting policy for Small Business Financial Services and account management credit policy for the retail business. In 2004, she returned to Citi as the Risk Manager for Aadvantage and PremierPass credit card acquisitions. In 2005, she moved to Singapore as Vice President for Decision Management. In 2007, she was appointed as the Chief of Staff to Citi's Chief Risk Officer for Asia Pacific in Hong Kong. She returned to Singapore in 2010 as Citi's Regional Director for Credit Products in Decision Management until 2015. Ms. Bueno is a Magna Cum Laude graduate of St. John's University in New York where she earned her Bachelor of Science degree in Computer Science and obtained her Master of Business Administration in Quantitative Analysis.

**Elizabeth E. Coronel**

First Senior Vice President  
Head of Corporate Banking Group

Prior to assuming this role she was Head of the Conglomerates and Strategic Corporates Segment. Previously, she served as the Senior Vice-President and Officer-in-Charge of Equicom Savings Bank. She also held various positions in local and foreign banks namely Mizuho Corporate Bank - Manila Branch as Vice President and Co-Head of Corporate Finance Department, Equitable PCIBank as Vice-President and Head of Corporate Banking Division IV and Citibank as a Corporate Relationship Manager in the Global Consumer Bank. Ms. Coronel obtained her Bachelor of Arts degree in Behavioral Science from the University of Santo Tomas graduating Cum Laude and earned MBA units from the Ateneo Graduate School of Business. She also completed a Mizuho-ICS (MICS) Mini-MBA program at Hitotsubashi University Graduate School of International Corporate Strategy.

**Atty. George Gilbert G. Dela Cuesta**

First Senior Vice President  
Corporate Secretary and  
Head of the Legal Affairs Group

Atty. dela Cuesta has over twenty years of professional experience in law and has served as head of the Legal department in various companies such as Asian Terminals, Inc., Mirant (Phils.) Corporation (now, TeaM Energy Corporation), and Hanjin Heavy Industries & Construction Co. Ltd. Earlier on, he served as a lawyer at the Department of Environmental and Natural Resources. He started his legal career at Baker & McKenzie/Quisumbing and Torres. He is a graduate of the University of the Philippines in Diliman where he earned his degrees in Law and in Political Science.

**Florentino M. Madonza**

First Senior Vice President  
Head of Controllershship Group

Prior to joining the Bank, he worked at Sycip, Gorres, Velayo and Co. as external auditor. He held various positions in Accounting and Controllershship for over 20 years. He completed his Bachelor of Science in Commerce major in Accounting from Araullo University (Cum Laude), and is a Certified Public Accountant.

**Mario T. Miranda**

First Senior Vice President  
Head of Trust and Investments Group  
(until March 31, 2020)

Before joining RCBC, he was the President and CEO of BPI Asset Management and Trust Corporation. and held concurrent Trust Officer functions at BPI Capital Corporation. He also had stints with the following : Trebel Industries , Inc as Corporate Treasurer and Comptroller; Security Pacific National Bank in Los Angeles, CA. as a Management Associate, Bancom Development Corporation (merged with Union Bank) as Credit Evaluation Analyst. He was also a Part-time faculty member of the Mathematics Department, Graduate School of the Ateneo de Manila University. He obtained his Master of Business Administration from the University of California and his degree in Bachelor of Science in Management Engineering from the Ateneo De Manila University

**Bennett Clarence D. Santiago**

First Senior Vice President  
Head of Credit Management Group

Prior to joining the Bank, he was the Head for Small Business Loans under the Consumer Banking Group of BDO. He was also the Head of Credit Risk Control for Commercial Banking in BDO. Prior to BDO, he held various senior risk roles at Citi Commercial Bank Unit of Citibank Manila, Union Bank of the Philippines, and International Exchange Bank. He obtained his Bachelor of Science in Business Administration degree from the University of the Philippines and took up units for Masters in Business Administration from the Ateneo Graduate School of Business.

**Rowena F. Subido**

First Senior Vice President  
Head of Human Resources Group

Prior to joining RCBC, she worked with Citibank, N.A. as Senior Vice President and Lead Human Resources Generalist and Senior Vice President and Head of Human Resources for the Institutional Clients Group. She also worked with Citifinancial Corporation, the Consumer Finance Division of Citigroup, as Vice President and Human Resources Head. She graduated from the University of Santo Tomas with a degree in Bachelor of Science major in Psychology. She earned units for Masters in Psychology major in Organizational/Industrial Psychology at De La Salle University.

**Ma. Angela V. Tinio**

First Senior Vice President  
Head of Small and Medium Enterprises Banking Group

Prior to her appointment, she held various positions in Corporate Banking, initially handling Metro Mla and Luzon as Region Head and later on branching out to Visayas and Mindanao. This gave her the exposure and experience to take on the position of Head of the Commercial and SME Banking segment which was spun off a a separate business group in 2019. Her early years in RCBC were spent as Department Head of its Special Account Management Division where she specialized in work-outs and restructuring. She started her career as a Corporate Banking Account officer in Traders Royal Bank where she stayed from January 1985 to January 1996. She had a brief stint with PDB Leasing and Finance Corporation and held various positions in Far East Bank and Trust Company from June 1997 to April 2000 and in the Bank of the Philippine Islands where she headed one of its remedial management teams. Ms. Tinio obtained her Bachelor of Arts degree in Economics from the University of the Philippines and completed her MBA units at the De La Salle University.

**Jane N. Mañago**

Senior Vice President  
Head of Wealth Management Group

She has extensive exposure in the fields of treasury, marketing, product management, account management and private banking from her tenure with Citibank, Equitable Bank and YGC CSI. She graduated Cum Laude from the University of Santo Tomas with Bachelor of Arts in Behavioral Science and Bachelor of Science in Commerce, major in Business Administration degrees.

**Maria Cecilia F. Natividad**

Senior Vice President  
Chief Marketing Officer and Head of the Marketing Group

Prior to joining the Bank, she was Head of Marketing for the Philippine and Indochina markets of The Western Union Company. Previously, she was Assistant Vice President and Consumer Marketing Manager of Nestle Philippines, Inc., and a Sales Trainor at Ayala Life Insurance, Inc. She has over twenty (20) years of professional experience in the areas of global and cross border marketing, strategic planning, brand, communications and digital marketing. Ms. Natividad obtained her Bachelor of Science in Management, major in Legal Management degree from the Ateneo de Manila University.

HEADS OF SUBSIDIARIES

Joseph Colin B. Rodriguez

First Senior Vice President  
President & CEO, RCBC Forex Brokers  
Corporation  
(seconded from RCBC)

Prior to his appointment, he was Treasurer of RCBC Savings Bank. He also assumed various positions in Rizal Commercial Banking Corporation as Head of the FX Risk Division and Head of Institutional Relationship Management Division. Before joining RCBC, he spent over two decades at the Treasury division of several foreign /local banks. He was Vice President and Head of the Foreign Exchange and Swap Desk at ING Bank Manila. He was also a Dealer at the Manila office of Banque Indosuez and Assistant Dealer at the Riyadh office of Banque Al Hollandi (ABN AMRO Bank). He also headed the FX and Swaps division of Bank of the Philippine Islands. He graduated from De La Salle University with a double degree in Liberal Arts & Commerce, Major in Marketing and in Political Science.

Simon Javier A. Calasanz

Executive Vice President  
President, RCBC Bankard Services Corporation  
(Seconded from RCBC)

A double degree graduate from DLSU majoring in Marketing and Psychology, Mr. Calasanz brings with him over seventeen (17) years of banking experience. He has handled challenging roles in the following areas: Retail Banking and Wealth Management, Contact Centre Management, Consumer Lending, Product Management, Credit Risk and Compliance, Fraud Detection, Management Information Systems and Operations. His last 2 roles with the Hongkong and Shanghai Banking Corporation were as concurrent Head of Sales and Contact Centre Management and Head of Cards and Consumer Assets. He also performed significant roles for the Credit Card Association of the Philippines, Bancnet and Credit Management Association of the Philippines, previous positions were as President/Chairman for CCAP, and Director for both Bancnet and CMAP. He continues to hold a position in the Card Association as Special Advisor to the Board of Directors, and is a regular speaker in universities on financial literacy. He is currently a guest lecturer at Mapua University's Masters in Analytics course. Under his leadership over the past 4 years, the credit card business tripled (receivables) in size while strengthening the credit quality of the book. RCBC Bankard continues to be among the fastest growing credit card businesses in the country.

Jose Luis F. Gomez

President and Chief Executive Officer  
RCBC Capital Corporation

His nineteen years in RCBC Capital follows extensive experience in investment banking, fund management, as well as corporate banking with reputable local and foreign institutions such as Bank of America N.A., AIG Investments Corporation, and Peregrine Capital Philippines, Inc. among others. He was President of the Investment House Association of the Philippines in the years 2017 and 2018. He holds a Master of Business Administration degree from the Katholieke Universiteit Leuven in Belgium, where he graduated with distinction, and a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Raymundo C. Roxas

President, Rizal Microbank

He started as a Microfinance Consultant in March 2009 and became the Head of Lending and Branch Operations of Rizal Microbank in December of the same year. He was eventually appointed as President on March 21, 2016. Before joining the RCBC Group, he worked as Regional Manager of the United States Agency for International Development (USAID) Microenterprise Access to Banking Services (MABS) Project, Chief Commercial Officer of ACCION International Inner Mongolia Microfinance Company, and Microfinance Department Head of First Isabel Cooperative Bank, Inc. He has more than 25 years of work experience in microfinance. He graduated from the Lyceum of the Philippines University with a Bachelor of Science degree in Psychology (Cum Laude). He completed a Bank Management Development Course in 2000 conducted by the University of the Asia & Pacific and sponsored by the People's Credit and Finance Corporation. He was a product of RCBC's Middle Management Development Program and Leadership Development Program conducted by De La Salle University and John Clements Consultancy respectively.

Alfonso C. Tanseco

President and Chief Executive Officer  
RCBC Leasing and Finance Corporation and RCBC Rental Corporation

Immediately after joining RCBC Leasing, he was elected to the Board of Directors of the Phil. Finance Association (PFA), the national governing body of finance and leasing companies, and served as its President from 2014 to 2016. Prior to joining RCBC Leasing, he served as President and CEO of JPNB Leasing and Finance Corporation as well as UCPB Leasing and Finance Corporation. He was formerly the Head of the Govt. Banking Group-LGUs & NGA/GOCC-Philippine National Bank and held senior officer positions in United Coconut Planters Bank and UCPB Factors and Finance Corporation. Mr. Tanseco has 38 years banking experience with vast exposure in corporate banking, commercial and SME lending as well as remedial credit. He obtained his AB-Economics degree from the Ateneo de Manila University and completed the Bank Management Program at the Asian Institute of Management.

Senior Officers

**Chairperson**  
HELEN Y. DEE

**Corporate Vice Chairman**  
CESAR E. A. VIRATA

**President and Chief Executive Officer**  
EUGENE S. ACEVEDO

**Corporate Secretary**  
GEORGE GILBERT G. DELA CUESTA  
First Senior Vice President  
Head, Legal Affairs Group

**Assistant Corporate Secretary**  
JOYCE CORINE O. LACSON  
Vice President

**Senior Executive Vice Presidents**  
REDENTOR C. BANCOD  
Chief of Staff and Head, Information Technology  
Shared Services Group

HORACIO E. CEBRERO III  
Head, Treasury Group

JOHN THOMAS G. DEVERAS  
Head, Strategic Initiatives and  
Head, Asset Management and Remedial Group

**Executive Vice Presidents**  
SIMON J. CALASANZ  
President and Chief Executive Officer,  
RCBC Bankard Services Corp.  
(*Seconded from RCBC*)

ROMMEL S. LATINAZO  
Head, Consumer Lending Group

ANA LUISA S. LIM  
Chief Compliance Officer and Head,  
Regulatory Affairs Group

RICHARD C. LIM  
Head, Retail Banking Group

EMMANUEL T. NARCISO  
Head, Global Transaction Banking Group

EDEL MARY D. VEGAMORA  
Chief Audit Executive and Head,  
Internal Audit Group

ANGELITO M. VILLANUEVA  
Chief Innovation and Inclusion Officer and Head,  
Digital Enterprise and Innovation Group

**First Senior Vice Presidents**  
JAMAL AHMAD  
Chief Risk Officer and Head,  
Risk Management Group

MA. CHRISTINA P. ALVAREZ  
Head, Corporate Planning Group

MARITA E. BUENO  
Head, Data Science and Analytics Group

ELIZABETH E. CORONEL  
Head, Corporate Banking Group

FLORENTINO M. MADONZA  
Head, Controllership Group

YASUHIRO MATSUMOTO  
Head, Global and Ecozone Segment

MARIO T. MIRANDA  
Head, Trust and Investments Group

REYNALDO P. ORSOLINO  
Head, Emerging Corporates Segment  
(*Until March 16, 2020*)

ALBERTO N. PEDROSA  
Head, Asset and Liability Management Group

JOSEPH COLIN B. RODRIGUEZ  
Head, Subsidiaries Treasury Risk Positions  
Segment

BENNETT CLARENCE D. SANTIAGO  
Head, Credit Management Group

ROWENA F. SUBIDO  
Head, Human Resources Group

MARIA ANGELA V. TINIO  
Head, Small and Medium Enterprise Banking  
Group

**Senior Vice Presidents**  
LALAINE I. BILAOS  
Head, Local Corporate Banking Segment,  
Division 2

MA. CARMELA S. BOLISAY  
Head, Management Services Division

JOSE MARIA P. BORROMEO  
Head, Reserve and Liquidity Management  
Segment

ENRIQUE C. BUENAFLORES  
Head, Corporate Cash Management Segment

KAREN K. CANLAS  
Head, Wealth Management Division 2

BRIGITTE B. CAPIÑA  
Regional Sales Director, Makati

CLARO PATRICIO L. CONTRERAS  
Head, Corporate Remedial Management Division  
and Consumer Collection and Remedial Division

ANTONIO MANUEL E. CRUZ, JR.  
Head, Chinese Banking Segment

EDWIN R. ERMITA  
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ENRIQUE G. LLAGAS

**President**  
CAESAR O. TAGLE

**Treasurer**  
MARIA LUISA A. PASAMBA

**Secretary**  
ELIZABETH L. BENIN

RCBC CAPITAL CORPORATION

**Chairperson**  
YVONNE S. YUCHENGCO

**President and Chief Executive Officer**  
JOSE LUIS F. GOMEZ

**First Vice Presidents**  
XAVIER Y. ZIALCITA  
Senior Account Officer, Investment Banking

CLAUDINE C. DEL ROSARIO  
Senior Account Officer, Investment Banking

JUAN MARCELO M. QUIJANO  
Head, Credit and Administration

**Vice Presidents**  
JAYWIN R. MINA  
Head, Financial Services

ATTY. CHRISTIAN M. CHAVEZ  
Compliance Officer

Corporate Secretary  
ATTY. SAMUEL V. TORRES

Subsidiaries

RCBC BANKARD SERVICES CORPORATION

**Chairman**  
CESAR E. A. VIRATA

**Vice Chairman**  
RAUL M. LEOPANDO

**President and Chief Executive Officer**  
SIMON JAVIER A. CALASANZ  
(Seconded from RCBC)

**Executive Vice President**  
ARNIEL VINCENT B. ONG  
Chief Customer Experience and Risk Officer  
(Seconded from RCBC)

**Senior Vice Presidents**  
EUGENIO U. FERNANDEZ  
Chief Finance Officer and Treasurer

MA. REGINA Y. MILLARE  
Chief Operating Officer

MYLENE J. BICO  
Chief Commercial Officer

**First Vice Presidents**  
AMOR A. LAZARO  
Head, Business Intelligence Group

MA. ANGELA C. MIRASOL  
Head, Marketing Group

BENJAMIN W. R. CUMPAS, JR.  
Head, Merchant Business Group and Head, Sales and Distribution

**Vice Presidents**  
HYGEIA C. CALAOR  
Head, Collection Group

KARLO C. GONZALES  
Head, Fraud Management and Authorization Group

CRISTINA V. MACALINAO  
Head, Credit Policy Group

RENAN D. UNSON  
Head, Information Technology Group

AILEEN L. DELA CRUZ  
Head, Human Resource Management Group

ANGELUZ T. GUERZON  
Head, Legal and Compliance Group

JOCELYNE D. JANORAS  
Head, Financial Accounting Group

SALVE TIEN C. GATPANDAN  
Head, Acceptance Services Group

IRENE D. TAYLO  
Head, Corporate Sales and Partnership Division

RICARDO ISIDORO M. REYNOSO III  
Head, Business Development Group

JOSE PAULO I. AGUILERA  
Head, Direct Sales and In-House Sales Channels Division

MA. SHENIE S. VALENCIA  
Head, Operations Group

**Assistant Vice Presidents**  
RITA REICHEL S. RIVERA  
Head, Customer Service Group

MARICAR S. SAN PEDRO  
Head, Internal Audit Group

FELIX L. SINCONEGUE  
Head, General Services Group

JUANITA L. BAYUDAN  
Head, IT Operations Division

JOHANNA Y. DEE  
Head, Intra-YGC Sales Division

JOHN CARLO A. CECILIA  
Head, Applications Development Division

MARIA FATIMA MICHELLE V. ANTONIO  
Head, Portfolio Management Division

RALPH LAWRENCE M. LAZARO  
Head, IT Management Services Division

ROSALINDA D. SANTIAGO  
Head, Management Accounting Division

PENNY ANNE T. BAILON  
Head, Operational Risk Management Division

MA. JOSEFA V. BALIGOD  
Senior Lead, Business Development

GRACE PATRICIA T. CAGRO  
Head, Merchant Business Support Division

MAUREEN P. FRADEJAS  
Head, In-House Collection (X Days) Division

ROBERT M. ILAGAN  
Head, Authorization Division

MELLROSE N. PESIGAN  
Head, Business Transformation Group

SALVADORA M. QUIROS  
Head, Chargeback Division

ROSEBIE J. BRAGADO  
Senior Lead, Vendor Management

Corporate Secretary  
ATTY. SAMUEL V. TORRES

RCBC SECURITIES, INC.

**Chairman**  
RAUL M. LEOPANDO

**Acting President and Head of Research**  
RAUL P. RUIZ

**Vice President**  
MARILEN B. ZUÑIGA  
CFO and Head, Operations

**Corporate Secretary**  
ATTY. SAMUEL V. TORRES

RCBC FOREX BROKERS CORPORATION

**Chairman**  
HORACIO E. CEBRERO III

**President and Chief Executive Officer**  
JOSEPH COLIN B. RODRIGUEZ

**Corporate Treasurer**  
CRISELDA T. ESPINOSA

**Corporate Secretary**  
ATTY. SAMUEL V. TORRES

RCBC-JPL HOLDING CO., INC.  
(Formerly President Jose P. Laurel Rural Bank, Inc.)

**Chairman and President**  
CLARO PATRICIO L. CONTRERAS

**Director/Senior Vice President**  
LOIDA C. PAPILLA

**Director/Vice President-Treasurer**  
MARIANO JOSE R. LAUREL

**Director/Assistant Vice President**  
ROLANDO I. RAMIREZ, JR.

**Director/Corporate Secretary**  
KENNETH MARK F. GARCIA

RCBC LEASING AND FINANCE CORPORATION

**Chairperson**  
HELEN Y. DEE

**Vice Chairman**  
EUGENE S. ACEVEDO

**President and Chief Executive Officer**  
ALFONSO C. TANSECO

**Senior Vice President**  
MICHAELA C. SISON  
Chief Operating Officer and Head, Marketing - Metro Manila

**Vice Presidents**  
RAUL M. CABATINGAN  
Head, Marketing - Visayas and Mindanao

NORBERTO A. DAWA  
Head, Operations

REY JOSE Q. BUMANGLAG  
Head, Treasury

**Assistant Vice Presidents**  
JOCELYN GRACE N. NAVATO  
Head, Compliance

MAXIMO L. ABING JR.  
Head, Marketing - Luzon

Corporate Secretary  
EVA MARIE M. SISON

Subsidiary

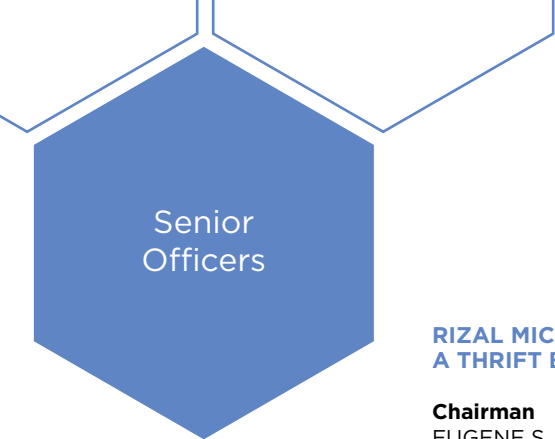
RCBC RENTAL CORPORATION

**Chairman**  
JOHN THOMAS G. DEVERAS

**President and Chief Executive Officer**  
ALFONSO C. TANSECO

**Treasury Head**  
REY JOSE Q. BUMANGLAG

**Corporate Secretary**  
EVA MARIE M. SISON



Senior Officers

RIZAL MICROBANK, INC. –  
A THRIFT BANK OF RCBC

**Chairman**  
EUGENE S. ACEVEDO

**Vice Chairman**  
JOHN THOMAS G. DEVERAS

**President**  
RAYMUNDO C. ROXAS

**Senior Vice President**  
EMELITA B. ROCERO  
Head, Branches and Lending Operations

**First Vice President**  
LIBERTINE B. CUBIO  
Head, Mindanao Area Operations

**Vice Presidents**  
MARILYN F. SUAREZ  
Treasurer

MARIANO JOSE R. LAUREL  
Chief Risk Officer

**Assistant Vice Presidents**  
JEAN MELODY P. NARANJO  
Chief Compliance Officer

ROSITA S. VALENCIA  
Accounting Head

ERVIE E. CANE  
Head, Operations Support Department

MA. HAZEL F. VELASCO  
Head, Luzon Area Operations

TOMAS A. EBCAS, JR.  
Head, Visayas and Palawan Area Operations

MITCHELLE P. ADOBAS  
Head, Microfinance Department

**Corporate Secretary**  
EVA MARIE M. SISON

NIYOG PROPERTY HOLDINGS, INC.

**Chairman and President**  
JOHN THOMAS G. DEVERAS

**Vice President**  
EVELYN NOLASCO

**Comptroller and Treasurer**  
FLORENTINO M. MADONZA

**Legal Head**  
GWENDOLYNN S. PADILLA

**Corporate Secretary**  
ATTY. ELSIE S. RAMOS

INTERNATIONAL

RCBC INTERNATIONAL FINANCE LTD.

**Chairman**  
EUGENE S. ACEVEDO

**General Manager**  
FEDERICO E. AGUS, JR.

**Accountant and Company Secretary**  
LIU YUEN SHEUNG

ASSOCIATES

HONDA CARS PHILIPPINES, INC.

**President and General Manager**  
NORIYUKI TAKAKURA

**Executive Vice President**  
KATSUMI KASAI

**Vice President**  
YASUNORI MIYAMOTO

**Treasurer**  
VICENTA BALARBAR

**Corporate Secretary**  
PRISCILLA B. VALER

ISUZU PHILIPPINES CORPORATION

**President**  
HAJIME KOSO

**Executive Vice President and Treasurer**  
SHOJIRO SAKODA

**Vice Presidents**  
HIROSHI NINOMIYA  
Manufacturing

KOJI HANAWA  
After-Sales

YASUHIKO OYAMA  
Sales

**Assistant Vice President**  
DAVID YANDOC, JR.  
Administration

**Corporate Secretary**  
CECILE MARGARET E. CARO-SELVAGGIO

**Assistant Corporate Secretary**  
MARIA CHRISTINA C. ORTUA

LUISITA INDUSTRIAL PARK CORPORATION

**Chairman**  
HELEN Y. DEE

**President**  
MARIO C. PAGUIO

**Treasurer**  
ELENA F. TRAJANO

**Corporate Secretary**  
ATTY. SAMUEL V. TORRES

YGC CORPORATE SERVICES, INC.

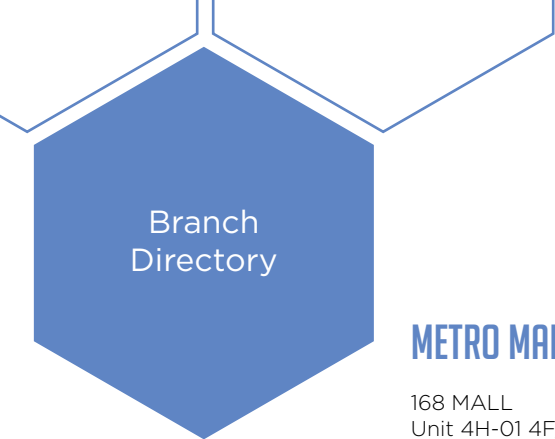
**Chairman and President**  
HELEN Y. DEE

**Executive Vice President and Chief Operating Officer**  
LIWAYWAY F. GENER

**Vice President**  
ALBERT S. YUCHENGCO

**Treasurer**  
FLOR BELLA MONINA MARAÑON

**Corporate Secretary**  
ATTY. SAMUEL V. TORRES



Branch  
Directory

METRO MANILA

168 MALL  
Unit 4H-01 4F, 168 Shopping Mall  
Sta. Elena St., Binondo, Manila  
Tel. No.: 8708-2290

A. MABINI  
1353 Tesoro Bldg., A. Mabini St., Ermita, Manila  
Tel. Nos.: 8526-0424; 8526-0444 to 45;  
8526-0468  
Fax No.: 8526-0446

ABAD SANTOS  
1628 Jose Abad Santos Ave., Tondo, Manila  
Tel. No.: 8251-7369

ACROPOLIS  
191 Triquetra Bldg., E. Rodriguez Jr. Ave.  
Bagumbayan, Quezon City  
Tel. Nos.: 8638-0550 to 53

ACROPOLIS-EASTWOOD AVENUE  
Unit G8A-B, G/F MDC 100 Bldg.  
188 E. Rodriguez Jr. Ave. corner Eastwood Ave.  
Bo. Bagumbayan, Quezon City  
Tel. Nos.: 8727-5241; 8727-5370; 8366-7265;  
8364-8651; 8366-7262; 8366-7274

ADB AVENUE-GARNET  
Unit 110 AIC Burgundy Empire Tower  
ADB Ave. corner Garnet Rd.  
Ortigas Center, Pasig City  
Tel. Nos.: 8727-2374; 8727-3639; 8632-1397;  
8632-1395; 8727-3644

ADRIATICO  
Hostel 1632 G/F Unit, 1632 M. Adriatico St.  
Malate, Manila  
Tel. Nos.: 8252-9403; 8252-9424 to 25; 8252-9515

AGUIRRE- BF HOMES  
G/F Fitness & Beauty Mall Bldg.  
290 Aguirre Ave. corner Gov. Santos St.  
BF Homes, Parañaque City  
Tel. Nos.: 8824-5164; 8824-5154; 8824-5152

AGUSTIN  
G/F Agustin Bldg., Ruby Rd., Ortigas Center  
Pasig City  
Tel. Nos.: 8631-2031; 8631-2027; 8687-2264

ALABANG  
RCBC Bldg., Tierra Nueva Subd.  
Alabang-Zapote Rd., Alabang, Muntinlupa City  
Tel. Nos.: 8807-2245 to 46; 8850-9044

ALABANG-FILINVEST CORPORATE CITY  
Units G04 & G05 Vivere Hotel  
5102 Brigeway Ave., Filinvest Corporate City  
Alabang, Muntinlupa City  
Tel. Nos.: 8556-3419; 8556-3416 to 17

ALABANG-MADRIGAL BUSINESS PARK  
Unit 5 & 6, G/F CTP Alpha Bldg., Investment Drive  
Madrigal Business Park, Ayala Alabang  
Muntinlupa City  
Tel. Nos.: 8802-2915 to 17

AMANG RODRIGUEZ  
1249 Amang Rodriguez Ave., Dela Paz, Pasig  
Tel. Nos.: 8635-5115; 8635-2156; 8635-5211;  
8635-0249; 8633-7434

AMORANTO  
Units 1-F & 1-G Edificio Enriqueta  
422 N.S. Amoranto St. corner D. Tuason Ave.  
Quezon City  
Tel. Nos.: 8253-2097; 8253-2104; 8253-2099

ANNAPOLIS- GREENHILLS  
G/F Platinum 2000, 7 Annapolis St., San Juan City  
Tel. Nos.: 8941-7420 to 21; 8941-7416; 8941-7396

ANNAPOLIS-MISSOURI  
5 Dr. Sixto Antonio Ave., Kapasigan, Pasig City  
Tel. Nos.: 8570-8887; 8641-0798; 8641-0783

ANONAS  
69 Anonas St. corner Chico St.  
Project 2, Quezon City  
Tel. Nos.: 8928-9762; 8925-1319 to 20

ARANETA CENTER  
G/F Unit 111, Sampaguita Theatre Bldg.  
Gen. Araneta St. corner Gen. Roxas St.  
Cubao, Quezon City  
Tel. No.: 8912-6049

ARNAIZ  
843 G/F Prudential Life Bldg., Arnaiz Ave.  
Legaspi Vill., Makati City  
Tel. Nos.: 8869-0430; 8869-0314; 8869-0306

ARRANQUE  
1001 Orient Star Bldg., Masangkay St.  
corner Soler St., Binondo, Manila  
Tel. No.: 8244-7055

AURORA BOULEVARD-MADISON  
Madison 101, Aurora Blvd. corner  
Madison St., Quezon City  
Tel. Nos.: 8531-9360; 8531-9357 to 58

ATY CENTRE  
G/F RCBC Savings Bank Corporate Center,  
26th & 25th Sts., Fort Bonifacio, Taguig City  
Tel. Nos.: 8843-3035; 8843-3049; 8843-3051;  
8843-3043; 8843-3054 to 55

AYALA  
Unit 709 & 710, Tower One  
Ayala Triangle, Ayala Ave., Makati City  
Tel. Nos.: 8848-6984 to 85

AYALA ALABANG  
G/F Sycamore Bldg., Alabang-Zapote Rd. corner  
Buencamino St., Alabang, Muntinlupa City  
Tel. Nos.: 8850-8825 to 26; 8850-9712

AYALA AVENUE  
G/F 8767 Philamlife Tower  
Paseo De Roxas, Makati City  
Tel. Nos.: 8812-4066; 8893-7266

BACLARAN  
21 Taft Ave., Bacclaran, Parañaque City  
Tel. Nos.: 8832-3938; 8852-8147 to 48

BACLARAN-QUIRINO  
3916 Qurino Ave. corner Aragon St.  
Baclaran, Parañaque City  
Tel. Nos.: 8853-9692 to 93; 8551-1593

BANAWE  
Unit I-K CTK Bldg., 385 Banawe St.  
corner N. Roxas St., Quezon City  
Tel. Nos.: 8742-3578; 8742-3582;  
8743-0204

BARANGKA  
84 Riverbanks Center A. Bonifacio Ave.  
Barangka, Marikina City  
Tel. Nos.: 8948-1093; 8997-5442

BAYANI ROAD  
30 B Bayani Rd., AFPOVAI Subd.  
Fort Bonifacio, Taguig City  
Tel. Nos.: 8808-7469; 8808-7436;  
8856-0156

BEL-AIR  
Unit 101 Doña Consolacion Bldg.  
122 Jupiter St., Bel-air, Makati city  
Tel. Nos.: 8519-7711; 8553-4143; 8519-7744

BETTER LIVING  
14 Doña Soledad, Better Living Subd.  
Parañaque City  
Tel. Nos.: 8828-4810; 8828-2174;  
8828-3478  
Fax No.: 8828-9795

BETTER LIVING-BICUTAN  
133 Doña Soledad Ave., Brgy. Don Bosco  
Better Living Subd., Parañaque City  
Tel. Nos.: 8824-0175; 8823-9232;  
8659-6204

BF HOMES  
Unit 101 Centermall Bldg., President Ave.  
BF Homes, Parañaque City  
Tel. Nos.: 8842-1554; 8807-8762  
Fax No.: 8842-1553; 8842-1559

BINONDO  
ETY Bldg., 484 Quintin Paredes St.  
Binondo, Manila  
Tel. No.: 8878-3456 loc 3612

BINONDO-SAN NICOLAS  
Unit 2 GF & 2F, One Binondo Place Tower  
San Nicolas corner Ilang Ilang St., Binondo  
Tel. No.: 8241-0991

BLUMENTRITT  
1876 Blumentritt St. corner Andrade St.  
Santa Cruz, Manila  
Tel. Nos.: 8743-1316; 8781-8342

BONI AVENUE-SAN RAFAEL  
503 Boni Ave. corner San Rafael  
Mandaluyong City  
Tel. Nos.: 8534-6307; 8534-7533;  
8534-7074; 8534-7594; 8534-7696

BONI AVENUE  
617 Boni Ave., Mandaluyong City  
Tel. Nos.: 8533-0280; 8532-5532;  
8533-6335 to 37

BUENDIA  
Grepalife Bldg., 221 Sen. Gil J. Puyat Ave.  
Makati City  
Tel. Nos.: 8844-1896; 8844-4169; 8845-6211

BUENDIA-TECHZONE  
Techzone Phillipines Bldg.  
213 Sen. Gil Puyat Ave., Brgy. San Antonio  
Makati City  
Tel. Nos.: 8802-2719 to 20; 8802-2723

C. RAYMUNDO  
261 Unit C, C. Raymundo Ave.  
Brgy. Maybunga, Pasig City  
Tel. Nos.: 8532-0304 to 05; 8532-0294

C. RAYMUNDO-ROSARIO  
Unit G-H G/F JG Bldg., C. Raymundo Ave.  
Maybunga, Rosario, Pasig City  
Tel. Nos.: 8570-2779; 8570-4651;  
8571-3580

CALOOCAN  
259 Rizal Ave. Extn., Kalookan City  
Tel. No.: 8365-6701

CAMARIN  
Sacred Heart Vill., Susano Rd., Brgy. 175  
Camarin, Caloocan City  
Tel. Nos.: 8961-7239; 8939-7283; 8442-3619

CARLOS PALANCA  
G/F BSA Suites, Carlos Palanca St.  
Legaspi Vill., Makati City  
Tel. Nos.: 8888-6939; 8888-6703;  
8888-6701

CARUNCHO  
Prima 3 Commercial Center  
7 Caruncho Ave., Pasig City  
Tel. Nos.: 8727-5241; 8727-5370

COMMONWEALTH  
G/F Verde Oro Bldg.  
535 Commonwealth Ave., Diliman  
Quezon City  
Tel. No.: 8931-5251

COMMONWEALTH-BALARA  
Block 3 Lot 43 Commonwealth Ave.  
Old Balara, Quezon City  
Tel. Nos.: 8931-4404; 8931-0718; 434-3965

CONCEPCION, MARIKINA  
17 Bayan-Bayanan Ave.  
Brgy. Concepcion Uno, Marikina City  
Tel. Nos.: 8661-7568; 8948-4002;  
8571-4607; 8942-6368

CONGRESSIONAL AVENUE  
G/F Unit A & B, 188 Congressional Ave.  
Quezon City  
Tel. No.: 8288-5015

CONNECTICUT  
51 Connecticut St., Northeast Greenhills  
San Juan City  
Tel. Nos.: 8721-4495; 8726-9793;  
8722-4424; 8744-6348

CUBAO  
RCBC SuperCenter, Araneta Center  
Quezon City  
Tel. No.: 8911-0870

D. TUAZON  
G/F Academe Foundation Bldg.  
47 D. Tuazon St., Sta. Mesa Heights  
Quezon City  
Tel. Nos.: 8731-5805 to 07

DEL MONTE  
180 Del Monte Ave., Quezon City  
Tel. Nos.: 8712-7570; 8712-9457; 8712-7567

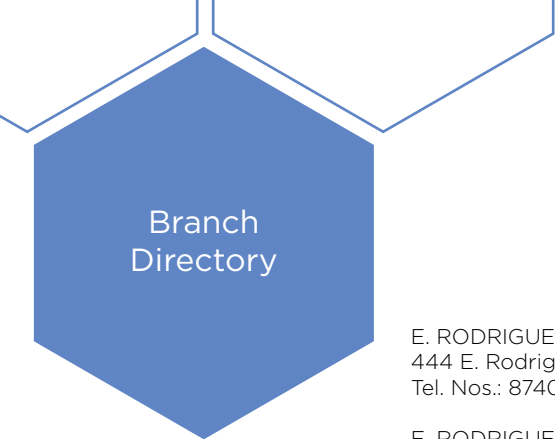
DELA ROSA  
G/F Sterling Center, Ormaza St.  
corner Dela Rosa St., Legaspi Vill.  
Makati City  
Tel. Nos.: 8893-9050; 8893-4312;  
8893-6828

DELA ROSA- PASONG TAMO  
G/F King's Court 2 Bldg.  
2129 Chino Roces Ave., Makati City  
Tel. Nos.: 8824-6248; 8824-6238;  
8824-6241

DELTA  
N. Dela Merced Bldg., West Ave.  
Quezon City  
Tel. Nos.: 8352-8113; 8352-8115

DILIMAN  
Matalino St. corner Kalayaan Ave.  
Diliman, Quezon City  
Tel. No.: 8925-2148

DIVISORIA  
New Divisoria Condo., 628 Sta. Elena  
Divisoria, Manila  
Tel. No.: 8241-7884



Branch  
Directory

E. RODRIGUEZ  
444 E. Rodriguez Sr., Doña Aurora, Quezon City  
Tel. Nos.: 8740-4954; 8734-1920

E. RODRIGUEZ-DOÑA JOSEFA  
59 E. Rodriguez Sr. Ave., Brgy. Doña Josefa  
Quezon City  
Tel. Nos.: 8521-6449; 8521-6455; 8521-6453

EAST CAPITOL DRIVE  
G/F Tinity Bldg., 26 East Capitol Drive  
Brgy. Kapitolyo, Pasig City  
Tel. Nos.: 8721-8965; 8721-8967 to 68;  
8721-8971 to 72

EASTWOOD MALL  
G/F Unit A - 102B, Eastwood Mall  
Eastwood City Cyberpark  
188 E. Rodriguez, Jr. Ave.  
Bagumbayan, Quezon City  
Tel. Nos.: 8470-6275; 8470-9382; 8470-9377; 8470-0504; 8470-9380

EDSA CALOOCAN  
520 E. Delos Santos Ave., Kalookan City  
Tel. No.: 8990-3652

EDSA TAFT  
Giselle's Park Plaza, EDSA corner Taft Ave.  
Pasay City  
Tel. Nos.: 8242-4988; 8852-5775; 8851-2074

ELCANO  
676 Elcano corner Lavezares St.  
Binondo, Manila  
Tel. Nos.: 8242-8684

ERMITA  
550 United Nations Ave., Ermita, Manila  
Tel. Nos.: 8525-5238; 8523-2948; 8523-2983;  
8523-7640; 8525-5219  
Fax No.: 8524-1021

ERMITA-A. FLORES  
1127 A Mabini St., Ermita, Manila  
Tel. Nos.: 8526-7988; 8526-7990; 8353-4952

EVANGELISTA  
Hernandez Bldg., Evangelista St. corner  
Gen. Alejandrino St., Brgy. Bangkal, Makati City  
Tel. Nos.: 8845-1843; 8845-1849; 8845-1846

F. BLUMENTRITT- R. PASCUAL  
Units A & B, 158 F. Blumentritt St.  
corner R. Pascual, Brgy. Batis, San Juan City  
Tel. Nos.: 8941-7409 to 11; 8941-7413 to 14

FAIRVIEW  
Medical Arts Bldg., Dahlia St.  
North Fairview, Quezon City  
Tel. No.: 8930-2052

FORT BONIFACIO  
Unit 1-D Crescent Park Residences, 2<sup>nd</sup> Ave.  
Burgos Circle, Fort Bonifacio, Taguig City  
Tel. Nos.: 8816-3930; 8816-3938

FRONTERA VERDE  
9/F Ortigas Bldg., Ortigas Ave., Pasig City  
Tel. Nos.: 8706-4721; 8706-4723 to 8706-4725

GARNET  
Unit No. 106 Parc Chateau Cond., Garnet  
corner Onyx St., Ortigas Center, Pasig City  
Tel. Nos.: 8570-9141; 8570-6317; 8570-6319

GILMORE  
100 Granada St., Valencia, Quezon City  
Tel. Nos.: 8726-2404; 8726-4236; 8725-0818

GREENBELT  
BSA Tower, Legaspi St., Legaspi Vill., Makati Ctiy  
Tel. Nos.: 8845-4051; 8845-4883; 8845-4881

GREENHILLS  
Unit MA-103 McKinley Arcade  
Greenhills Shopping Center, San Juan City  
Tel. Nos.: 8721-2120 to 21; 8721-2123

GREENHILLS-P. GUEVARRA  
G/F Ongapauco Bldg., P. Guevarra St.  
Wilson, Greenhills, San Juan City  
Tel. Nos.: 8724-9368; 8724-2521; 8727-0141;  
8725-1121

HERMOSA-LIMAY  
Hermosa St. corner Limay St., Tondo, Manila  
Tel. Nos.: 8251-2414; 8247-7301; 8251-2410;  
8251-2407

J.P. RIZAL-MAKATI AVE.  
MTC Bldg., Makati Ave. corner J.P. Rizal St.  
Brgy. Poblacion, Makati City  
Tel. Nos.: 8899-7551; 8899-7537; 8896-1874

J.P. RIZAL  
773 J.P. Rizal Ave., Brgy. Poblacion, Makati City  
Tel. Nos.: 8815-2251; 8815-2325; 8815-2493;  
8815-2320; 8815-2356

KALENTONG  
49 C & D Bldg., New Panaderos St.  
Kalentong, Sta. Ana, Manila  
Tel. Nos.: 8533-6590; 8533-4420

KAPITOLYO-SHAW BOULEVARD  
615 Shaw Blvd., Brgy. Kapitolyo, Pasig City  
Tel. Nos.: 8631-8178 to 79; 8635-5437

KATIPUNAN  
321 G/F Torres Bldg., Katipunan Ave.  
Loyola Heights, Quezon City  
Tel. Nos.: 8929-8469; 8929-8418; 8929-8604; 8355-9657

LA HUERTA  
G/F Delos Santos Bldg., 1003 Quirino Ave.  
Lahuerta, Parañaque City  
Tel. Nos.: 8829-6022; 8829-6023; 8820-7606

LAGRO  
Km 22 Quirino Highway, Greater Lagro  
Quezon City  
Tel. Nos.: 417-8996; 8921-3472; 8936-0158;  
8296-0621

LAS PIÑAS  
Veraville Bldg., Alabang-Zapote Rd.  
Las Piñas City  
Tel. Nos.: 8874-1659; 8873-4496;  
8874-8365; 8874-0394

LAS PIÑAS-PAMPLONA  
G/F Elena Bldg., Alabang-Zapoted Rd.  
Pamplona 3, Las Piñas City  
Tel. Nos.: 8872-6822; 8874-5341;  
8478-4421

LEE-SHAW BLVD  
Lee Gardens Cond., Shaw Blvd.  
corner Lee St., Mandaluyong City  
Tel. Nos.: 8635-5769; 8634-1497;  
8634-5550; 8635-6550; 8635-7592

LEGASPI VILLAGE  
ACCRA Cond., Salcedo St.  
corner Gamboa St., Legaspi Vill.  
Makati City  
Tel. Nos.: 8812-4893; 8818-4919; 8817-2664

LEVISTE-SALCEDO  
G/F Eurovilla III Cond., LP Leviste St.  
corner San Agustin St., Salcedo Vill.  
Makati City  
Tel. Nos.: 8802-0376; 8802-0374

LINDEN SUITES  
G/F The Linden Suites Tower II  
37 San Miguel Ave., Ortigas Center  
Pasig City  
Tel. Nos.: 8477-7267; 8477-7269;  
8477-7274; 8477-7271

LOYOLA HEIGHTS  
G/F MQI Centre, 42 E. Abada St.  
corner Rosa Alvero St., Loyola Heights  
Quezon City  
Tel. Nos.: 8426-6528; 8426-6533 to 35;  
8426-6525  
Fax No.: 8426-6602

LUCKY CHINATOWN MALL  
3/F Lucky Chinatown Mall, Soler St.  
Binondo, Manila  
Tel. No.: 8521-8323

MACAPAGAL AVENUE- EDSA  
EDSA corner Macapagal Ave., Pasay City  
Tel. Nos.: 8824-0314; 8824-0322;  
8824-0317

MACAPAGAL AVENUE- PEARL DRIVE  
Scape Bldg., Macapagal Ave.  
corner Pearl Drive, Business Park 1  
Brgy. 76, San Rafael, Pasay City  
Tel. Nos.: 8824-5790; 8824-2280;  
8824-3759

MAGALLANES  
G/F BMG Centre, Paseo de Magallanes  
Makati City  
Tel. Nos.: 8808-7604; 8815-6613; 8815-7636

MAGINHAWA  
G/F Unit 129 Maginhawa St.  
Brgy. Teachers Vill., Quezon City  
Tel. Nos.: 8426-4152; 8426-4063;  
8426-4736; 8426-4536  
Fax No.: 8426-4584

MAKATI AVENUE  
843 G/F Prudential Life Bldg., Arnaiz Ave.  
Legaspi Vill., Makati City  
Tel. Nos.: 8897-9384; 8890-7023 to 25

MAKATI RADA  
One Legaspi Park, 121 Rada St.  
Legaspi Vill., Makati City  
Tel. Nos.: 8915-2046; 8909-5201;  
8909-5203

MALABON  
685 J.P. Rizal Ave., San Agustin, Malabon  
Tel. No.: 8281-2709

MALABON-TUGATOG  
143 M. H. Del Pilar, Tugatog, Malabon City  
Tel. No.: 8961-6181

MALATE  
470 Maria Daniel Bldg., San Andres St.  
corner M.H. del Pilar, Malate, Manila  
Tel. Nos.: 8516-4686 to 87; 8516-4690;  
8516-4695

MANDALUYONG  
Unit 102 G/F, EDSA Central Square  
Greenfield Dist., Mandaluyong City  
Tel. Nos.: 8633-9585; 8637-5381;  
8631-5804; 8631-5851 to 52

MARIKINA  
36 Gil Fernando Ave. corner Sta. Ana Extn.  
San Roque, Marikina City  
Tel. Nos.: 8681-6673 to 74; 8646-6270;  
8681-6669; 8535-6930; 8635-6819  
Fax No.: 8681-1717

MARULAS  
McArthur Highway, Marulas  
Valenzuela City  
Tel. Nos.: 8293-9408 to 09; 8291-6634

MCKINLEY HILLS  
G/F Two World Hill Bldg.  
Upper McKinley Rd., McKinley Town Center  
Fort Bonifacio, Taguig City  
Tel. Nos.: 8403-1516; 8808-7525;  
8403-4503; 8856-1239

MENDIOLA  
163 E. Mendiola St. corner  
Concepcion Aguila St., San Miguel, Manila  
Tel. Nos.: 8734-0452; 8734-9587

MERALCO AVENUE  
G/F Regency Bldg., Meralco Ave. corner  
Exchange Rd., Ortigas, Pasig City  
Tel. Nos.: 8710-1030; 8710-0963

MINDANAO AVENUE-TANDANG SORA  
G/F 003 MC Square Bldg., Mindanao Ave.  
corner Tandang Sora, Quezon City  
Tel. No.: 8277-3656

MISSOURI- GREENHILLS  
8 Missouri St., Northeast Greenhills  
San Juan City  
Tel. Nos.: 894-9000 loc 5252; 8703-4409;  
8703-4389; 8703-4385

MOONWALK-PARAÑAQUE  
2 Armstrong St., Moonwalk Vill.  
Parañaque City  
Tel. No.: 8865-6612  
Fax No.: 8865-6614

MORAYTA  
828 Nicanor Reyes Sr. St., Sampaloc  
Manila  
Tel. Nos.: 8736-2478; 8735-1387;  
8735-4465; 8736-2477

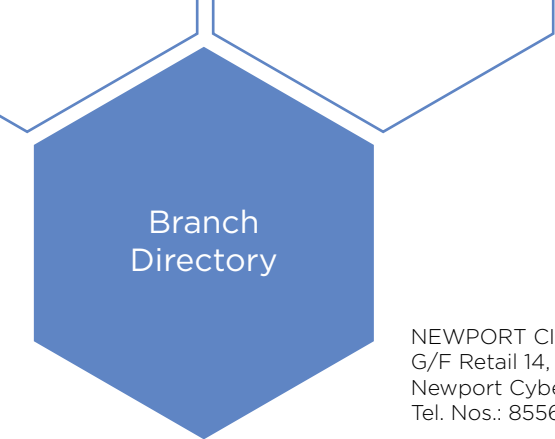
MUNTINLUPA  
National Rd., Putatan, Muntinlupa City  
Tel. Nos.: 8862-0034; 8862-0737;  
8403-7137

N. DOMINGO- PASADENA  
LHK Bldg., 288 N. Domingo St.  
Brgy. Pasadena, San Juan City  
Tel. Nos.: 8997-2801; 8912-1981

NAVOTAS  
551 M. Naval St., Brgy. Bangkulasi  
Navotas City  
Tel. No.: 8332-1578

NAVOTAS-EAST  
Estrella corner Yangco St.  
Navotas East, Navotas City  
Tel. Nos.: 8282-4392; 8283-0820

NEW MANILA  
U/G Hemady Square Bldg.  
86 Doña Hemady corner  
E. Rodriguez Sr. Ave., Brgy. Kristong Hari  
Diliman, Quezon City  
Tel. Nos.: 3414-3683; 3414-7195; 3414-1197



Branch  
Directory

NEWPORT CITY  
G/F Retail 14, Newport City, Terminal 9  
Newport Cybertourism Zone, Pasay City  
Tel. Nos.: 8556-7646 to 48

NKTI  
East Ave., Diliman Quezon City  
Tel. Nos.: 8376-1059 to 60

NORTHBAY  
The Melandrea III Bldg., Northbay Blvd.  
Navotas City  
Tel. Nos.: 8983-0697; 8983-0914

NOVALICHES  
882 Quirino Highway and Nitang St.  
Novaliches, Quezon City  
Tel. No.: 8930-6191

NOVALICHES-GULOD  
917 Bo. Gulod, Quirino Highway, Quezon City  
Tel. Nos.: 8936-8811; 418-0213; 8937-1326

OLD STA. MESA  
4463 Old Sta. Mesa, Brgy. 587, Zone 58, Sta. Mesa  
Tel. Nos.: 8716-0631; 8716-0685

ONE BONIFACIO HIGH STREET  
5/F PSE Bldg., One Bonifacio High Street  
28th St. corner 5th Ave., Bonifacio Global City  
Taguig  
Tel. Nos.: 8851-6908; 8851-6906

ORTIGAS AVENUE- SAN JUAN  
Medecor Bldg., 222 Ortigas Ave., Greenhills  
San Juan City  
Tel. Nos.: 8635-7874 to 75; 8635-7860; 8635-7871;  
8635-7873

ORTIGAS AVENUE-GREENHILLS  
Unit 104 Grace Bldg., Ortigas Ave.  
Greenhills, San Juan City  
Tel. Nos.: 8941-2473; 8941-2247; 8941-0885;  
8941-2093

ORTIGAS EXTENSION  
G/F Merijr Bldg., Riverside Vill. corner  
Ortigas Ave. Extn., Brgy. Sta. Lucia, Pasig City  
Tel. Nos.: 8656-1956; 8655-0886; 8477-3314;  
8656-1329

ORTIGAS-MALAYAN PLAZA  
Unit G3 and G4, G/F Malayan Plaza  
ADB Ave. corner Opal Rd., Pasig City  
Tel. Nos.: 8635-5164; 8634-7491 to 93; 8635-5166

OTIS  
Isuzu Manila, 1502 Paz M. Guanzon St.  
Paco, Manila  
Tel. Nos.: 8561-7272; 8561-7262; 563-6562;  
8564-5367 to 8564-5368

P. OCAMPO-FB HARRISON  
G/F Unit Sunrise Center Bldg.  
488 Pablo Ocampo Sr. Ave., Malate, Manila  
Tel. Nos.: 8251-7569 to 70; 8251-7576 to 77;  
8251-7573

P. TUAZON  
12th Ave. corner P.Tuazon, Quezon City  
Tel. Nos.: 8912-0816; 8913-3118; 8913-3112

PABLO OCAMPO-VENECIA  
G/F Savanna Commercial Center Bldg.  
1201 Pablo Ocampo-Venecia, Brgy. Sta. Cruz  
Makati City  
Tel. Nos.: 8802-4749; 8802-4750 to 51

PACIFIC PLACE  
Unit 105 G/F Pacific Place Cond., Pearl Drive St.  
corner Amethyst St., Ortigas Center, Pasig City  
Tel. Nos.: 8636-6617; 8635-6604; 8634-1563

PACO- A. LINAO  
Units 1662 & 1664, Angel Linao St., Paco, Manila  
Tel. Nos.: 8521-8223; 8521-8268; 8521-8247;  
8521-8300

PADRE RADA  
649 Padre Rada St., Tondo, Manila  
Tel. Nos.: 8245-0250; 8245-5514; 8245-0241;  
8245-0082

PALANAN-BAUTISTA  
G/F Shalimar Bldg., 3696 Bautista St.  
Palanan, Makati City  
Tel. Nos.: 8846-4468; 8846-4424; 8846-4399

PASAY  
2015 Gil Puyat Ave., Pasay City  
Tel. Nos.: 8846-6282 to 83; 8846-6285; 8846-6288

PASAY-LIBERTAD  
2350 Taft Ave. corner Libertad St., Pasay City  
Tel. Nos.: 8804-0333; 8831-3418; 8833-8925

PASEO DE ROXAS  
8747 G/F Lepanto Bldg., Paseo De Roxas  
Makati City  
Tel. Nos.: 8403-7153; 8403-7157 to 58

PASIG  
92 Dr. Sixto Ave. corner C. Raymundo St.  
Pasig City  
Tel. Nos.: 8641-6259; 8641-0640; 8641-8307;  
8641-7993; 8641-7914

PASIG KAPITOLYO  
G/F D'Ace Water Spa Plaza, United St.  
corner Brixton St., Brgy. Kapitolyo, Pasig City  
Tel. Nos.: 8654-4427 to 28; 8654-4420; 8654-4423

PASIG TOBY'S-C. RAYMUNDO AVENUE  
Lot 1 & 2, Good Harvest Complex  
C. Raymundo Ave., Brgy. Caniogan, Pasig City  
Tel. Nos.: 8710-8524; 8637-5706; 8637-5709;  
8637-5651

PASIG WESTLAKE  
Unit A G/F 168 Westlake Bldg., Pasig Blvd.  
Brgy. Bagong Ilog, Pasig City  
Tel. Nos.: 8706-4616; 8706-4322;  
8706-3363; 8706-6322; 8706-4599

PASONG TAMO  
2283 Pasong Tamo Extn. corner  
Lumbang St., Makati City  
Tel. Nos.: 8813-3369; 8893-5977 to 78

PASONG TAMO-BAGTIKAN  
1173 Don Chino Roces Ave.  
Brgy. San Antonio, Makati City  
Tel. Nos.: 8802-1629/ 8802-1625 to 26

PASONG TAMO-EDSA  
Wilcon IT Hub, 2251 Chino Roces Ave.  
Makati City  
Tel. Nos.: 8802-4297/ 8802-4570 to 71

PASONG TAMO-PIO DEL PILAR  
G/F Matrinco Bldg., 2178 Pasong Tamo  
Makati City  
Tel. Nos.: 8840-5224; 8840-5226

PATEROS  
54 M. Almeda St., Bo. San Roque, Pateros  
Tel. Nos.: 8641-9081; 8641-6201

PIONEER  
2B Pioneer St., Brgy. Highway Hills  
Mandaluyong City  
Tel. Nos.: 8280-9313; 8251-8205; 8251-9251

PRESIDENT'S AVENUE- PARAÑAQUE  
Block 9 Lot 22, President's Ave.  
Sucat, Parañaque City  
Tel. Nos.: 8398-1740; 8398-2442;  
8398-6921

QUEZON AVENUE-ROOSEVELT  
Lower G/F, 1 Fisher Mall Heroes Hill  
Brgy. Sta. Cruz, Quezon Ave. corner  
Roosevelt Ave., Quezon City  
Tel. Nos.: 8277-3394 to 95; 8277-3398

QUEZON AVENUE  
1405 Quezon Ave., Quezon City  
Tel. No.: 8371-8184

QUIRINO AVENUE  
555 Quirino Ave., Tambo, Parañaque City  
Tel. Nos.: 8851-4694; 8852-0403;  
8852-4690; 8851-4692  
Fax No.: 8853-4685

RAON SALES  
655-657 Gonzalo Puyat St., Quiapo, Manila  
Tel. Nos.: 8733-1654 to 55; 8733-1657; 8733-  
1661

RCBC PLAZA  
6819 RCBC Plaza, Ayala Ave., Makati City  
Tel. Nos.: 8878-3307; 8894-9072;  
8894-1712; 8894-3416; 8894-9485;  
8894-1418; 8894-1019

RELIANCE  
TV 5 Media Center, Reliance St. corner  
Sheridan St., Mandaluyong City  
Tel. Nos.: 8637-9931; 8656-7921;  
8637-6673; 8654-5552; 8645-7396

REMEDIOS- TAFT  
1853 Taft Ave., Malate, Manila  
Tel. Nos.: 8256-9419 to 20; 8256-9425;  
8256-9427

RIZAL AVENUE  
440 Eleongsing Bldg., Rizal Ave. Extn.  
Gracepark, Caloocan City  
Tel. Nos.: 8361-1109; 8361-1354; 8361-1244

ROCKWELL  
G/F, Phinma Plaza Hidalgo St.  
Rockwell Center, Makati City  
Tel. Nos.: 8898-1502; 8898-1505;  
8898-2049

ROOSEVELT  
300 Roosevelt Ave.  
San Francisco Del Monte, Quezon City  
Tel. Nos.: 8372-2412 to 13; 8372-2415

ROOSEVELT-PITIMINI  
205 Rossevelt Ave. corner Pitimini St.  
Quezon City  
Tel. Nos.: 8277-1891; 8277-1883; 8277-1879

ROXAS BOULEVARD  
Unit 1, Russel St. Mall, Russel St. corner  
Roxas Blvd., Pasay City  
Tel. Nos.: 8851-7986; 8853-7562;  
8853-9343

ROXAS BOULEVARD-ARQUIZA  
Roxas Blvd. corner Arquiza St.  
Ermita, Manila  
Tel. Nos.: 8663-0563; 8742-6660;  
8573-9783

ROXAS BOULEVARD-LIBERTAD  
Unit 103 Coko Bldg. 1, 2550 Roxas Blvd.  
Pasay City  
Tel. Nos.: 8821-1226; 8821-1228; 8821-1232

SALCEDO VILLAGE  
G/F, Y. Tower II Bldg., Leviste St. corner  
Gallardo St., Salcedo Vill., Makati City  
Tel. Nos.: 8894-2281; 8894-2288;  
8892-7794; 8892-7715

SAN JOAQUIN  
227 M Concepcion St., San Joaquin  
Pasig City  
Tel. Nos.: 8640-0154 to 55; 8570-7563

SAN LORENZO  
1018 G/F L&R Bldg., A. S. Arnaiz Ave.  
Makati City  
Tel. Nos.: 8844-7822; 8843-1342;  
8816-2506; 8843-3242

SAN ROQUE  
319 J. P. Rizal St., San Roque, Marikina City  
Tel. Nos.: 8682-6453; 8646-2131;  
8681-3490

SANGANDAAN  
A. Mabini St. corner Plaridel St.  
Caloocan City  
Tel. Nos.: 8288-8238; 8288-7723

SHAW BOULEVARD -LAWSON  
G/F SCT Bldg., 143 Shaw Blvd.  
Mandaluyong City  
Tel. Nos.: 8535-2516; 8535-1641; 8535-2610;  
8535-2615

SOUTH HARBOR  
Harbor Centre I, Chicago St. corner 23<sup>rd</sup> St.  
Port Area, Manila  
Tel. Nos.: 8527-6481 to 82; 8527-7311 to 12;  
8527-6486

STA. MESA  
1-B G. Araneta Ave., Brgy. Doña Imelda  
Quezon City  
Tel. Nos.: 8715-8936; 8715-8938 to 39

STARMALL EDSA-SHAW  
444 EDSA corner Shaw Blvd.  
Mandaluyong City  
Tel. Nos.: 8718-2491 to 92; 8724-3547

STARMALL-ALABANG  
Upper G/F Starmall, Alabang  
Muntinlupa City  
Tel. Nos.: 8809-8604; 8809-8568

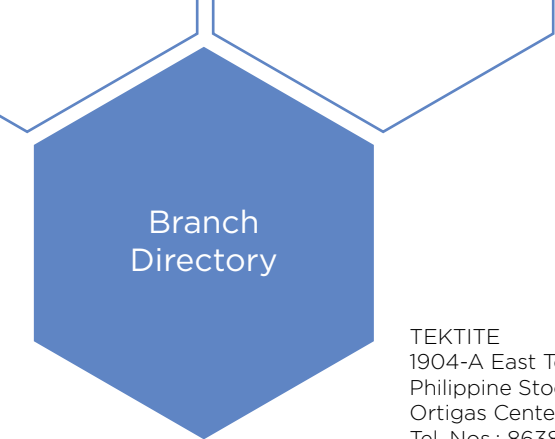
STO. DOMINGO-QUEZON AVENUE  
4 Sto. Domingo Ave., Quezon City  
Tel. Nos.: 8242-4988; 8242-4983 to 84

SUCAT  
2/F Santana Grove, Dr. A. Santos Ave.  
corner Soreena St., Sucat, Parañaque City  
Tel. Nos.: 8828-6719; 8828-9813; 8828-5761

SUCAT-DR. A. SANTOS AVENUE  
8223 Dr. A. Santos Ave., Brgy. San Isidro  
Sucat, Parañaque City  
Tel. Nos.: 8828-8236; 8828-8238;  
8659-7130

T. ALONZO  
1461-1463 Soler St., Sta Cruz, Manila  
Tel. Nos.: 8733-7863 to 65

TAFT REMEDIOS  
1932 Taft Ave. Malate, Manila  
Tel. Nos.: 8536-6510 to 11; 8526-7094



Branch  
Directory

TEKTITE  
1904-A East Tower  
Philippine Stock Exchange Center  
Ortigas Center, Pasig City  
Tel. Nos.: 8638-7302 to 05; 8634-6725

THE BEACON MAKATI  
G/F The Beacon Roces Tower  
Chino Roces Ave. corner Arnaiz Ave., Makati City  
Tel. Nos.: 8893-4293; 8893-0076; 8893-8495

THE FIRM  
CVC Law Center, 11<sup>th</sup> Ave. corner 39<sup>th</sup> St.  
Fort Bonifacio, Taguig  
Tel. Nos.: 8519-6870; 8519-6880; 8519-7684;  
8519-7690; 8519-7693

THE FORT JY CAMPOS  
JY Campos Center, 9<sup>th</sup> Ave.  
Bonifacio Global Center, Taguig City  
Tel. Nos.: 8815-0003; 8808-9732; 8844-1896

THE FORT SAPPHIRE  
G/F, Unit E Sapphire Residences  
31<sup>st</sup> St. corner 2<sup>nd</sup> Ave., The Fort, Taguig City  
Tel. Nos.: 8519-5771; 8519-5709; 8519-7243

THE FORT SUNLIFE  
G/F Sunlife Bldg., 5<sup>th</sup> Ave. corner Rizal Drive  
Bonifacio Global City, Taguig City  
Tel. Nos.: 8553-6310; 8553-7152; 8808-7527

THE STRIP-ORTIGAS AVENUE  
G/F The Strip Commercial Complex, Lopez Bldg.  
Meralco Cmpd., Ugong, Pasig  
Tel. Nos.: 8871-3847; 8871-3913

TIMOG  
RCBC Bldg., 36 Timog Ave., Quezon City  
Tel. Nos.: 8373-7218 to 19; 8373-2832

TIMOG-PICTURE CITY CENTER  
88 Picture City Center, Timog Ave., Quezon City  
Tel. Nos.: 3410-7126; 3929-1260

TOMAS MAPUA  
626 Tomas Mapua St., Sta Cruz, Manila  
Tel. No.: 8734-1207

TOMAS MORATO  
169 Tomas Morato St. corner Scout Castor  
Quezon City  
Tel. Nos.: 8355-7066; 8374-0744

TORDESILLAS  
G/F Metropole Bldg., Tordesillas St.  
corner Gil Puyat Ave., Makati City  
Tel. Nos.: 8808-2080; 8808-2378; 8808-1059

TRINOMA  
Space P015B Level 1, Trinoma, EDSA  
corner North Ave., Quezon City  
Tel. No.: 8915-2048

TUTUBAN  
G/F Center Mall I, Tutuban Center  
C. M. Recto Ave., Manila  
Tel. No.: 8361-7080

VALENZUELA  
231 McArthur Highway, Karuhatan, Valenzuela City  
Tel. No.: 8291-6593

VISAYAS AVENUE  
6 Visayas Ave., Brgy. Bahay Toro, Quezon City  
Tel. Nos.: 8929-8962; 8924-8753; 8281-1791

WACK-WACK  
Unit K Facilities Center Bldg., 548 Shaw Blvd.  
Mandaluyong City  
Tel. Nos.: 8533-8182; 8534-4416; 8534-2394;  
8534-4305

WEST AVENUE  
Unit 101 West Insula Cond., 135 West Ave.  
Brgy. Bungad, Dist. 5, Quezon City  
Tel. Nos.: 8294-3439; 8294-5494; 3962-8602

WILSON-GREENHILLS  
G Square Bldg., Upper G/F, Units 4 & 5  
Wilson, Greenhills, San Juan City  
Tel. Nos.: 8706-4071; 8706-4073 to 75

LUZON

ALAMINOS  
Marcos Ave. corner Montemayor St., Poblacion  
Alaminos City, Pangasinan  
Tel. Nos.: (075) 551-2587; 551-5724

AMPID  
122 Gen Luna St., Ampid 1, San Mateo, Rizal  
Tel. Nos.: (02) 8997-3761; 8998-2799; 8941-7788

ANGELES  
RCBC Bldg., Sto. Rosario St. corner Teresa Ave.  
Angeles City  
Tel. Nos.: (045) 888-2532; 887-1566, 887-1567

ANGELES-STO. CRISTO  
243 Sto. Entierro St., Brgy. Sto. Cristo  
Angeles City, Pampanga  
Tel. Nos.: (045) 626-2060; 686-2061; 322-7222

ANGELES-HENSON STREET  
810 Henson St., Lourdes Northwest  
Angeles City, Pampanga  
Tel. Nos.: (045) 625-9363; 625-9395

ANGONO  
Quezon Ave., San Pedro, Angono, Rizal  
Tel. Nos.: (02) 8651-0731; 8451-0456

ANTIPOLO-LORES  
G/F Lores Country Plaza, M.L. Quezon Extn.  
San Roque, Antipolo City  
Tel. Nos.: (02) 8696-9130; 8696-9133 to 34

ANTIPOLO-MILLE LUCE EXTENSION  
OFFICE  
G/F Mille Luce Village Center  
Dalig, Antipolo City  
Tel. Nos.: (02) 8571-7862; 8570-2992

APALIT  
McArthur Highway, San Vicente  
Apalit, Pampanga  
Tel. Nos.: (045) 879-0095; 302-6274

APARRI  
108 J.P. Rizal St., Brgy. Centro 14  
Aparri, Cagayan  
Tel. Nos.: (078) 888-0347 to 49

BACAO  
Yokota Commercial Bldg., Bacao Rd.  
Brgy. Bacao 2, Gen. Trias, Cavite  
Tel. Nos.: (046) 437-6125; 437-6085  
Fax No.: (046) 437-6127

BACORR  
Maraudi Bldg., Gen. E. Aguinaldo Highway  
Brgy. Niog, Bacoor, Cavite  
Tel. Nos.: (046) 417-7662; 417-7454

BACORR-SALINAS  
333 Gen. Emilio Aguinaldo Highway  
Salinas IV, Bacoor City  
Tel. Nos.: (02) 8529-8965; (046) 471-7131;  
471-3670

BAGUIO  
RCBC Bldg., 20 Session Rd., Baguio City  
Tel. Nos.: (074) 442-5345 to 46; 442-2077;  
422-0069

BAGUIO-MABINI STREET  
Rm 104, GP Shopping Arcade  
Upper Mabini St., Baguio City  
Tel. Nos.: (074) 444-2366; 444-2368

BALAGTAS  
McArthur Highway, Borol 1<sup>st</sup>  
Balagtas, Bulacan  
Tel. Nos.: (044) 693-1350 to 51

BALANGA  
Don Manuel Banzon Ave. corner  
Cuaderno St., Balanga City, Bataan  
Tel. Nos.: (047) 237-9693; 237-9695

BALER  
Quezon St. corner Bonifacio St.  
Poblacion, Baler, Aurora  
Tel. Nos.: (042) 722-0001; 722-0003

BALIBAGO  
McArthur Highway, Balibago, Angeles City  
Tel. Nos.: (045) 625-5587; 331-5188

BALIUAG  
01 JP Rizal St. corner Tagle St.  
Baliwag, Bulacan  
Tel. Nos.: (044) 766-3530; 766-2642;  
766-2643

BATAC  
Marcos Blvd., Batac, Ilocos Norte  
Tel. No.: (077) 792-3126

BATANGAS  
17 Rizal Ave. corner P. Gomez St.  
Batangas City  
Tel. Nos.: (043) 723-7870; 723-3105;  
723-7720

BATANGAS-DIEGO SILANG STREET  
131 Diego Silang St., Brgy. 15, Batangas City  
Tel. Nos.: (043) 723-1229; 723-2394

BAUAN  
J. P. Rizal St., Poblacion, Bauan, Batangas  
Tel. Nos.: (043) 727-2715; 727-2738

BEPZ-BATAAN  
RCBC Bldg., AFAB Mariveles, Bataan  
Tel. Nos.: (047) 935-4021 to 23

BINAKAYAN  
Tirona Highway, Binakayan  
Kawit, Cavite  
Tel. Nos.: (046) 434-3382; 434-3060;  
8529-8728

BIÑAN  
126 A. Bonifacio St., Canlalay  
Biñan City, Laguna  
Tel. Nos.: (02) 8429-4833; (049) 511-9826

BIÑAN-LIIP  
G/F Admin Bldg.  
Laguna International Industrial Park  
Mamplasan, Biñan, Laguna  
Tel. Nos.: (02) 8520-9174; (049) 539-0167;  
539-0177

BINANGONAN  
ML Quezon corner P. Zamora St., Libid  
Binangonan, Rizal  
Tel. Nos.: 8652-0082; 8652-1177; 8570-7518

BINANGONAN-CALUMPANG EXTENSION  
OFFICE  
1003 Perez Cmpd., Highway Calumpang  
Binangonan, Rizal  
Tel. Nos.: (02) 8584-5587

BOAC  
Gov. Damian Reyes St., Brgy. San Miguel  
Boac, Marinduque  
Tel. Nos.: (042) 332-0319

BOCAUE  
249 Binang 2nd, Bocaue, Bulacan  
Tel. Nos.: (044) 769-5027 to 28

CABANATUAN  
1051 Burgos Ave., Cabanatuan City  
Nueva Ecija  
Tel. Nos.: (044) 463-5359; 463-8420;  
464-7473  
Fax No.: (044) 463-0533

CABANATUAN-MAHARLIKA HIGHWAY  
Maharlika Highway corner  
Paco Roman Extn., Cabanatuan City  
Nueva Ecija  
Tel. Nos.: (044) 463-8640 to 41

CABUYAO-J.P. RIZAL AVENUE  
J.P. Rizal Ave. corner Del Pilar St.  
Cabuyao City, Laguna  
Tel. Nos.: (02) 8520-8920; (049) 531-2021

CAINTA  
Multicon Bldg., FP Felix Ave., Cainta, Rizal  
Tel. Nos.: (02) 8645-6716; 8645-6713; 8645-  
6703; 8645-6710

CALAMBA  
National Highway corner Dolor St.  
Crossing, Calamba City, Laguna  
Tel. Nos.: (049) 545-1720; 545-1930;  
545-9174; 545-6166

CALAMBA-REAL  
National Rd., Real, Calamba City, Laguna  
Tel. Nos.: (049) 545-6031; 502-9989; 8520-  
8825

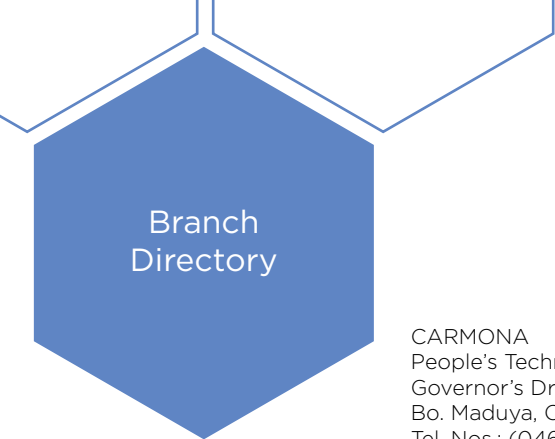
CALAPAN  
Homemark Bldg., J.P. Rizal St., Camilmil  
Calapan City, Oriental Mindoro  
Tel. Nos.: (043) 441-0602 to 03; 288-1909

CANDON  
National Highway, San Jose  
Candon City, Ilocos Sur  
Tel. Nos.: (077) 742-5575; 644-0102

CARMELRAY  
Adm. Bldg., Carmelray Industrial Park 1  
Canlubang, Calamba, Laguna  
Tel. Nos.: (049) 549-2898; 549-1372 to  
549-1373

CARMELRAY 2  
Adm. Bldg., Carmelray Industrial Park 2  
Bgy. Tulo, Calamba, Laguna  
Tel. Nos.: (049) 545-1295; 545-0964;  
502-6877; 545-0040

CARMEN-ROSALES  
McArthur Highway, Carmen Rosales  
Pangasinan  
Tel. Nos.: (075) 564-4228; 582-2657;  
582-7369  
Fax No.: (075) 564-3912



Branch  
Directory

CARMONA  
People’s Technology Complex (SEZ)  
Governor’s Drive, National Highway  
Bo. Maduya, Carmona, Cavite  
Tel. Nos.: (046) 430-1401 to 02

CAUAYAN  
Calahi Bldg., FN Dy Blvd., Cauayan City  
Tel. No.: (078) 652-1157  
Fax No.: (078) 652-2371

CAVITE CITY  
Big 5 Bldg., 633 P. Burgos Ave.  
Caridad, Cavite City  
Tel. Nos.: (046) 431-2242; 431-2398;  
(02) 8529-8503

CLARK  
Berthaphil 8, Mercedes Benz Bldg.  
MA Roxas Highway, Clarkfield, Pampanga  
Tel. Nos.: (045) 499-3029; 599-3057

CLARK 2  
Berthaphil III, Clark Center  
Jose Abad Santos Ave., Clark Freeport Zone  
Tel. Nos.: (045) 499-2162; 499-1168

COGEO  
Cogeo Trade Hall Bldg., Sitio Kasapi  
Brgy. Bagong Nayon, Antipolo City  
Tel. Nos.: 8654-1654; 8654-1656

CPIP-BATINO  
Citigold J.B., Block 1 Lots 5 & 6  
Calamba Premiere Industrial Park, Batino  
Calamba, Laguna  
Tel. Nos.: (049) 545-0015 to 16; 545-0018 to 19

DAGUPAN  
RCBC Bldg., A.B. Fernandez Ave., Dagupan City  
Tel. Nos.: (075) 653-3440; 522-0828 to 29

DAGUPAN-TAPUAC  
Units 101 & 102, RVR Bldg., Tapuac Dist.  
Dagupan City  
Tel. Nos.: (075) 523-6599; 632-3162

DASMARIÑAS  
RCBC Bldg., FCIE Cmpd., Governor’s Drive  
Langkaan, Dasmariñas, Cavite  
Tel. Nos.: (046) 402-0031 to 33; (02) 8529-8118  
Fax No.: (046) 402-0034

DASMARIÑAS-MANGUBAT  
Heritage Bldg., Mangubat Drive  
Dasmariñas, Cavite  
Tel. Nos.: (046) 416-6698; 416-7590; 850-0830

DASMARIÑAS-PALAPALA  
Dasmariñas Commercial Complex  
Pala-Pala Governor’s Drive, Dasmariñas Cavite  
Tel. Nos.: (046) 424-2935; 431-3656; 686-1740

DASMARIÑAS-SAN AGUSTIN  
San Agustin 1, Aguinaldo Highway  
Dasmariñas, Cavite  
Tel. Nos.: (046) 416-0351; 683-5869;  
(02) 8529-8119

DINALUPIHAN  
G/F NEJ Bldg., San Ramon Highway  
Dinalupihan, Bataan  
Tel. Nos.: (047) 633-4511 to 12

DMIA BRANCH LITE  
Bldg. 7549, A. Bonifacio Ave.  
Clark Civil Aviation Complex  
Clark Freeport Zone, Pampanga  
Tel. Nos.: (045) 599-3058; 477-8292

FELIX AVENUE  
Phase 2, De La Paz, Pasig City, Rizal  
Tel. Nos.: (02) 8681-7565; 8681-4836; 8646-5739;  
8681-4845

FIRST PHILIPPINE INDUSTRIAL PARK (FPIP)  
Unit 1 & 2, G/F Oasis Commercial Center  
R.S. Diaz Ave., FPIP, Brgy. Sta. Anastacia  
Sto. Tomas, Batangas  
Tel. Nos.: (043) 706-9206; 706-9407

G.M.A  
Block 2 Lot 10, Brgy. San Gabriel  
Congressional Rd., GMA, Cavite  
Tel. Nos.: (046) 520-8710; 890-2672;  
(02) 8520-8710

GAPAN  
Tinio St., San Vicente, Gapan City, Nueva Ecija  
Tel. Nos.: (044) 486-0375; 958-9279

GATEWAY  
RCBC Bldg., Gateway Business Park, Brgy. Javalera  
General Trias, Cavite  
Tel. Nos.: (046) 433-0289; 433-0126

GEN. TRIAS  
59 Gov. Luis Ferrer Ave., Gen. Trias, Cavite  
Tel. Nos.: (046) 437-7348; 437-1508

GENERAL TRIAS  
G/F Samantha’s Place Commercial Bldg.  
Gov. Drive, Manggahan, General Trias, Cavite  
Tel. Nos.: (046) 402-3008 to 09

GMA-CAVITE  
Citi Appliance Bldg., Brgy. San Gabriel  
Governor’s Drive, GMA, Cavite  
Tel. Nos.: (02) 8520-8708; (046) 890-2365;  
972-0317

GUIMBA  
Afan Salvador St., Guimba, Nueva Ecija  
Tel. Nos.: (044) 611-1060; 958-3020

HACIENDA LUISITA  
Robinson’s Plaza, San Miguel, Tarlac City  
Tel. Nos.: (045) 985-1545 to 46  
Fax No.: (045) 985-1544

ILAGAN-ISABELA  
RKChy Bldg., Maharlika Rd.  
Calamagui 2<sup>nd</sup>, Ilagan City, Isabela  
Tel. Nos.: (078) 624-1168; 622-3158

IMUS  
Esguerra Bldg., Palico IV  
Aguinaldo Highway, Imus, Cavite  
Tel. No.: (046) 417-3784  
Fax Nos.: (046) 471-3816; (02) 8529-8622

IMUS-NUENO AVE.  
Nuevo Ave., Tansang Luma  
Imus City, Cavite  
Tel. Nos.: (02) 8519-4447; (046) 471-3989;  
471-4097

LA TRINIDAD  
Peliz Loy Centrum Bldg., Km. 5  
La Trinidad, Benguet  
Tel. Nos.: (074) 424-3344; 424-3346 to 48

LA UNION  
Quezon Ave. corner P. Burgos St.  
San Fernando City, La Union  
Tel. Nos.: (072) 242-5575 to 76

LAGUNA TECHNOPARK  
LTI Administration Bldg. II  
Laguna Technopark, Brgy. Malamig  
Biñan, Laguna  
Tel. Nos.: (049) 541-2756; 541-3271;  
544-0719; 502-7159

LAOAG  
Jackie’s Commercial Bldg. II  
J. Rizal St., Laoag City  
Tel. No.: (077) 772-0616

LEGAZPI CITY  
G/F M. Dy Bldg., Rizal St., Legazpi City  
Tel. Nos.: (052) 480-6416; 480-6053;  
(02) 8429-1812; 8429-1819

LEGAZPI-LANDCO BUSINESS PARK  
G/F Delos Santos Commercial Bldg.  
Landco Business Park, Legazpi City  
Tel. Nos.: (052) 742-4695; 742-4697 to 98;  
(02) 8555-8700

LEMERY  
Ilustre Ave., Dist. II, Lemery, Batangas  
Tel. Nos.: (043) 409-1572; 411-0901

LIMA  
Lima Technology Center, Malvar, Batangas  
Tel. Nos.: (043) 981-1847; 981-1849

LINGAYEN  
G/F Columban Plaza, Avenida Rizal East  
Poblacion, Lingayen, Pangasinan  
Tel. Nos.: (075) 542-3142; 653-0083

LIPA  
C.M. Recto corner E. Mayo St., Lipa City  
Tel. Nos.: (043) 756-6479; 756-0220;  
756-2565

LIPA EXTENSION OFFICE  
Mezzanine, Southern Twin Bldg.  
V. Malabanan corner P. Torres  
Brgy. 5, Lipa City, Batangas  
Tel. Nos.: (043) 404-8067; 404-8053

LIPA-AYALA HIGHWAY  
G/F Trinity Business Center  
Ayala Highway, Lipa City  
Tel. Nos.: (043) 756-6357 to 59; 723-6959

LISP III  
LISP III Admin Bldg., Millenium Drive  
Brgy. San Rafael, Sto. Tomas, Batangas  
Tel. Nos.: (049) 530-9614; 530-9619;  
530-9604

LUCENA  
Quezon Ave. corner M. L. Tagarao St.  
Lucena City  
Tel. Nos.: (02) 8250-8208;  
(042) 710-4086; 710-6461; 710-4458

LUCENA-EVANGELISTA  
Maharlika Highway, Red-V, Lucena City  
Tel. Nos.: (02) 8250-8325; 710-5788;  
710-8068

LUCENA-ILAYA  
82 Quezon Ave., Lucena City  
Tel. Nos.: (042) 795-0075; 373-4346;  
373-1537

MAGSAYSAY-NAGA  
G/F Sarap Realty Bldg., Magsaysay Ave.  
Balatas, Naga city  
Tel. Nos.: (054) 884-9904; 884-9147

MALOLOS  
FC Bldg., McArthur Highway  
Bo. Sumapang Matanda, Malolos, Bulacan  
Tel. Nos.: (044) 794-3524; 662-1228

MALOLOS-PASEO DEL CONGRESO  
Paseo Del Congreso, Catmon, Malolos City  
Tel. Nos.: (044) 791-5989; 791-3953

MARINDUQUE  
EDG Bldg., Brgy. Lapu-Lapu, Sta. Cruz  
Marinduque  
Tel. No.: (042) 332-0046

MASBATE  
460 Quezon St., Brgy. F. Magallanes  
Masbate City  
Tel. Nos.: (056) 578-1088 to 90

MASINAG  
259 Sumulong Highway, Mayamot  
Antipolo City  
Tel. Nos.: (02) 8645-5575; 8645-1969;  
8570-7514

MEXICO BRANCH LITE  
CLK Bldg., Jose Abad Santos Ave.  
Brgy. Lagundi, Mexico, Pampanga  
Tel. Nos.: (045) 455-1195; 455-2568

MEYCAUAYAN  
VD & S Bldg., McArthur Highway, Calvario  
Meycauayan City, Bulacan  
Tel. Nos.: (044) 769-6121; 769-6290

MEYCAUAYAN-MALHACAN  
Sterling Square, Sterling Industrial Cmpd.  
Iba Malhacan National Highway  
Meycauayan City, Bulacan  
Tel. Nos.: (044)769-3392; 769-3398;  
769-3374

MEYCAUAYAN-REQUINO STREET  
831 McArthur Highway Meycauayan City  
Bulacan  
Tel. Nos.: (044) 228-2241; 796-0530

MOLINO  
G/F RFC Molino Mall, Molino 2  
Bacoor, Cavite  
Tel. Nos.: (046) 477-2278; 8529-8967

MONTALBAN  
J. Rizal St. corner Linco St., Balite  
Montalban, Rizal  
Tel. Nos.: (02) 8948-1385; 8942-2472

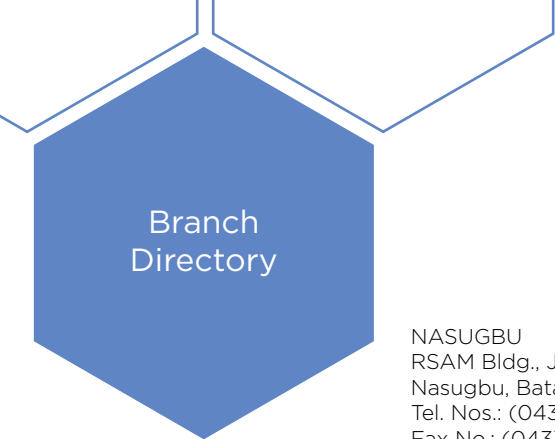
MORONG  
T. Claudio St., Brgy. San Juan, Tanay, Rizal  
Tel. Nos.: (02) 8653-0289; 8691-5245

MUZON-SJDM  
Diaz Bldg., Carriedo St., Brgy. Muzon  
San Jose Del Monte, Bulacan  
Tel. No.: (044) 893-4928

NAGA  
G/F Crown Hotel Bldg., Peñafrancia Ave.  
Naga City  
Tel. Nos.: (054) 473-9114; 811-9115 to 16

NAGA-TABUCO  
G/F Annelle Bldg., Biak Na Bato St.  
corner PNR Rd., Tabuco, Naga City  
Tel. Nos.: (054) 473-7788; 472-5588

NAIC  
Capt. C. Nazareno St., Poblacion  
Naic Cavite  
Tel. Nos.: (046) 412-0391; 507-0183



Branch Directory

NASUGBU  
RSAM Bldg., J.P. Laurel St., Brgy. 9  
Nasugbu, Batangas  
Tel. Nos.: (043) 741-0394; 741-0397  
Fax No.: (043) 741-0396

NOVELETA  
Magdiwang Highway, Noveleta, Cavite  
Tel. Nos.: (046) 438-1056; 438-2571; 438-8411

OLONGAPO  
1055 Rizal Ave. Extn., West Tapinac, Olongapo City  
Tel. Nos.: (047) 611-0205 to 06; 611-0179  
Fax No.: (047) 611-0206

PADRE GARCIA  
45 A. Mabini, Poblacion, Padre Garcia, Batangas  
Tel. Nos.: (043) 436-0214 to 16; 515-7177

PALAWAN  
RCBC Bldg., Junction 1, Rizal Ave. corner  
National Highway, Puerto Princesa City  
Tel. Nos.: (048) 433-2091; 433-2693

PALAWAN NATIONAL HIGHWAY  
Lustre Arcade, National Highway  
Brgy. Tiniguiban, Puerto Princesa, Palawan  
Tel. Nos.: (048) 717-0167; 717-0169; 717-0172;  
723-0358 to 60

PANDI  
9045 Megamart Mall & Shopping Center  
Bunsuran 1st, Pandi, Bulacan  
Tel. No.: (044) 796-2900

PANTOK  
E & M Bldg., National Rd., Pantok  
Binangonan, Rizal  
Tel. Nos.: (02) 8570-3868; 8570-0367

PLARIDEL  
Cagayan Valley Rd., Banga I, Plaridel, Bulacan  
Tel. Nos.: (044) 795-0688; 670-2289

PUERTO PRINCESA  
175 Rizal Ave., Pacific Plaza Bldg.  
Puerto Princesa City, Palawan  
Tel. Nos.: (048) 433-0364; 433-0367; 433-2365;  
433-2367

ROSARIO  
Cavite Export Processing Zone, Rosario, Cavite  
Tel. Nos.: (046) 437-6260; 437-6548; 437-6550;  
437-2946; 437-6929; (02) 8529-8830

SAN CARLOS  
G/F Roper Bldg., Palaris St.  
San Carlos City, Pangasinan  
Tel. Nos.: (075) 632 2468 to 69

SAN FERNANDO  
G/F Hiz-San Bldg., McArthur Highway  
Brgy. Dolores, San Fernando, Pampanga  
Tel. Nos.: (045) 963-4757; 963-4761

SAN FERNANDO JASA  
Unit 3 & 4, G/F Kingsborough Commercial Center  
Jose Abad Santos Ave., City of San Fernando  
Tel. Nos.: (045) 961-5147; (045) 961-5143

SAN FERNANDO PAMPANGA  
G/F Emerald Bldg., Dolores  
San Fernando, Pampanga  
Tel. Nos.: (045) 961-7614 to 15; 961-4505

SAN FERNANDO SINDALAN  
Phoenix Bldg., McArthur Highway  
San Fernando, Pampanga  
Tel. Nos.: (045) 455-0382; 861-3662

SAN FERNANDO, LA UNION  
G/F Chime Bldg., Parian National Highway  
San Fernando City, La Union  
Tel. Nos.: (072) 888-0732; 888-0755

SAN ILDEFONSO  
Villa Amelia, Buencamino St., San Jose  
San Miguel, Bulacan  
Tel. Nos.: (044) 797-0521 to 797-0523

SAN JOSE  
Cameco Bldg., Makalintal Ave.  
corner J. A. De Villa St., San Jose, Batangas  
Tel. Nos.: (043) 726-0052 to 53; 726-0022

SAN JOSE CITY, NUEVA ECIJA  
Abar 1st, Maharlika Highway  
San Jose City, Nueva Ecija  
Tel. Nos.: (044) 958-5097; 511-1408; 958-5090

SAN MATEO  
323 Gen. Luna St., Guitnangbayan II  
San Mateo, Rizal  
Tel. Nos.: 8948-0199; 8942-6969; 8941-6388

SAN NICOLAS  
Brgy. 2 San Baltazar, San Nicolas, Ilocos Norte  
Tel. Nos.: (077) 677-1122

SAN PABLO  
Ultimart Shopping Plaza, M. Paulino St.  
San Pablo City  
Tel. Nos.: (049) 562-0781 to 82; 562-7834

SAN PEDRO  
EM Arcade 1 Bldg., Brgy. Poblacion  
National Highway, San Pedro, Laguna  
Tel. Nos.: (02) 8868-9459 to 60; 8847-5685  
Fax No.: (02) 8847-5683

SAN PEDRO-NUEVA  
National Highway, Brgy. Nueva  
San Pedro, Laguna  
Tel. Nos.: (02) 8520-1788; 8808-4608

SANTIAGO  
26 Maharlika Highway, Victory Norte  
Santiago City  
Tel. Nos.: (078) 682-7426; 682-4599

SANTIAGO-CENTRO WEST  
29 City Rd., Centro West  
Santiago City, Isabela  
Tel. Nos.: (078) 305-2056 to 57

SCIENCE PARK  
Admin Bldg., LISP 1, Pulo Rd.  
Brgy. Diezmo, Cabuyao, Laguna  
Tel. Nos.: (049) 543-0105 to 06; 543-0571  
Fax No.: (049) 543-0572

SOLANO  
211 J. P. Rizal Ave. National Highway  
Solano, Nueva Vizcaya  
Tel. Nos.: (078) 326-6678; 326-5559

STA. CRUZ  
A. Regidor corner Burgos St.  
Sta. Cruz, Laguna  
Tel. Nos.: (049) 501-2136; 501-3538;  
501-4586; (02) 8520-8318

STA. CRUZ-NATIONAL ROAD  
Teoxon Bldg., Unit 1, Sitio Narra  
Brgy. Labuin, Sta. Cruz, Laguna  
Tel. Nos.: (049) 510-2136; 500-9401;  
500-9408

STA. LUCIA EAST  
Ground Level, Bldg. 2, Sta. Lucia Mall  
Marcos Highway corner Felix Ave.  
Cainta, Rizal  
Tel. Nos.: (02) 8682-0359; 8645-7911; 8682-  
7126; 8682-5963; 8645-3685

STA. MARIA-BULACAN  
39 J. P. Rizal St., Poblacion  
Sta. Maria, Bulacan  
Tel. Nos.: (044) 641-0251; 641-4845;  
288-2694

STA. ROSA  
Paseo 5, Paseo de Sta. Rosa  
Greenfield City, Sta. Rosa, Laguna  
Tel. Nos.: (049) 541-2751 to 54;  
(02) 8420-8020

STA. ROSA BALIBAGO-WALTERMART  
Upper G/F & Lower G/F  
Walmart Sta. Rosa, Brgy. Balibago  
corner San Lorenzo Rd., Sta. Rosa, Laguna  
Tel. Nos.: (049) 530-2507 to 08

STA. ROSA-BEL AIR  
CW Home Depot, Sta.Rosa, Tagaytay Rd.  
Brgy. Pulong, Sta.Cruz, Santa Rosa City  
Laguna  
Tel. Nos.: (049) 530-0795; 530-0793;  
(02) 8520-8476

STA. ROSA EXTENSION OFFICE  
G/F Unit 12, Garden Plaza Mall  
Garden Villas 3, Brgy. Ibaba, Laguna  
Tel. Nos.: (049) 530-3815; 530-3821;  
534-0302

STA. ROSA-SOLENAD  
Unit M 20, Bldg. 2, Nuvali Solenad 2  
National Rd., Brgy. Sto. Domingo  
Sta. Rosa City, Laguna  
Tel. Nos.: (049) 530-1482; 530-1281;  
530-1384

STA. ROSA-BALIBAGO  
Carvajal Commercial Bldg.  
Old National Highway, Balibago  
Sta Rosa, Laguna  
Tel. Nos.: (02) 8520-8443; (049) 534-5018

STA. ROSA-TAGAPO  
J. Rizal Blvd. corner Tagapo  
Santa Rosa City, Laguna  
Tel. Nos.: (02) 8520-8190;  
(049) 534-3207 to 08

STARMALL-DAANG HARI  
Starmall Prima, Daang Hari  
corner Molino Rd., Brgy. Molino 4  
Bacoor, Cavite  
Tel. Nos.: (046) 435-0437; 435-0439 to 40

STARMALL-SAN JOSE DEL MONTE  
G/F Starmall Bldg., Brgy. Kaypian  
San Jose Del Monte, Bulacan  
Tel. No.: (044) 797-0275

SUBIC  
Precision Tek Bldg., Lot B, Rizal Highway  
Subic Bay Freeport Zone, Olongapo City  
Tel. Nos.: (047) 252-5023; 252-5025 to 26

TABACO  
232 Ziga Ave., Tabaco City, Albay  
Tel. Nos.: (052) 487-7042; (02) 8519-4446;  
8429-1817

TAGAYTAY  
Unit 1 Olivarez Plaza  
E. Aguinaldo Highway, Tagaytay City  
Tel. Nos.: (046) 483-0540; 483-0542

TANAUAN  
G/F Reyes Bldg., J P Laurel Highway  
Poblacion 4, Tanauan City, Batangas  
Tel. Nos.: (043) 778-3700; 778-3600

TANAY  
M. L. Quezon St. corner J. P. Laurel St.  
Brgy. Plaza Aldea, Tanay, Rizal  
Tel. Nos.: (02) 8654-3126; 8693-1267; 8634-  
8990

TANZA  
A. Soriano Highway, Tanza, Cavite  
Tel. Nos.: (046) 437-7715; 437-1507;  
437-7081

TARLAC  
F. Tañedo St., Tarlac City  
Tel. Nos.: (045) 982-0820 to 21; 982-3389

TARLAC-STO. CRISTO  
McArthur Highway, Blossomville Subd.  
Sto. Cristo, Tarlac City  
Tel. Nos.: (045) 982-3700; 982-9133

TAYTAY  
Manila East Rd., Taytay, Rizal  
Tel. Nos.: (02) 8286-0490; 8286-3465;  
8286-0658; 8658-0636 to 37

TAYTAY-MARKET  
Marc Square Commercial Bldg., San Juan  
Taytay, Rizal  
Tel. Nos.: (02) 8660-3858; 8660-3854

TAYTAY-RIZAL AVENUE  
Rizal Ave., Cuatro Cantos, Brgy. San Juan  
Taytay, Rizal  
Tel. Nos.: (02) 8570-4700 to 01

TAYUG  
A. Bonifacio St., Brgy. A, Tayug  
Pangasinan  
Tel. Nos.: (075) 572-2024; 572-4800

TERESA  
Magsaysay Ave., Brgy. San Gabriel  
Teresa, Rizal  
Tel. Nos.: 8570-9693; 8668-5298;  
8666-5391

TRECE MARTIRES  
Brgy. San Agustin, Trece Martires City  
Tel. Nos.: (046) 419-3270; 419-2671;  
419-2602

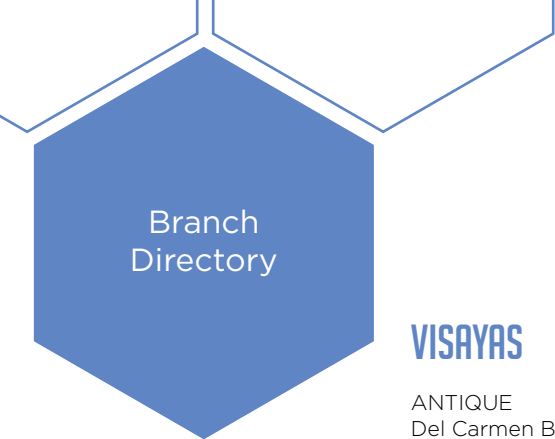
TUGUEGARAO  
Bonifacio corner Gomez St., Centro 7  
Tuguegarao City  
Tel. Nos.: (078) 844-1165; 846-2845;  
844-1926; 844-0885; 844-0879

TUGUEGARAO-BALZAIN EAST  
48 Balzain Rd., Tuguegarao City  
Cagayan Valley  
Tel. Nos.: (078) 844-0885; 844-0879

URDANETA  
E.F. Square Bldg., McArthur Highway  
Urdaneta City, Pangasinan  
Tel. Nos.: (075) 656-2289; 568-2090  
Fax No.: (075) 568-2925

URDANETA-SAN VICENTE  
San Vicente, Urdaneta City, Pangasinan  
Tel. No.: (075) 568-4941

VIGAN  
Nueva Segovia St., Vigan City, Ilocos Sur  
Tel. No.: (077) 632-0221



Branch  
Directory

VISAYAS

ANTIQUE  
Del Carmen Bldg., Solana St. corner  
T. Fornier St., San Jose, Antique  
Tel. No.: (036) 540-7025

BACOLOD LACSON  
G/F Lourdes C. Bldg II, 14<sup>th</sup> Lacson St.  
Bacolod City  
Tel. No.: (034) 432-3441

BACOLOD-LIBERTAD  
Libertad Extn., Bacolod City  
Tel. No.: (034) 707-6207

BACOLOD-MAIN  
Rizal St. corner Locsin St., Bacolod City  
Tel. No.: (034) 433-7844

BACOLOD-SHOPPING  
Hilado Extn., Capitol Shopping Center  
Bacolod City  
Tel. Nos.: (034) 709-1708; 433-8483

BACOLOD-MANDALAGAN  
Lacson St., Brgy. Mandalagan, Bacolod City  
Tel. Nos.: (034) 434-4689 to 91; 709-8101

BALAMBAN  
D.C. Sanchez St., Balamban, Cebu  
Tel. No.: (032) 266-9127

BANILAD  
AS Fortuna St., Banilad, Cebu City  
Tel. No.: (032) 346-3892

BASAK  
Cebu North Rd., Brgy. Basak, Mandaue City, Cebu  
Tel. Nos.: (032) 268-5469; 344-8155

BAYAWAN  
National Highway, Bayawan City, Negros Oriental  
Tel. Nos.: (035) 531-0554; 228-3322

BORACAY  
Station 1, Brgy. Balabag, Boracay, Malay, Aklan  
Tel. No.: (036) 288-1906

CADIZ  
Abelarde St. corner Mabini St., Cadiz City  
Tel. Nos.: (034) 493-0751; 493-0567

CALBAYOG  
Magsaysay Blvd. corner and Rueda St.  
Calbayog City  
Tel. No.: (055) 209-1338

CATARMAN  
Ang Ley Bldg., JP Rizal St., Brgy. Sampaguita  
Catarmán, Northern Samar  
Tel. No.: (055) 500-9480

CATBALOGAN  
Del Rosario St., Catbalogan, Western Samar  
Tel. No.: (055) 543-9062

CATICLAN BRANCH LITE  
Jerry Port, Caticlan, Malay, Aklan  
Tel. Nos.: (036) 288-7644; 288-1906

CEBU-PASEO ARCENAS  
Don Ramon Arcenas St. along R. Duterte St.  
Banawa, Cebu City  
Tel. No.: (032) 236-8012

CEBU BUSINESS PARK  
Block 6 Lot 1, Mindanao Ave. corner Siquijor St.  
Cebu Business Park, Cebu City  
Tel. No.: (032) 233-6229

CEBU IT PARK  
Block 2 Lot 4, Asiatown IT Park Subd.  
Brgy. Apas, Cebu City  
Tel. No.: (032) 260-0515

CEBU MANALILI  
Tan Sucheng Bldg., V. Gullas St., Cebu City  
Tel. No.: (032) 253-0624

CEBU-STO. NIÑO  
Belmont Hardware Depot Bldg., P. Burgos St. corner  
Legaspi St., Bgy. San Roque, Cebu City  
Tel. No.: (032) 253-6028

CONSOLACION  
ADM Bldg., Cansaga, Consolacion, Cebu  
Tel. No.: (032) 423-9335

DUMAGUETE  
Dr. V. Locsin St., Dumaguete City, Negros Oriental  
Tel. No.: (035) 422-8422

DUMAGUETE-SAN JUAN STREET  
Real St. corner San Juan St., Dumaguete City  
Tel. Nos.: (035) 225-6848; 225-1177

ESCARIO  
N. Escario St., Capitol Site, Cebu City  
Tel. Nos.: (032) 254-7165; 255-6404; 412-6943

F CABAUG  
G/F Pacific Square Bldg., F. Cabahug St.  
Mabolo, Cebu City  
Tel. Nos.: (032) 505-5801; 505-5805

FUENTE OSMEÑA  
Grepalife Tower, Fuente Osmeña  
Rotonda, Cebu City  
Tel. No.: (032) 255-4886

GUADALUPE  
63 M. Velez & A. Abellana Sts.  
Guadalupe, Cebu City  
Tel. No.: (032) 255-5353

HINIGARAN  
Rizal St., National Rd., Hinigaran, Negros Occidental  
Tel. Nos.: (034) 391-2323; 740-7576

ILOILO  
Iloilo Business Center, JM Basa St.  
corner Arsenal St., Iloilo City  
Tel. No.: (033) 336-9643

ILOILO LEDESMA  
MJM Bldg., Ledesma St. corner  
Quezon St., Iloilo City  
Tel. Nos.: (033) 508-6019; 388-4370

ILOILO MABINI  
2/F Red Plaza Bldg., JM Basa St., Iloilo City  
Tel. No.: (033) 336-6616

JALANDONI-ILOILO  
Jalandoni St., San Agustin, Iloilo City  
Tel. Nos.: (033) 338-0212; 337-4785;  
338-2065

JARO  
E. Lopez St. corner Seminario St.  
Jaro, Iloilo City  
Tel. No.: (033) 320-4077

JCENTRE MALL  
A.S. Fortuna St., Bakilid, Mandaue City  
Tel. No.: (032) 520-3260

KABANKALAN  
Guanzon St., Kabankalan City  
Negros Occidental  
Tel. Nos.: (034) 471-2316; 746-8177

KALIBO  
Lu Bldg., Roxas Ave., Poblacion  
Kalibo, Aklan  
Tel. Nos.: (036) 268-5108; 262-3474;  
500-8262

LA PAZ-ILOILO  
Calle Luna, Bantud, Iloilo City  
Tel. Nos.: (033) 329-1203 to 04

LAPU LAPU  
G/F Hotel Europa Bldg., Basak  
Mercado, Lapu Lapu City  
Tel. Nos.: (032) 520-6520 to 21

LOPUE'S EAST  
Lopues East Center corner Carlos Hilado  
National Highway, Burgos St.  
Brgy. Villamonte, Bacolod City  
Negros Occidental  
Tel. Nos.: (034) 435-1026; 435-1030

LUZURIAGA  
G/F Golden Heritage Bldg., San Juan St.  
corner Luzuriaga St., Bacolod City  
Tel. No.: (034) 432-1543 to 45

MAASIN  
Tomas Oppus St., Brgy. Abgao  
Maasin City, Southern Leyte  
Tel. Nos.: (053) 381-3854; 570-8282

MACTAN  
MEPZ Bldg., MEPZ 1, Mactan  
Lapu-lapu City  
Tel. No.: (032) 340-1853

MANDAUE  
A.C. Cortes St., Ibabao, Mandaue City  
Tel. No.: (032) 346-1727

MANDAUE-M.C. BRIONES  
Highway Seno, Mandaue City, Cebu  
Tel. Nos.: (032) 345-8063; 345-8065

MEPZ 2  
Pueblo Verde, Mactan Economic Zone II  
Brgy. Basak, Lapu Lapu City  
Tel. No.: (032) 340-1778

NORTH RECLAMATION  
G/F CIFIC Tower, Humabon St. corner  
Juan Luna Ave., North Reclamation Area  
Cebu City  
Tel. No.: (032) 231-7044

ORMOC  
G/F MFT Bldg., Real St. corner  
Carlos Tans St., Ormoc City  
Tel. Nos.: (053) 561-8134; 255-3454

OTON  
Lord's Place, J.C. Zulueta St., Oton, Iloilo  
Tel. Nos.: (033) 336-0306 to 07; 510-8870

P. DEL ROSARIO  
G/F RCBC Savings Bank Bldg.  
P. Del Rosario St., Kamagayan, Cebu City  
Tel. Nos.: (032) 255-6182; 255-6702

ROXAS CITY  
Plaridel St., Roxas City  
Tel. No.: (036) 621-1104

SAN CARLOS  
S. Carmona St., San Carlos City  
Negros Occidental  
Tel. No.: (034) 312-5141

SARA  
RCBC Bldg., Don Victorino, Salcedo St.  
Sara, Iloilo  
Tel. Nos.: (033) 392-0172; 392-0156

SILAY  
Rizal St. corner Burgos St., Silay City  
Tel. Nos.: (034) 495-0505; 495-1990

TABOAN  
C. Padilla St., Brgy. San Nicolas, Cebu City  
Tel. No.: (032) 261-6061

TACLOBAN  
RSB Bldg., Zamora St. corner Sto. Niño St.  
Tacloban City  
Tel. No.: (053) 325-5058

TAGBILARAN  
RCBC Bldg., C.P.G. Ave., Tagbilaran City  
Tel. No.: (038) 412-3555

TAGBILARAN-POBLACION 2  
CPG Ave., corner H. Grupo St.  
Poblacion 2, Tagbilaran City  
Tel. Nos.: (038) 412-0083 to 85

TALAMBAN  
G/F Ecotrader Bldg., J. Panis St.  
Talamban, Cebu City  
Tel. Nos.: (032)343-7992; 412-1620

TALISAY  
South Central Square, Lawaan III  
Talisay City, Cebu  
Tel. No.: (032) 505-5194

TALISAY-BULACAO  
South Rd., Bulacao, Talisay City, Cebu  
Tel. Nos.: (032) 272-2701; 272-2833

TOLEDO  
G/F Toledo Commercial Vill. Bldg.  
Rafols St., Brgy. Poblacion  
Toledo City, Cebu  
Tel. No.: (032) 322-7768

MINDANAO

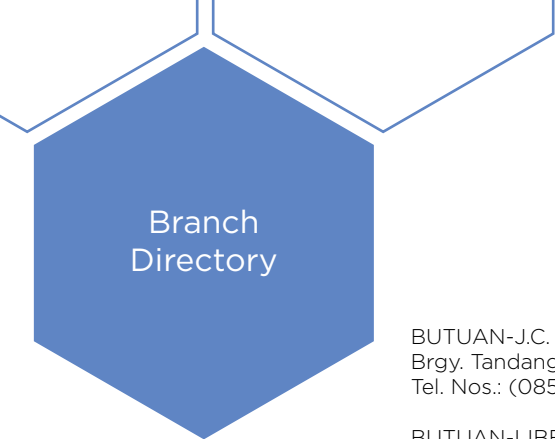
AGORA  
Gaabucayan St., Agora, Lapanan  
Cagayan De Oro City  
Tel. Nos.: (088) 880-7892 to 93; 231-2098  
to 99; 880-7891

ATENEO DE DAVAO  
G/F F-106 Finster Bldg.  
Ateneo de Davao University Main Campus  
CM Recto Ave. corner Roxas Ave.  
Davao City  
Tel. Nos.: (082) 295-3784; 295-3127

BOLTON  
Bolton St., Davao City, Davao Del Sur  
Tel. Nos.: (082) 221-0251; 222-4428;  
222-4430

BUHANGIN  
Dr A & B Bldg., 2010 Km. 7 Diversion Rd.  
Buhangin, Davao City  
Tel. Nos.: (082) 241-0459; 241-2425;  
241-0725

BUTUAN  
Dy Teban Bldg. II, Ester Luna St.  
Butuan City  
Tel. Nos.: (085) 341-5267; 341-8829;  
341-7551; 342-8923



Branch  
Directory

BUTUAN-J.C. AQUINO AVENUE  
Brgy. Tandang Sora, J.C. Aquino Ave., Butuan City  
Tel. Nos.: (085) 342-7661 to 63

BUTUAN-LIBERTAD  
RT Bldg., JC Aquino Ave. corner Bonbon Rd.  
Brgy. Libertad, Butuan City  
Tel. Nos.: (085) 815-2050 to 51; 815-2053

CALINAN  
National Highway, Poblacion, Calinan, Davao City  
Tel. Nos.: (082) 284-1443; 284-1445

CARMEN  
G/F Macaibay Bldg., Carmen, Cagayan De Oro City  
Tel. Nos.: (088) 858-5793; 858-6248; 856-2461;  
856-2465

CARRASCAL  
National Highway, Brgy. Gamuton, Carrascal  
Surigao del Sur  
Tel. Nos.: (086) 212-8030 to 31

CDO-LAPASAN  
Lapasan Highway, Lapasan, Cagayan de Oro City  
Tel. Nos.: (088) 856-1888; 856-3888

CDO-LIMKETKAI  
Gateway Tower 1, Limketkai Center  
Cagayan de Oro City  
Tel. Nos.: (088) 856-3707 to 08; 852-1291

CDO-MASTERSON AVENUE  
Xavier Estates, Masterson Ave., Upper Balulang  
Cagayan de Oro City  
Tel. Nos.: (088) 859-0528; 859-0530

CDO-OSMEÑA  
Simplex Bldg., Osmeña St., Cagayan De Oro City  
Tel. Nos.: (088) 856-2888; 857-1888

CDO-VELEZ  
Don Apolinar Velez St. corner Cruz Taal St.  
Cagayan de Oro City  
Tel. Nos.: (088) 856-4982; 856-8888

CDO-VELEZ CITY CENTRAL  
Velez St., Cagayan De Oro City, Misamis Oriental  
Tel. Nos.: (088) 856-2460 to 65; 272-9274;  
856-4253

COTABATO  
M Bldg., Quezon Ave., Cotabato City  
Tel. Nos.: (064) 421-3565; 421-3585

DADIANGAS  
Pioneer Ave., General Santos City  
Tel. Nos.: (083) 552-5470; 552-4634

DAMOSÁ GATEWAY MALL  
Mamay Rd. corner J.P. Laurel Ave., Lanang  
Davao City  
Tel. Nos.: (082) 234-7002; 234-7019

DAVAO  
RCBC Bldg., C.M. Recto St. corner Palma Gil St.  
Davao City  
Tel. Nos.: (082) 222-7901 to 03; 221-6034

DAVAO-BAJADA  
J.P. Laurel Ave. corner Villa Abrille St., Davao City  
Tel. Nos.: (082) 305-5231; 225-1112

DAVAO-MATINA  
Km. 2 McArthur Highway, Matina, Davao City  
Tel. No.: (082) 227-2008

DAVAO-QUIRINO  
E. Quirino Ave., Brgy. 3-A, Poblacion, Davao City  
Tel. Nos.: (082) 221-4912; 221-4909; 300-4288

DIGOS  
RCBC Bldg., J.P. Rizal St. corner and M.L. Roxas St.  
Digos City, Davao Del Sur  
Tel. Nos.: (082) 553-2560; 553-2319

DIPOLOG  
General Luna St. corner Lacaya St.,Dipolog City  
Tel. Nos.: (065) 212-2542 to 43

DOLE  
Dole Philippines Pavillion, Cannery Plant Site  
Polomolok, South Cotabato  
Tel. No.: (083) 500-2643

GEN. SANTOS-NATIONAL HIGHWAY  
National Highway, Brgy. City Heights  
Gen. Santos City  
Tel. Nos.: (083) 553-8196 to 98

GENSAN  
RGH Bldg., J. Catholico Ave., Lagao  
General Santos City  
Tel. Nos.: (083) 553-8880; 553-8883

ILIGAN  
Lanao Fil-Chinese Chamber of Commerce, Inc.  
Bldg., Quezon Ave. corner B. Labao St., Iligan City  
Tel. No.: (063) 221-5443

IPIL  
National Highway, Ipil, Zamboanga Sibugay  
Tel. Nos.: (062) 333-2257; 333-2254

ISULAN  
National Highway corner Lebak Rd.  
Isulan, Sultan Kudarat  
Tel. Nos.: (064) 201-3867; 201-4912

J.P. LAUREL  
G/F Ana Soccoro Bldg., J.P. Laurel Ave.  
Bajada, Davao City  
Tel. Nos.: (082) 222-2805; 222-2803

KABACAN  
National Highway, Poblacion, Kabacan, Cotabato  
Tel. No.: (064) 572-2207

KIDAPAWAN  
KMCC Bldg., Dayao St., Kidapawan City  
North Cotabato  
Tel. Nos.: (064) 577-1572 to 73

MALAYBALAY  
Don Carlos St., Poblacion, Malaybalay City  
Tel. No.: (088) 813-3565

MARAMAG  
FIBECO Cmpd., Sayre National Highway  
Anahawon, Maramag, Bukidnon  
Tel. Nos.: (088) 238-5591; 238-5589

MARANDING  
National Highway, Maranding  
Lala, Lanao Del Norte  
Tel. Nos.: (063) 388-2018; 388-7003;  
388-7045

MARBEL  
General Santos Drive corner Roxas St.  
Koronadal City, South Cotabato  
Tel. Nos.: (083) 228-2331; 228-2333;  
520-1378

MARBEL-ALUNAN AVENUE  
Kobe Bldg., NDMU Cmpd., Alunan Ave.  
Koronadal City, South Cotabato  
Tel. No.: (083)228-7914

MONTEVERDE  
Door 5 & 6 Veterans Bldg.  
Monteverde, Davao City  
Tel. Nos.: (082) 227-0858; 222-0115;  
221-9590

NABUNTURAN  
SMPTC Bldg, L. Arabejo Ave.  
Brgy. Poblacion, Nabunturan  
Compostela Valley  
Tel. Nos.: (084) 817-0141 to 42

OZAMIS  
Don Anselmo Bernard Ave. corner  
Mabini St., Ozamis City  
Tel. Nos.: (088) 521-1559; 521-1311 to 12

PAGADIAN  
RCBC Bldg., Rizal Ave., Pagadian City  
Tel. Nos.: (062) 925-0397; 214-1773

PANABO  
Greatsun Ventures Bldg.  
National Highway, Purok Atis  
Sto. Niño, Panabo City  
Tel. Nos.: (084) 822-1192; 822-1320;  
645-0002

POLOMOLOK  
B-French St., Polomolok, South Cotabato  
Tel. No.: (083) 500-9161

ROADWAY INN  
Roadway Inn, J.P. Laurel Ave.  
Bajada, Davao City  
Tel. Nos.: (082) 222-0198; 222-0207

SASA  
Km. 9, Bo. Pampanga, Sasa, Davao City  
Tel. Nos.: (082) 284-0262; 291-6963;  
291-6949; 291-6936; 291-6973

STA. ANA  
Monteverde St. corner Sales St.  
Sta. Ana, Davao City  
Tel. Nos.: (082) 221-1794 to 95; 221-2160

SURALLAH  
National Highway corner Mabini St.  
Surallah, South Cotabato  
Tel. Nos.: (083) 238-3017 to 18

SURIGAO  
San Nicolas St. corner Burgos St.  
Surigao City  
Tel. Nos.: (086) 826-1288; 826-4034

TACURONG  
Mariano Marcos, National Highway corner  
Ramon Magsaysay Ave., Tacurong City  
Sultan Kudarat  
Tel. Nos.: (064) 200-3189; 200-3440;  
200-3442

TAGUM  
RCBC Bldg., Pioneer Ave. corner and  
Quirante II St., Tagum City  
Davao del Norte  
Tel. Nos.: (084) 655-6341 to 42; 655-9522

TANDAG  
Pimentel Bldg., Doñasco St.  
Tandag, Surigao del Sur  
Tel. Nos.: (086) 211-3066; 211-3063

TORIL  
McArthur Highway, Toril Proper  
Toril, Davao City  
Tel. Nos.: (082) 295-1700; 295-1600

VALENCIA  
Sayre Highway corner G. Laviña Ave.  
Valencia City, Bukidnon  
Tel. Nos.: (088) 828-2166 to 67

VICTORIA PLAZA  
Victoria Plaza Mall, J.P. Laurel Ave.  
Davao City  
Tel. Nos.: (082) 221-8580 to 81; 221-8583

ZAMBOANGA  
SIA Bldg., Tomas Claudio St., Zone III  
Zamboanga City  
Tel. Nos.: (062) 991-0753 to 54; 991-2248

ZAMBOANGA-VETERANS  
YPC Bldg., Veterans Ave.  
Zamboanga City  
Tel. Nos.: (062) 990-1200 to 01  
Fax Nos.: (062) 990-1201; 991-1420

ZAMBOANGA-GOV. LIM AVENUE  
G/F Jesus Wee Bldg., Gov. Lim Ave.  
Zamboanga City  
Tel. Nos.: (062) 991-0814; 991-0817



LOANS	
Product/Service	Description
Commercial Loans (Peso and/or Foreign Currency)	
Short- Term Revolving Facilities	
Non-Trade Facilities	
Credit Line	This is a revolving credit facility made available to a client within the approved limit(s) and tenor(s). This is usually granted to augment a business' short term working capital requirements.
Accounts Receivable Line(ARL)	This is a revolving credit facility that is meant to liquefy a borrower's accounts receivables.
Bills Purchased Line (BPL)	BP is a credit line utilized for the purchase of current-dated local checks.
Second Endorsed Checks Line (SECP)	This is a form of accommodation to eligible clients to allow purchase of checks drawn to individuals / entities other than the borrower – presenter.
Floor Stock Financing	Floor stock financing is a form of inventory financing where emphasis is given on the value, marketability / disposal and control over the inventory financed.  This type of credit facility is normally given to entities engaged on motor vehicle / heavy equipment dealership business.
Trade Facilities	These are credit facilities used to finance the movement of goods / merchandise and services within or across country borders and self-liquidating in nature.
Import / Domestic Trade Facilities	
Letter of Credit Line	This is a credit facility against which the Bank will issue a written undertaking (i.e., Letter of Credit) given to the seller upon the instruction of the customer / buyer, to pay at sight or at a determinable future date within a prescribed time limit and against stipulated documents.
Trust Receipt (TR) Line	This is a credit facility granted by the Bank to finance bills drawn under domestic or import LCs issued by the Bank.  Goods financed by the Bank under LC are released to the customer / buyer under a Trust Receipt (TR) Agreement.  Trust Receipt is a security transaction intended to aid in financing importers or domestic buyers. It is the security feature in the LC / TR transaction wherein the Bank extends a loan to a borrower covered by the letter of credit, with the trust receipt as a security for the loan.
Shipping Guarantee	Shipping Guarantee / Shipment Bond is an undertaking issued by the Bank at the request of the importer, addressed to the carrier (shipping company), asking the carrier to accept guarantee in place of the original shipping document (bill of lading), to release the carrier of any legal consequences because it has released the goods without an original shipping document.
Export Financing	
Export Advance Loan / Line	This credit facility is used to finance the production of export sales where the loan is granted for the pre-export requirements of the client.
Export Bills Purchased Line	The Bank purchases drafts or bills of exchange arising from export transactions, drawn on LCs issued by foreign banks.

Product/Service	Description
Others	
Standby LC Facility	A standby LC is established primarily as a payment undertaking issued by the Bank to support an underlying contract. It serves as a security or guarantee for the payment of a loan or the performance of an obligation.
Bank Guarantee	A bank guarantee is an irrevocable commitment of the Bank binding itself to pay a sum of money in the event of non-performance of a contract by a third party.
Long- Term Non-Revolving Facilities	These are non-evolving facilities maturing beyond one year (from date of commitment to date of final payment).
SME Business Loans	
Loan Line Financing	A Credit Line that provides financial flexibility. Draw downs are available through short-term promissary notes.
Accounts Receivables Purchase Line	A loan facility that utilizes outstanding receivables to receive financing
Term Loan	A loan that has a specific amount and has a specified repayment schedule.
Quick Business Loan	A loan for business purposes that is collateralized by real property.
Microfinance Loans (through Rizal Microbank)	
PITAKA ME	The PITAKA Micro-Enterprise Loan is an individual loan product for micro entrepreneurs who wish to improve their businesses. It aims to make available affordable and easily accessible credit to micro entrepreneurs to help them finance and/or expand their present micro enterprise activities and increase their income. The product primarily targets micro entrepreneurs who generate regular daily, weekly, semi-monthly or monthly income sufficient for the household and to pay their regular loan amortization. The product also aims to provide formal source of credit to micro entrepreneurs who currently depend on loans from informal moneylenders. Loan amount ranges from P20,000 to P150,000 subject to client's capacity to pay.
PITAKA ME Plus	This is a graduation loan product of the PITAKA ME Term Loan. Loan amount ranges from P150,001 to P300,000 subject to client's capacity to pay
SmallBiz Term Loan	The SmallBiz Term Loan is an individual loan product designed to cater the financial needs of businessmen who wish to further improve their business operations. It aims to make available affordable and easily accessible credit to entrepreneurs to help them finance and/or expand their present business operations and increase their incomes.  Loan amount ranges from P150,000 to P10M subject to client's capacity to pay.
SmallBiz RCL	The SmallBiz Revolving Credit Line (RCL) Facility is a flexible, standby, individual loan product of Rizal MicroBank.  The SmallBiz RCL allows a borrower to borrow money from the Bank without the hassle of applying for a loan every time the need for funds arises. It is a reusable source of funds that can readily be tapped at the borrower's discretion subject to approved credit line limit and term set by the Bank.  The line will be available for one year. During this allotted period of time, the facility will allow the borrower to take out, repay, and take the loan out again, and allow the borrower to use as much of the credit as is available and only pay interest on what has been used.  Loan amount ranges from P500,000 to P10M subject to client's capacity to pay.
Agri Biz Term Loan	The AgriBiz Term Loan is a loan product intended for agri value chain players such as agri producers/growers, traders/consolidators, processors and input dealers / retailers.  Loan amount ranges from P150,000 to P10M subject to client's capacity to pay.
Agri Biz Revolving Credit Line	The Agri Biz Revolving Credit Line (RCL) Facility is a flexible, standby, individual loan product of Rizal MicroBank intended for agri value chain players such as agri producers/growers, traders/consolidators, processors and input dealers /retailers.  The Agri Biz RCL allows a borrower to borrow money from the Bank without the hassle of applying for a loan every time the need for funds arises. It is a reusable source of funds that can readily be tapped at the borrower's discretion subject to approved credit line limit and term set by the Bank.  The line will be available for one year. During this allotted period of time, the facility will allow the borrower to take out, repay, and take the loan out again, and allow the borrower to use as much of the credit as is available and only pay interest on what has been used.  Loan amount ranges from P500,000 to P10M subject to client's capacity to pay.

Product/Service	Description
<b>Special Lending Facilities</b>	
DBP Wholesale Lending Facilities	
Landbank Wholesale Lending Facilities	
SSS Wholesale Lending Facilities	
BSP Rediscounting Facility	
Philippine Guaranty Corporation (PHILGUARANTEE)	
DEPOSITS	
<b>Peso Deposits</b>	
<b>Checking Accounts</b>	
Regular Checking	A non-interest earning checking account that comes with a debit card and checkbook which allows the depositor to do financial transactions such as deposit, encashment, and settlement of obligation via check.
eWoman Checking	A premier type of checking account designed for women which comes with a transaction journal, debit card, checkbook and free life insurance for security with a coverage of up to three (3x) times as much ones average balance.
CheckLite	A non-interest earning checking account with low average daily balance requirement exclusive for housing and personal loan borrowers.
Dragon Checking	An all-in-one account that combines the tiered interest income feature of a savings account and the functionalities of a checking account. It comes with a debit card, transaction journal, and checkbook.
<b>Savings Accounts</b>	
Basic Savings Account	An inexpensive and easy to open savings account designed to safe keep funds and serve the unbanked and underbanked Filipinos. It has no balance requirement, comes with a debit card and requires only a proof of identification during account opening.
GoSavers	An affordable start-up savings account that educate kids and teens the habit of saving at an early stage. It comes with an appealing debit card and passbook.
Regular ATM	A deposit product that safe keeps funds while it earns interest. It comes with a debit card for ease in transaction.
Regular Passbook	A deposit product that safe keeps funds while it earns interest. It comes with a passbook and debit card for ease in transaction and detailed record monitoring.
iSave	A virtual savings that allows transfer of fixed amount meant for savings from another source account on a regular basis. It offers tiered interest rates, comes with free personal accident insurance and hospitalization benefit.
FlexiSavers	A customizable savings account that allows clients to choose features or add ons on their deposit account that best fit their needs and demands. Choose from having a debit card, passbook, Free Card Protect Insurance, Free Personal Accident Insurance, Free withdrawal fee form other local bank's ATM, amongst others.
Dragon Savings	A premier savings account that lets depositors earn higher interest as their deposits grow. No lock-in period, thereby giving access to their funds anytime. It comes with a debit card and passbook.
eWoman Savings	A premier savings account especially designed for women that comes with a debit card, passbook, and free life insurance for security with a coverage of up to three (3x) times as much ones average balance.
TeleMoney ATM Savings Account	A savings account created specifically for OFWs and their beneficiaries. It has a low initial deposit requirement and requires no maintaining balance. It earns interest and comes with a debit card and passbook.
SSS Pensioner	A savings account for Filipino retirees intended to secure SSS pension funds. It earns interest and comes with a debit card.

Product/Service	Description
<b>Time Deposits</b>	
Short Term Time Deposit	A fixed investment deposit product that gives higher returns than an an ordinary savings account with deposit terms ranging from 30 days to 1 year.
Long Term Time Deposit	A fixed investment deposit product that gives higher returns than an ordinary savings account with deposit terms ranging from 2, 3, 4, and 5 years. It comes with flexible interest payout schemes in receiving interest earnings through ones settlement account either monthly, quarterly, semi-annually, or by end of maturity.
<b>Foreign Currency Deposits</b>	
<b>Regular Savings</b>	
US Dollar	A foreign currency denominated deposit product to safe keep funds. It comes with a passbook for ease in monitoring and transaction. Certain currencies are offered only in select branches.
Japanese Yen	
Euro	
British Pounds	
Canadian Dollar	
Chinese Yuan	
Australian Dollar	
Swiss Franc	
<b>Dragon Dollar Savings</b>	A premier Dollar savings account that lets depositors earn higher interest as their deposits grow with no lock-in period, thereby giving them access to their funds anytime. It comes with a passbook.
<b>Time Deposits</b>	
USD Short Term	A fixed USD investment deposit product that gives higher returns than an ordinary savings account with deposit terms ranging from 30 days to 1 year.
USD Long Term	A fixed USD investment deposit product that gives higher returns than an ordinary savings account with deposit terms ranging from 2, 3, 4, and 5 years. It comes with flexible interest payout schemes in receiving interest earnings through ones settlement account either monthly, quarterly, semi-annually, or by end of maturity.
Japanese Yen	Other Foreign Currency Deposit Unit (FCDU) Time Deposits: Fixed term deposit account that rewards client with applicable returns with a minimum term of 30 days. Certain currencies are offered only in select branches.
Euro Dollar	
British Pounds	
Canadian Dollar	
Australian Dollar	
Swiss Franc	
<b>Premium Banking</b>	
<b>Hexagon Club</b>	
Hexagon Club Privilege	RCBC's Premier Club for retail clients, where members can enjoy premium banking service and special perks for the total RCBC Banking experience.
Hexagon Club Prestige	RCBC's Premier- Club for corporate clients, where members can enjoy premium banking service and special perks for the total RCBC Banking experience.
<b>Branch Channel</b>	
TouchQ	TouchQ is RCBC's smart queuing platform/system that allows efficient servicing at branch level. It is a self service kiosk found at select business centers and at the same time an online portal that enables online pre-staging of intended banking transaction even before reaching our branches.

Product/Service	Description
TREASURY	
Foreign Exchange	
Foreign Exchange Spot	exchange of one currency for another currency (USD/PHP, USD vs Euro, JPY, GBP, SGD, etc.)
Foreign Exchange Forwards	exchange of one currency for another at a future date (USD/PHP fwd )
Foreign Exchange Swaps	combination of a spot FX deal and forward an FX forward (USD/PHP up to one year)
Fixed Income	
Peso-denominated government securities and other debt instruments	
Treasury bills	Trading of government and corporate debt papers for various debt issuers.
Fixed rate treasury notes (FXTNs)	
Retail treasury bonds	
Local government units bonds	
Quasi-sovereign bonds or government-owned and controlled corporate bonds	
Short and long-term commercial papers (STCPs/LTCPs)	
Global peso notes	
Corporate bonds	
Foreign currency denominated bonds	
Republic of the Philippines bonds	
United States Treasury bills, notes and bonds	
Other sovereign or quasi-sovereign bonds or government-owned and controlled corporate bonds	
Corporate bonds and other debt instruments	
Interbank Money Market	Market in which Banks lend to one another for a specified term (usually one week or less with majority being overnight)
Derivatives	
Interest rate swaps	exchange of interest rate cash flows, usually from fixed rate to floating rate (net settlement) (PHP IRS , USD IRS, etc.)
Cross currency swaps	an agreement between two parties to exchange interest payments and principal of two different currencies.
Cross Currency Asset swaps	a cross currency swap where the source of the cashflow of one of the currency is coming from an underlying asset that is assigned to the Bank.
Non-Deliverable Forward (NDF)	Similar to an FX forward but there is no exchange of cash flows (net settlement) - ( USD/PHP NDF )
Bond Futures	Contractual obligation of the contract holder to purchase or sell a bond on a specified date at a predetermined price (G3 bond futures)
Options (Bond & FX)	Option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or currency at an agreed-upon price (strike price) on a specific date (exercise date).
Structured Products	Credit Linked Notes, Principal Protected Notes

Product/Service	Description
CONSUMER LOANS	
Auto Loans	a loan that helps finance a purchase of a brand new or used car
Auto Loan Plus	an auto loan facility that comes with Motor Car Insurance for the entire loan term. Insurance premium is paid monthly along with the loan amortization and in equal amount throughout the duration of the loan.
Housing Loans	a loan that helps finance the purchase of real property, or the construction/ renovation of a house.
Home Loan Plus	a home loan facility that comes with Fire Insurance for the entire loan term. Insurance premium is paid monthly along with the loan amortization and in equal amount.
Personal Loans	
CREDIT CARDS	
RCBC Bankard World Mastercard	<p>The ideal card for the highly-esteemed clients.</p> <ul style="list-style-type: none"><li>• Access to worldwide offers with Priceless™ Specials</li><li>• Complimentary Priority Pass™ membership</li><li>• Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>• Free International Travel Insurance and Purchase Protection</li><li>• Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation</li><li>• Free-for-life Supplementary Cards (maximum of 9)</li></ul>
RCBC Bankard Black Card Platinum Mastercard	<p>The highly prestigious card for highly career-oriented individuals who seek the finer aspects of life.</p> <ul style="list-style-type: none"><li>• Available in Peso and Dollar variants</li><li>• Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation</li><li>• Free International Travel Insurance and Purchase Protection</li><li>• Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>• Free-for-life Supplementary Cards (maximum of 5)</li></ul>
RCBC Bankard Diamond Card Platinum Mastercard	<p>An affinity card that allows you to automatically donate to a worthy cause.</p> <ul style="list-style-type: none"><li>• For every Php100 charged to your Diamond Card, Php0.20 will be automatically donated to a foundation, advocacy, or charitable institution of your choice through its Diamond Cares Program</li><li>• Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, or Deposit to an RCBC account</li><li>• Free International Travel Insurance and Purchase Protection</li><li>• Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li></ul>
RCBC Bankard Visa Infinite	<p>The premium lifestyle card that offers infinite joy in shopping in international destinations.</p> <ul style="list-style-type: none"><li>• 5% rebate on straight-charge purchases at any local or international clothing and apparel retail shops</li><li>• Complimentary Priority Pass™ membership</li><li>• Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>• Free International Travel Insurance and Purchase Protection</li><li>• Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation</li><li>• Free-for-life Supplementary Cards (maximum of 9)</li></ul>
RCBC Bankard Visa Platinum	<p>The VIP Travelers Card</p> <ul style="list-style-type: none"><li>• Earn free flights faster with PREFERRED AIRMILES Program</li><li>• Complimentary Priority Pass™ membership</li><li>• Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>• Free International Travel Insurance up to Php5,000,000 and Purchase Protection</li></ul>

Product/Service	Description
RCBC Bankard JCB Platinum	Prestige & privileges in a single card <ul style="list-style-type: none"><li>Earn flexible, non-expiring Rewards points for every spend, plus get higher Rewards points from transactions in Japan.</li><li>Access to world-class travel benefits and offers – complimentary access to over 60 airport lounges and JCB Plaza Lounges, up to 20% discount on car rental services, and access to 24/7 Concierge Desk.</li><li>Free International Travel Insurance and Purchase Protection</li></ul>
RCBC Bankard UnionPay Diamond Card	The ideal card for frequent travelers to China. <ul style="list-style-type: none"><li>Earn double rewards points for hotel and restaurant spending in many parts of China</li><li>Access to worldwide offers with U Collection, international medical, VIP healthcare and international travel assistance, plus concierge services via Aspire Services</li><li>Free International Travel Insurance and Purchase Protection</li><li>Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>Free-for-life Supplementary Cards (maximum of 9)</li></ul>
RCBC Bankard Hexagon Club Platinum Mastercard	Enjoy a life full of rewards. <ul style="list-style-type: none"><li>Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation</li><li>Free International Travel Insurance and Purchase Protection</li><li>Free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>Waived annual fees for life</li></ul>
YGC Rewards Plus RCBC Bankard	The YGC Rewards Plus Program comes with a YGC Rewards Plus RCBC Bankard which is used to store and earn additional Rewards Points. <ul style="list-style-type: none"><li>Earn Rewards Points from your RCBC and RCBC Savings Bank deposit and Malayan insurance payments</li><li>Earn Rewards Points from your all your spending here and abroad</li><li>Earn flexible, non-expiring Rewards points from all your purchases which you can exchange for AIRMILES, Shopping Vouchers, or Cash Credit to your RCBC Bankard</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li></ul>
RCBC Bankard GOLD and CLASSIC Cards (Mastercard, JCB)	The card for those moving up the ladder of success <ul style="list-style-type: none"><li>Flexible, non-expiring Rewards points which can be exchanged for AIRMILES, Cash Rebates, Shopping Vouchers, Cash Credit to RCBC Bankard, Deposit to an RCBC account, or as Donation</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge &amp; Club Manila Lounge</li><li>Free budget monitoring tools</li><li>Convenient and rewarding bills payment</li></ul>
RCBC Bankard Flex Gold Visa	The card for young professionals packed with rewarding benefits <ul style="list-style-type: none"><li>2X Rewards Points on three preferred categories – choose from Grocery, Gas, Department Store, Household Appliances or Travel</li><li>Flexible, non-expiring Rewards points</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li><li>Free budget monitoring tools</li><li>Convenient and rewarding bills payment</li></ul>
RCBC Bankard Flex Visa	The card that will enable millennials to achieve their life goals <ul style="list-style-type: none"><li>2X Rewards Points on three preferred categories – choose from Dining, Clothing, Travel or Transportation</li><li>Flexible, non-expiring Rewards points</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li><li>Free budget monitoring tools</li><li>Convenient and rewarding bills payment</li></ul>

Product/Service	Description
RCBC Bankard webshopper	Enjoy online shopping convenience and security <ul style="list-style-type: none"><li>Specifically designed for internet-based shopping and non face-to-face transactions</li><li>It's a reference that contains a different credit card number, expiry date and card validation code/value that is linked directly to your regular credit card thus keeping your regular card details private and protected</li><li>No membership fees for life</li></ul>
RCBC Bankard Corporate Card	Issued to corporations for use of their select officers and employees primarily for business-related expenses such as travel, representation, and purchase of office equipment and supplies.  Available in Philippine Peso and US Dollar
Co-Brand Cards	
RCBC Bankard Landmark Anson's Mastercard	The breakthrough card that combines the benefits of a loyalty card, discount card, and credit card ALL-IN-ONE. <ul style="list-style-type: none"><li>5% Rebate on your Landmark Department Store, Landmark Supermarket and Anson's straight purchases every Mondays to Fridays</li><li>Earn Rewards points for all purchases outside Landmark</li><li>Redeem your Rewards Points and exchange them for Landmark Gift Certificates</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li></ul>
RCBC Bankard Wilcon Mastercard	Helps you build your dream house, protect your home or do the makeovers you have long wanted to undertake. <ul style="list-style-type: none"><li>3X rewards points on all Wilcon purchases</li><li>Separate Installment Limit for Installment and Regular purchases. <i>Your Installment Limit will be equivalent to your regular credit limit.</i></li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li></ul>
RCBC Bankard LJC Mastercard	The total dining card that lets you enjoy a plateful of dining benefits plus more from the highly esteemed LJC Restaurant Group. <ul style="list-style-type: none"><li>10% discount all year-round in all LJC Restaurants</li><li>Free bottle of wine as welcome gift</li><li>Up to 50% Birthday Discount</li><li>Earn non-expiring Rewards points from all your purchases which you can exchange for Dining Vouchers that you can use at any LJC Restaurant.</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li></ul>
RCBC Bankard Mango Mastercard	Fashion-forward shopping privileges <ul style="list-style-type: none"><li>Exclusive Members-Only Sale</li><li>0% installment at 3 and 6 months</li><li>Earn non-expiring Rewards points from all your purchases which you can exchange for Mango Shopping Voucher</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li></ul>
RCBC Bankard Sta. Lucia Mall Mastercard	The first mall wide card that lets you earn rewards and rebates, free movie passes and discounts all year round <ul style="list-style-type: none"><li>Earn 1 Rewards point for every Php100 purchase at Sta. Lucia Mall Department Store, Home Gallery and Planet Toys and earn as much as 5X Rewards points for purchases of at least Php10,000</li><li>0.5% Rebate for all retail transactions</li><li>1% year-round discount and members' only priority lane at Sta. Lucia Supermarket</li><li>FREE Movie Pass at Sta. Lucia Mall for a minimum purchase of Php3,000 at any of the participating stores at Sta. Lucia Mall</li><li>Exclusive members-only advance sale events</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li></ul>

Product/Service	Description
Phoenix RCBC Bankard Mastercard	Enjoy pulse-racing lifestyle privileges <ul style="list-style-type: none"><li>5% fuel rebate on Phoenix Fuel purchases at participating Phoenix Fuel Stations nationwide.</li><li>Php500 worth of Phoenix Fuel as a welcome gift</li><li>Free Towing &amp; Roadside Assistance and Accident Insurance through Assist &amp; Assistance Concept (A &amp; A Concept)</li><li>5% discount on Phoenix gasoline and diesel engine oils</li><li>Earn flexible, non-expiring Rewards points</li><li>International Travel Privileges – Travel Plus Lite Insurance, Purchase Protection and Access to the Skyview Airport Lounge and Club Manila Lounge</li></ul>
AirAsia Credit Card	Your ticket to free flights <ul style="list-style-type: none"><li>Up to 8,000 Welcome BIG Points</li><li>1 BIG Point for as low as Php22 spend</li><li>Instant upgrade to AirAsia BIG Platinum Membership Status</li><li>Priority Check-in, Boarding and Xpress Baggage</li></ul>
RCBC Bankard Balesin World Mastercard	High-status Card with world-class perks exclusive to members of the prestigious Balesin Island Club <ul style="list-style-type: none"><li>Access to worldwide offers with Priceless™ Specials</li><li>Complimentary Priority Pass™ membership</li><li>Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>Free International Travel Insurance and Purchase Protection</li><li>Flexible, non-expiring Rewards points that can be redeemed as payment for Balesin Club transactions at point-of-sale, as AIRMILES, or as Cash Rebates</li></ul>
RCBC Bankard The City Club World Mastercard	High-status Card with unparalleled perks exclusive to members of the prestigious The City Club <ul style="list-style-type: none"><li>Access to worldwide offers with Priceless™ Specials</li><li>Complimentary Priority Pass™ membership</li><li>Unlimited free access to the Skyview Airport Lounge and Club Manila Lounge for the principal cardholder plus one travel companion</li><li>Free International Travel Insurance and Purchase Protection</li><li>Flexible, non-expiring Rewards points that can be redeemed as payment for The City Club transactions at point-of-sale, as AIRMILES, or as Cash Rebates</li></ul>
TRUST SERVICES	
Trusteeship	
Retirement Fund Management	An arrangement which provides companies with expert assistance and advice in the setting-up, management and administration of employee benefit plans to provide for retirement, welfare, savings and other benefits to its employees.
Corporate and Institutional Trust	An arrangement established by juridical entities, institutions, foundations, NGOs, agencies, whether government or private, primarily for charitable, religious, educational, athletic, scientific, medical, cultural, specialized lending or developmental project or such other purposes of similar nature for the purpose of seeking assistance in the management of their investible funds.
Pre-Need Trust Fund Management	A trust fund set up by a pre-need company with a duly licensed trust entity for the delivery of benefits to plan holders under their respective plan contracts, which trust funds shall be managed and administered by the trust entity in accordance with the Pre-need Code and the regulations of the Insurance Commission.
Customized Employee Savings Plan	A product which allows companies to augment their retirement or provident funds through a disciplined approach to saving by encouraging its employees to set aside some of their regular pay for investment and savings purposes.

Product/Service	Description
Employee Savings Plan	A savings plan established by a company for its employees for the purpose of pooling together employee contributions for collective investment and reinvestment in RCBC's Rizal Peso Money Market Fund.
Personal Management Trust	A living trust created by an agreement whereby the trustor conveys property of funds to be managed by the trustee, based on the terms and conditions in the agreement.
Estate Planning	An arrangement where the trust institution provides advice and facilitates for an individual the process of accumulating wealth, conserving and growing the family fortune and preparing for the orderly and cost-efficient distribution of assets to the intended beneficiaries.
Mortgage/Collateral Trust	An arrangement wherein the trust institution acts as an intermediary between a borrower and its creditors in the administration of a single property or a pool of properties securing the loans of a borrower.
Bond Trusteeship	An arrangement wherein the trust institution is given the authority and power by a bond issuer to monitor the terms of a bond indenture and protect the interest of the bondholders.
Legal/Quasi-judicial Trust	Trust agreements mandated by law, executive order, a court or other government regulatory agency, such as in cases of but not limited to receivership, receiving/custodianship arrangements for IPOs or rights offering.
Project Accounts Trusteeship	An arrangement wherein a trust entity manages and administers the cash flows and project accounts in relation to project finance arrangements between a borrower and a group of creditors.
Agency	
Safekeeping	Agency agreements where the property owner turns over to the trust institution his valuables or other instruments such as or those similar to transfer certificate of title or certificate of deposits, where the trust institution has no other duty but to keep the property safe and return or deliver the same to the owner upon the latter's order or instruction.
Escrow	An arrangement wherein a trust entity, as escrow agent, acts as a neutral third party to protect the interest of two or more contracting parties while conditions upon which the contract is contingent are being fulfilled, or to protect the parties' interests in case of default.
Investment Management	An agency account wherein the trust institution manages and invests funds delivered by individual or corporate clients in accordance with certain client-prescribed guidelines and parameters.
Loan/Facility and Paying Agency	An arrangement wherein the trust institution acts for and in behalf of a borrower for the purpose of overseeing the timely and organized implementation of the terms and conditions of a loan/facility arrangement with a group of creditors, including the collection of payments on the facility/loan accounts for remittance to the creditors.
Bond Registry and Paying Agency	Agency agreement where the trust institution is appointed as registrar and/or paying agent for various financial transactions such as but not limited to loan paying services to distribute interest payments and principal amortizations, bond paying services to distribute coupon and principal payments to bond investors or simple distribution of funds to numerous investors
Receiving Agency	An agency arrangement where the trust institution provides receiving bank services in connection with initial public offerings, secondary rights offerings, rights offering and other transactions requiring the recording and receipt of funds from various clients.
Sinking Fund Management	An arrangement whereby an individual or corporation sets aside a certain sum of money for a certain period of time, proceeds of which shall be used to pay certain obligations or shall be utilized for the specific purpose for which the sinking fund was intended.

Product/Service	Description
Stock Transfer and Dividend Paying Agency	An agency arrangement where the trust entity is engaged in ascertaining, verifying and recording the ownership and transfer of the shares of stock of a corporation as well as the issuance of cash or stock dividends to the company's shareholders.
Unit Investment Trust Fund	An open-ended pooled trust funds denominated in any acceptable currency operated and administered by trust entities and made available by participation of various clients, both individual and corporate.
Rizal Peso Money Market Fund	A peso-denominated money market UITF which invests and reinvests in a portfolio of short-term peso fixed-income securities with a maximum portfolio duration of one year.
Rizal Peso Cash Management Fund	A peso-denominated money market UITF which invests and reinvests in a portfolio of short-term peso fixed-income securities with a maximum portfolio duration of one year and has a higher minimum initial investment requirement, a shorter minimum holding period and a lower trust fee.
Rizal Peso Bond	A peso-denominated long-term bond UITF which invests and reinvests in a portfolio of short-term and long-term peso fixed-income securities with a minimum portfolio duration of three years.
Rizal Balanced Fund	A peso-denominated balanced UITF which invests and reinvests up to a maximum of 60% of the Fund in equities listed and to be listed in the Philippine Stock Exchange, with the balance invested in fixed income securities.
Rizal Equity Fund	A peso-denominated equity UITF which invests and reinvests up to 100% of the Fund in equities listed and to be listed in the Philippine Stock Exchange, with the balance invested in fixed income securities.
Rizal Dollar Money Market Fund	A dollar-denominated money market UITF which invests and reinvests in a portfolio of short-term dollar fixed-income securities with a maximum portfolio duration of one year.
Rizal Dollar Bond Fund	A dollar-denominated long-term bond UITF which invests and reinvests in a portfolio of short-term and long-term dollar fixed-income securities with a minimum portfolio duration of three years.
RCBC Peso Short Term Fund	A peso-denominated money market UITF which invests and reinvests in a portfolio of short-term deposits and government securities.
RCBC R25 Blue-Chip Equity Fund	RCBC R25 Blue-Chip Equity Fund is an equity fund invested in the 25 largest and most actively-traded companies listed in the PSE.
RCBC R25 Dividend Equity Fund	RCBC R25 Dividend Equity Fund is an equity fund invested in the 25 largest and most actively-traded companies with the highest 3-year historical dividend yield in the PSE. -
ELECTRONIC BANKING CHANNELS	
Automated Teller Machines	Provides the customer 24/7 access to his/her account and perform multiple types of transactions such as withdrawal, bills payment, funds transfer, balance inquiry, cash advance, change pin, MyWallet reloading.
RCBC Online Banking for Retail	RCBC Online Banking Retail (ROR) allows clients to conveniently perform various banking services, such as fund transfers, bills payment and general account management, anytime, anywhere. Moreover, it also provides an additional security measure for clients because of the lock/unlock card feature which prevents unauthorized transactions with the clients' cards. RCBC Online Banking also provides additional services to the Bank's clients, including purchasing of gaming ePins and mobile load and transfers to other eWallets. These services are both available in web and app versions of the RCBC Online Banking platform. The RCBC Online Banking app may be downloaded from the App Store & Google Play Store for free.
Mobile Banking	This facility allows customers to access their accounts using their Apple/Android smartphones and tablets once they are registered with RCBC Online Banking Retail. The application may be downloaded from the Apple App Store and Google Play Store for free.

Product/Service	Description
DiskarTech Mobile Application	<p>The DiskarTech mobile app will be launched as a secure and hassle-free digital bank account for every Filipino, with all the basic financial services Filipinos need, such as savings, transfers, withdrawals &amp; deposits, bills payment, insurance, and loans. Aside from these financial features, future phases of DiskarTech include a skills marketplace that will allow users to monetize their skills by networking with other users in need of their products/services thereby promoting self-help livelihood and entrepreneurship, and also all-digital healthcare enabling a medical clinic within the App with telemedicine plus digital purchase of discounted medicines thru partners.</p> <p>Thus, it will become the Philippines' first "inclusion super app" – covering financial, livelihood, and healthcare services.</p>
CORPORATE CASH MANAGEMENT SERVICES	
Collection and Receivables Services	
Bills Collection	Billers or merchants can efficiently and conveniently collect payments or sales from their payors/customers/agents/distributors through the following channels: 1) RCBC's strategically located branches nationwide, 2) RCBC internet banking facilities using RCBC Online Retail (ROR), RCBC Online Corporate (ROC) and RCBC Mobile Banking, 3) Automatic Debit Arrangement (ADA) and 4) Automated Teller Machines. At the end-of-day, all payments or collections will be credited centrally to the biller/merchants account including the consolidated daily collection report summarizing all collections received for the day. Reports shall be transmitted via Secured File Transfer Protocol or SFTP.
Automatic Debit Arrangement (ADA)	A collection channel wherein collection of bills/dues of our client's billers are automatically debited from the payor's RCBC account enrolled in ADA Facility and credited to the collection or settlement account of the corporate client.
Deposit Pick-up	RCBC's fleet of armored cars is dispatched to the client's offices or outlets to pick-up funds and deposit to the client's nominated RCBC account. This service fulfills the client's need of having its sales collections and other funds collected in a secure and safe manner.
CashCube Machine	The machine is an added service to our Deposit Pick-Up arrangement. The machine has the capability to automatically count and validate cash bills/notes and issue an acknowledgement receipt to the user. The cash accepted by the machine is recorded in a system real time which the bank and client can access to view and download the daily transactions. The report will be the basis for the bank to credit a corporate client's account as per agreed time with client. Cash inside the machine will be picked-up by the Service Provider once the threshold limit is reached as set by the corporate client. The service provider is responsible for the following: a. Machine maintenance b. Cash pick up servicing from the machine c. Maintenance of the system where the cash accepted by the machine is recorded.
PDC Warehousing	Safekeeping or custodianship of post-dated checks are outsourced to RCBC. All checks will be safe kept in vaults and will be deposited to the customer's RCBC account on maturity date. The status of the PDCs in RCBC custody may be viewed or monitored online through the RCBC Online Corporate (ROC) internet banking system.
CheckStream	RCBC's CheckStream software allows such companies, particularly real estate and leasing companies, to automate the printing of details on all blank checks provided by their customers so that all they need to do is sign the checks, resulting in fast and error-free PDC preparation. The PDCs are then submitted to RCBC, who will monitor maturities and deposit checks that fall due into the company's account. Since CheckStream also automatically uploads the details of all checks prepared, the company can monitor its inventory of PDCs warehoused with RCBC. This software is bundle with PDC Warehousing.

Product/Service	Description
Disbursements	
Auto Credit Arrangement (ACA)	Facility that allows clients to enroll and make regular payments to their suppliers who have RCBC accounts.
Batch Crediting	Facility that allows clients to make adhoc payments to their various partners/ agents/suppliers. No payee enrollment required. There are four payment types, as follows: A) Loan Proceeds; B) Dividend; C) Remittance; D) Supplier Payment.
ROC Onsite Corporate Check Printing Facility	This facility allows clients to prepare and print their checks, vouchers, and acknowledgement receipts in their offices via RCBC Online Corporate (ROC).
ROC Outsourced Corporate Check Printing Facility	This facility allows clients to create or upload bulk check requests via ROC. Printing of corporate checks and subsequent releasing to the clients' payees are done by RCBC through its 110 releasing branches nationwide.
ROC Outsourced Manager's Check Printing Facility	This facility allows clients to create or upload bulk Manager's Check (MC) requests via ROC. Printing of MCs and subsequent releasing to the clients' payees are done by RCBC through its 110 releasing branches nationwide.
Payroll Service	<i>PAYROLL CREDITING</i> This facility allows clients to conveniently send payroll instructions via ROC, to credit the RCBC accounts of their employees.  <i>PAYROLL PROCESSING (with software)</i> This facility automates client's payroll computation and processing.
Outward Remittance (Instapay, Pesonet, RTGS, PDDTS and SWIFT)	Facility to transfer funds from an RCBC account to other bank accounts of clients (Local and International).
Government Payment	
Payment Gateway	Payment Gateway is an internet-based facility that connects to BIR's filing website, eFPS, for the completion of tax payment transactions. After a payment goes through a corporate client's approval workflow, funds are transferred from the client's enrolled current/savings account and remitted to BIR the following day.
Third-Party Services	
Bancnet eGov - SSS/PAg-Ibig/Philhealth	BancNet's e-Gov Online Facility is a web-based electronic filing and payment facility administered by BancNet. It acts as a gateway for the electronic processing of loan and contribution payments between employers and government agencies (SSS, PhilHealth, & Pag-IBIG).
REMITTANCE SERVICES	
RCBC TeleCredit (Credit to a Bank Account)	With RCBC TeleCredit, OFWs can have their remittances credited directly to an RCBC account or any account with other local banks. This is the safest and fastest way to remit funds as proceeds are immediately credited to the OFW or beneficiary's account.
RCBC TeleRemit (Cash Pick-Up)	The beneficiary has the option of picking up the cash from any branch of RCBC, RMB or branch of domestic tie-up partners. These domestic tie-up partners make it possible for the beneficiary to claim his/her remittance even after banking hours or during weekends and holidays.
RCBC TelePay (International Bills Payment)	TelePay is RCBC's international bills payment service that allows overseas Filipinos to course their payments intended to around forty (40) TelePay-accredited companies in the Philippines. Remitters may pay for their SSS contributions, home amortizations and insurance premiums, among others, with the use of this service.
RCBC TeleDoor2Door (Cash Delivery)	With RCBC TeleMoney Door2Door, cash is delivered via courier directly to the beneficiary's given address, providing ease and convenience to the beneficiary.

Product/Service	Description
Maritime Allotment Payment System (MAPS)	A complete payroll solution system designed specifically for shipping and manning companies that deploy employees abroad. A 201 HR file, it can generate reports such as Philhealth, Pag-ibig and SSS as well as print payslips for both seafarers and beneficiaries.
DEBIT CARD	
RCBC MyDebit Mastercard	RCBC MyDebit Mastercard is linked to a client's deposit account and requires a minimum balance of P3,000. It is your perfect tool for everyday spends, bills payment as well as purchases here and abroad. It provides secure cashless convenience for clients because it is accepted in millions of Mastercard-affiliated merchants for in-store and eCommerce purchases. Moreover, the MyDebit Mastercard allows clients to have access to cash through automated teller machines here and abroad.
MYWALLET CO-BRANDED CARDS	
RCBC MyWallet Prepaid Card	The RCBC MyWallet Prepaid Card is a secure reloadable payment tool with no maintaining balance. It is the perfect budget tool because it lets a client enjoy cashless shopping in-store and online without overspending. A client just needs to load it up with the amount he intends to spend and he can use it in millions of affiliated merchants for purchase, bills payment and ATM withdrawal.
RCBC MyWallet Virtual	The RCBC MyWallet Virtual Card is a secure, reloadable budget tool that lets clients enjoy shopping & more without overspending. Clients can just load it up with the budget they intend to spend.
RCBC Telemoney – MyWallet Visa Cash Card	RCBC Telemoney - MyWallet Visa Cash Card is a reloadable prepaid stored value card with zero maintaining balance. It gives customers access to the worldwide Visa network and 24/7 ATM access thru RCBC, RCBC Savings, Megalink, Bancnet and Expressnet ATMs nationwide.
INVESTMENT BANKING	
Underwriting of Debt and Equity Securities for distribution via Public Offering or Private Placement	
Common and Preferred Stock	Guaranteeing and facilitating the distribution and sale of equity and debt securities issued by private institutions via public offering or private placement. This also includes securities of the Government or its instrumentalities.
Convertible Preferred Stock and Bonds	
Long- and Short-Term Commercial Papers and Corporate/Promissory Notes	
Corporate and Local Government Bonds	
Arranging/Packaging of:	
Syndicated Loans (Peso and Dollar)	Facilitates the raising of funds from a lender or a party of lenders which provide credit facilities, either in peso or fcd. It also includes negotiating the financing structure for project finance loans.
Joint Ventures	
Project Finance	
Financial Advisory and Consultancy	Providing long-term and/or short-term advice to clients, in the areas of mergers and acquisitions, corporate finance strategies, restructurings, company valuation and spin-offs.
Mergers and Acquisitions	

LUZON

BAUAN  
Don Quintin Castillo St., Bauan, Batangas  
Landmark: Near Jollibee Bauan, Bauan Public Market  
& Bauan National High School)  
Tel. Nos.: (043) 727-3189;  
(02) 8894-9000 loc. 5707

LAUREL  
C. P. Garcia St., Poblacion 3, Laurel, Batangas  
Tel. Nos.: (043) 741-4030;  
(02) 8894-9000 loc. 5705

NASUGBU  
J. P. Laurel St., Brgy. 9, Nasugbu, Batangas  
Tel. Nos.: (043) 416-0878;  
(02) 8894-9000 loc. 5706

ROSARIO  
Gualberto Ave., Rosario, Batangas  
Tel. Nos.: (043) 321-1463; 414-0038;  
(02) 8894-9000 loc. 5715

SAN JOSE  
Liboro St., San Jose, Occidental Mindoro  
Tel. Nos.: (043) 457-0078;  
(02) 8894-9000 loc. 5701

TANAUAN  
A. Mabini Ave., Tanauan, Batangas  
Tel. Nos.: (043) 405-2074; 784-8193;  
(02) 8894-9000 loc. 5700

LIPA BRANCH LITE UNIT  
Receno Cmpd., Brgy. Sabang, Lipa City, Batangas  
Tel. No.: (043) 702-7679

SAN PABLO BRANCH LITE UNIT  
175 San Rafael, Maharlika Highway  
San Pablo City, Laguna  
Tel. No.: (049) 521-1288

ROXAS BRANCH LITE UNIT  
Magsaysay St., Bagumbayan, Roxas, Oriental Mindoro  
Tel. No.: (02) 8894-9000 Loc. 5703

VISAYAS AND PALAWAN

BALAMBAN  
D.C Sanchez St., Sta. Cruz, Sto. Niño, Balamban, Cebu  
Tel. No.: (02) 8894-9000 loc. 5740

CONSOLACION  
812 National Highway, Brgy. Pitogo  
Consolacion, Cebu City  
Tel. Nos.: (032) 232-4241;  
(02) 8894-9000 loc. 5704

TALISAY  
G/F, South Agora, Tabulasan, San Isidro St.  
Talisay, Cebu  
Tel. Nos.: (032) 272-5857;  
(02) 8894-9000 loc. 5740

PUERTO PRINCESA  
Unit 3 ARL Bldg., Rizal Ave., San Miguel  
Puerto Princesa, Palawan  
Tel. Nos.: (048) 433-0160;  
(02) 8894-9000 loc. 5709

MINDANAO

BUTUAN  
Door 1 & 2, CJU Bldg., Langihan Rd., Purok 12  
Brgy. Limaha, Butuan City  
Tel. Nos.: (085) 225-0298;  
(02) 8894-9000 loc. 5718

CAGAYAN DE ORO  
G/F, GRC Bldg., Limketkai Drive, Brgy. 35  
Cagayan De Oro City  
Tel. Nos.: (088) 880-3115;  
(02) 8894-9000 loc. 5712

DAVAO  
G/F, AndaRizal Center corner Anda  
and Rizal Sts., Barangay 3-A, Davao City  
Tel. Nos.: (082) 222-3947;  
(02) 8894-9000 loc. 5716

DIGOS  
W8 WilVill Bldg., Lim St., Zone 3  
Digos City, Davao Del Sur  
Tel. Nos. ; (02) 8894-9000 loc. 5693

GENERAL SANTOS  
Door A5, ECA Bldg., National Highway  
City Heights, General Santos City  
Tel. Nos.: (083) 552-2700;  
(02) 8894-9000 loc. 5713

KORONADAL  
601 GenSan Drive, Brgy. Zone 03  
Koronadal City  
Tel. Nos.: (083) 228-3198; 228-7693;  
(02) 8894-9000 loc. 5711

TAGUM  
Door 9, Cacayorin Bldg., Circumferential Rd.  
Tagum City, Davao Del Norte  
Tel. Nos.: (084) 216-4465;  
(02) 8894-9000 loc. 5714

VALENCIA  
G/F, JTAM Bldg., Purok 3A  
Poblacion National Highway  
Valencia City, Bukidnon  
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(02) 8894-9000 loc. 5717

PANABO BRANCH LITE UNIT  
Purok Mangga, Sto. Niño, Panabo City  
Davao Del Norte  
Tel. No.: (084) 822-6138

TACURONG BRANCH LITE UNIT  
F Daniel Bldg., National Highway  
Tacurong City, Sultan Kudarat  
Tel. No.: (064) 477-0012-

Subsidiaries  
and  
Associates\*

DOMESTIC

**HONDA CARS PHILIPPINES, INC.\***  
105 South Main Ave., Laguna Technopark  
Brgy. Don Jose, Sta. Rosa City , Laguna  
Tel. No.: (02) 8857-7200  
PRESIDENT & GM: NORIYUKI TAKAKURA

**RCBC CAPITAL CORPORATION**  
21/F, Tower II, RCBC Plaza  
6819, Ayala Ave., Makati City  
Tel. No.: (02) 8894-9000  
Fax No.: (02) 8845-3457  
PRESIDENT & CEO: JOSE LUIS F. GOMEZ

**RCBC BANKARD SERVICES CORPORATION**  
31/F, Robinsons Equitable Tower  
cor. ADB Ave. and Poveda St.  
Ortigas Center, Pasig City  
Tel. No.: (02) 8688-1888  
PRESIDENT & CEO: SIMON JAVIER A.  
CALASANZ

**RCBC SECURITIES, INC.**  
21/F, Tower II, RCBC Plaza  
6819, Ayala Ave., Makati City  
Tel. No.: (02) 8894-9000 loc 1861  
Fax No.: (02) 8889-7643  
ACTING PRESIDENT: RAUL P. RUIZ

**RCBC FOREX BROKERS CORPORATION**  
8/F, Yuchengco Tower, RCBC Plaza  
6819, Ayala Ave., Makati City  
Tel. No.: (02) 8844-1608  
Fax No.: (02) 8894-9080  
PRESIDENT & CEO: JOSEPH COLIN B.  
RODRIGUEZ

**RCBC-JPL HOLDING COMPANY, INC.**  
(Formerly President Jose P. Laurel Rural  
Bank, Inc.)  
2/F, President Laurel Bldg.  
Pres. Jose P. Laurel Highway  
Tanauan City, Batangas  
Tel. No.: (02) 8778-4444  
PRESIDENT: CLARO PATRICIO L. CONTRERAS

**RCBC LEASING AND FINANCE CORPORATION**  
2/F, Grepalife Bldg.  
221 Sen. Gil Puyat Ave., Makati City  
Tel. No.: (02) 8810-9660  
PRESIDENT & CEO: ALFONSO C. TANSECO

**RCBC RENTAL CORPORATION**  
2/F Grepalife Bldg.  
221 Sen. Gil Puyat, Ave., Makati City  
Tel. No.: (02) 8810-9660  
PRESIDENT & CEO: ALFONSO C. TANSECO

**RIZAL MICROBANK, INC. –  
A THRIFT BANK OF RCBC**  
3/F, AndaRizal Center  
Rizal St. cor Anda St.  
Brgy. 3-A, Davao City  
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PRESIDENT: RAYMUNDO C. ROXAS

**NIYOG PROPERTY HOLDINGS, INC.**  
12/F, Yuchengco Tower, RCBC Plaza  
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Tel. No.: (02) 894-9000 loc 1675  
PRESIDENT: JOHN THOMAS G. DEVERAS

**CAJEL REALTY CORPORATION**  
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**ISUZU PHILIPPINES CORPORATION**  
114 Technology Ave., Laguna Technopark  
Biñan, Laguna  
Tel. No.: (02) 541-0224  
PRESIDENT: HAJIME KOSO

**LUISITA INDUSTRIAL PARK CORPORATION\***  
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PRESIDENT: MARIO C. PAGUIO

**YGC CORPORATE SERVICES, INC.\***  
5/F, Grepalife Bldg.  
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PANES